

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **December 31, 2019**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-55049

**CURRENCYWORKS INC.**

(Exact name of registrant as specified in its charter)

**Nevada**  
State or other jurisdiction of  
incorporation or organization

**27-3098487**  
(I.R.S. Employer  
Identification No.)

**561 Indiana Court, Los Angeles, CA 90291**  
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code: **424.570.9446**

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol(s)	Name of each exchange on which registered
Nil	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act

**Common Stock**  
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Yes  No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

\$4,471,691 based on a price of \$0.235 per share multiplied by 19,028,474 shares of common stock held by non-affiliates.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of March 30, 2020, there were 23,756,033 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980). **Not Applicable**

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## PART I

### ITEM 1. BUSINESS

#### Forward-Looking Statements

This annual report contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, forward-looking statements can be identified by the use of terminology such as "may", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential" or "continues" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this annual report include or may include, among others, statements about:

- our proposed plan of operations;
- our financial and operating objectives and strategies to achieve them;
- the costs and timing of our services;
- our use of available funds;
- our capital and funding requirements; and
- our other financial or operating performances.

The material assumptions supporting these forward-looking statements include, among other things:

- our future growth potential, results of operations, future prospects and opportunities;
- execution of our business strategy;
- there being no material variations in current regulatory environments;
- our operating expenses, including general and administrative expenses;
- our ability to obtain any necessary financing on acceptable terms;
- timing and amount of capital expenditures;
- retention of skilled personnel;
- continuation of current tax and regulatory regimes; and
- general economic and financial market conditions.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including:

- inability to efficiently manage our operations;
- general economic and business conditions;
- our negative operating cash flow;
- our ability to obtain additional financing;
- our ability to collect outstanding loans;
- increases in capital and operating costs;
- general cryptocurrency risks;
- technological changes and developments in the blockchain and cryptocurrencies;
- risks relating to regulatory changes or actions;
- competition for blockchain platforms and technologies; and
- other factors discussed under the section entitled "Risk Factors",

any of which may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Further, although we have attempted to identify factors that could cause actual results, levels of activity, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause results, levels of activity, performance or achievements not to be as anticipated, estimated or intended.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect management's current judgment regarding the direction of our business, actual results may vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Accordingly, readers should not place undue reliance on forward-looking statements. Except as required by applicable law, including the securities laws of the United States and Canada, we do not intend to update any of the forward-looking statements to conform these statements to actual results. All forward-looking statements in this annual report are qualified by this cautionary statement.

All financial information contained herein is shown in United States dollars unless otherwise stated. Our financial statements are prepared in accordance with United States generally accepted accounting principles. Unless otherwise stated, "\$" refers to United States dollars.

In this annual report, unless otherwise specified, all references to "shares" refer to shares of common stock in the capital of our company.

As used in this annual report, the terms "we", "us", "the Company", "our" and "CurrencyWorks" mean CurrencyWorks Inc. and its wholly-owned subsidiaries, CurrencyWorks USA Inc. (formerly ICOx USA, Inc.), Cathio, Inc., and sBetOne, Inc., unless otherwise specified.

## **Corporate Overview**

We were incorporated under the laws of the State of Nevada on July 20, 2010 under the name "Redstone Literary Agents, Inc.". Following incorporation, we commenced the business of representing authors to publishers.

Upon the resignation of Mary Wolf as an officer of our company on August 28, 2014, we ceased pursuing the business of representing authors to publishers and sought new business opportunities.

In July 2017, we decided to operate a new business of providing services for blockchain and cryptocurrency technologies and incorporated a Nevada subsidiary, ICOx USA, Inc. (formerly AppCoin Innovations (USA) Inc.) on August 1, 2017.

Effective August 17, 2017, we completed a merger with our wholly-owned subsidiary, AppCoin Innovations Inc., a Nevada corporation, which was incorporated solely to effect a change in our name. As a result, we changed our name from "Redstone Literary Agents, Inc." to "AppCoin Innovations Inc."

Effective February 14, 2018, we completed a merger with our wholly-owned subsidiary, ICOx Innovations Inc., a Nevada corporation, which was incorporated solely to effect a change in our name. As a result, we changed our name from "AppCoin Innovations Inc." to "ICOx Innovations Inc."

On November 19, 2018, we incorporated a new Delaware subsidiary, GN Innovations, Inc., to provide blockchain technology opportunities to the sports and entertainment industry by working with large and well-established brands. Effective December 5, 2018, we changed the name of this subsidiary to "GN1, Inc." and effective February 6, 2019, we changed the name of this subsidiary to "sBetOne, Inc.". Effective February 6, 2019, we effected a name change for our subsidiary from "GN1, Inc." to "sBetOne, Inc."

On November 28, 2018, we incorporated a new Delaware subsidiary, Cathio, Inc., to provide blockchain technology opportunities to the Catholic community.

On September 3, 2019, the Company changed its name from "ICOx Innovations Inc." to "CurrencyWorks Inc." and a subsidiary of the Company changed its name from "ICOx USA, Inc." to "CurrencyWorks USA Inc."

## **Recent Developments**

On February 7, 2020, Our customer Ryde Holdings and Ryde gmbh paid Currency Works US\$125,000 in accrued interest and \$150,000 in principal repayment on the outstanding debt of \$1,200,000. We have also concluded the Business Services Agreement ("BSA") with our Customer Ryde GMBH and Ryde GMBH who have agreed to issue to us 10 million KodakOne Tokens after their issuance.

Since year end December 31, 2019, a total of \$619,715.17 in outstanding payables had been forgiven with directors, officers and key suppliers. In addition, monthly fees for directors, officers and key suppliers has been reduced by a total of \$105,077 per month.

On December 20, 2019 certain of our officers and directors agreed to forgive amounts owed to them up to November 30, 2019 for a total of \$219,500.17, as follows:

Bruce Elliott \$48,000, James P. Geisopf \$40,000, Emond C. Moy \$29,166.69, James Carter \$29,166.69, Alphonso Jackson, \$29,166.69, Michael Blum \$24,000 and Swapan Kakumanu \$20,000, totalling \$219,500.17.

In addition, the above have amended all consulting fees to \$1 per month going forward, with the exception of Lead director James P Geiskopf reducing from \$10,000 to \$5000 per month going forward.

Business Instincts Group also amended their fees under the Business services agreement from \$66,750 per month to \$1 per month going forward and forgave \$386,250 in fees up to November 2019, owed by CurrencyWorks Inc.

Independent consulting agreement dated effective October 1, 2018 with Red to Black Inc. with consulting fees in the amount of \$8,000 per month terminated effective November 30, 2019. Fees owed by CurrencyWorks Inc. of \$86,000 up to November 30, 2019 were also forgiven by Red to Black Inc.

Independent consultant agreement dated effective October 9, 2017 with Bruce Elliott. Consulting fee in the amount of \$8,000 per month amended to \$1 per month

Offer letter dated January 22, 2018 with James P. Geiskopf amended from \$10,000 to \$5,000 per month.

Offer letter dated February 9, 2018 with Edmund C. Moy amended from \$4,167 to \$1 per month.

Offer letter dated May 17, 2018 with James Carter amended from \$4,167 to \$1 per month.

Offer letter dated June 22, 2018 with Alphonso Jackson amended from \$4,167 to \$1 per month.

Independent consultant agreement dated effective October 9, 2017, as amended on November 30, 2018 and July 1, 2019 with Michael Blum amended from \$6,000 to \$1 per month.

Business Services Agreement dated October 18, 2017, as amended on June 26, 2018 with Business Instincts Group Inc. amended from \$66,750 to \$1 per month. Fees owed by us of \$386,250 up to November 30, 2019 were forgiven by Business Instincts Group Inc. pursuant to a letter dated January 21, 2020.

Independent consulting agreement dated effective October 1, 2018 with Red to Black Inc. amended from \$8,000 to \$1 per month. Fees owed by us of \$86,000 up to November 30, 2019 were forgiven by Red to Black Inc.

## **Description of Business**

### ***Overview***

Our business is a services and development business that provides a turnkey set of services for companies to develop and integrate blockchain and cryptocurrency technologies into their business operations, including payment tokens (i.e. stable coins), security tokens and digital collectible assets (non-fungible tokens). We anticipate that we will enable companies to focus on their core competencies while providing the necessary resources and expertise to execute a strategy that will enable companies to integrate new blockchain plus cryptocurrency technologies into their business operations. Our plan is to be compensated on a fee-for-services model, technology licensing model and a recurring transaction revenue model. We may accept tokens, coins or equity in payment for our services to the extent permitted under applicable law.

### ***Blockchain Technology***

Blockchain is a continuously growing list of records called blocks, which are linked and secured using cryptography. Each block contains typically a hash pointer as a link to a previous block, a timestamp and transaction data. By design, blockchains are inherently resistant to modification of the data. Functionally, a blockchain can serve as an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way. For use as a distributed ledger, a blockchain is typically managed by a peer-to-peer network collectively adhering to a protocol for validating new blocks. Once recorded, the data in any given block cannot be altered retroactively without the alteration of all subsequent blocks and a collusion of the network majority.

Blockchains are secure by design and are an example of a distributed computing system and decentralization can be achieved with a blockchain. This makes blockchains potentially suitable for the recording of events, medical records and other record management activities, such as identity management, documenting provenance, digital asset registration and transaction processing.

### ***Principal Services***

We plan to generate revenue through the following services:

#### **1. Business Development and Technical Services**

- Business modeling and scoping and development;
- Advisory services surrounding payment services;
- Advisory services surrounding reward and loyalty programs;
- Assistance & sourcing of technical guidance surrounding creation of working model from conceptual framework.

#### **2. Blockchain and Technology Program Management**

- Product vision and road-mapping;
- Program development and project management; and
- Product development and testing.

#### **3. Customer Development**

- Customer discovery and scoping (not including any distribution or marketing related services, or assistance regarding the offer or sale of any tokens or coins); and
- Product commercialization and support.

#### **4. Business Launch Services**

- Public relations & business development plans and strategies maximizing physical and digital outreach (not including any distribution or marketing related services, or assistance regarding the offer or sale of any tokens or coins);
- Initial community development & management strategy;
- Establish digital/social media presence (not including any distribution or marketing related services, or assistance regarding the offer or sale of any tokens or coins);
- Whitepaper preparation and continued iterative reviews;
- Due diligence report;
- Website infographics and design;
- Smart contract creation, sourcing, conceptualization and high-level specifications;
- Provide sourcing, guidance and assistance where required to engineering team surrounding the development of token wallet; and
- Specifications of platform website, and database backend built to collect user information.

#### **5. Post-Business Launch Support Services**

- Public relations to support (not including any distribution or marketing related services, or assistance regarding the offer or sale of any tokens or coins);
- Community development and management; and
- General support.

We do not intend to find or make referrals to, or otherwise solicit, or assist in any way in the solicitation of, investors for investment in any of our clients' coin offerings, act as a placement agent for the sale of our clients' coins, or otherwise engage in any activity that would require us to register under Section 15(b) of the Securities Exchange Act of 1934, or similar provisions under state law.

## ***Sales and Marketing***

We intend to implement our sales and marketing plan to attract new clients to our blockchain consulting business as follows:

- Maintain an online presence through our website and social media channels by utilizing video, written content and social implementations to create awareness;
- Sponsorship of cryptocurrency and blockchain related events;
- Speaking engagements at industry conferences;
- Networking within our established channels
- Direct sales channel management programs including both inbound and outbound programs and client referrals; and
- Public relations campaigns.

## ***Dependence on Few Customers***

As of March 30, 2020, we have three clients which have engaged us to build out their business models, technology strategy, market entry strategy, and capital structure, which includes a blockchain platform launch. However, we have several potential customers in our sales pipeline.

## ***Competition***

We are in a novel business of providing services for companies to develop and integrate blockchain and cryptocurrency technologies into their business operations. We compete with the following competitors:

- **The Argon Group**

The Argon Group (“**Argon**”) is an investment bank with a focus on digital finance and cryptocurrency and token-based capital markets. Argon provides financial advisory, placement, and technology services to companies seeking to raise equity, debt, and non-dilutive capital. Argon develops technical placement solutions, including digital tokens powered by advanced smart contracts, which Argon operates through a digital asset placement platform called TokenHub.com.

- **Paypal**

PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering more than 300 million consumers and merchants in more than 200 markets to join and thrive in the global economy.

- **Stripe**

Stripe is a technology company that builds economic infrastructure for the internet. Businesses of every size, from new startups to public companies, use the company’s software to accept online payments and run technically sophisticated financial operations in more than 100 countries. Stripe helps companies get started and grow their revenues, and also helps established businesses accelerate into new markets and launch new business models. Over the long term, Stripe aims to increase the GDP of the internet.

- **CoinList**

CoinList uses screens and selects blockchain companies. In August 2017, CoinList facilitated the token sale for blockchain-based data storage network Filecoin. CoinList also offers as part of its service a white-labeled compliance infrastructure stack. Purpose-built for token sales, ComplyAPI provides companies with SEC Rule 506 investor accreditation and know-your-client and anti-money laundering compliance due diligence through a simple integration and API.

- **ConsenSys**

ConsenSys is a venture production studio building decentralized applications and various developer and end-user tools for blockchain ecosystems, primarily focused on Ethereum. The ConsenSys “hub” coordinates, incubates, accelerates and spawns “spoke” ventures through development, resource sharing, acquisitions, investments and the formation of joint ventures. These spokes benefit from foundational components built by ConsenSys that enable new services and business models to be built on the blockchain. In addition to the development of internal projects and consulting work, ConsenSys is engaged in the identification, development and acquisition of talent and projects on an ongoing basis.

- **IBM**

With thousands of technical experts, IBM is moving quickly into enterprise blockchain and claims the leading blockchain for business platform. This is primarily B2B focused work.

Many of our current and potential competitors may have greater brand recognition, longer operating histories, larger customer bases and significantly greater financial, marketing and other resources than we do. Accordingly, these competitors may be able to spend greater amounts on product development, marketing and distribution. This advantage could enable our competitors to acquire larger market share and develop and offer more competitive products and services. Such competition could adversely impact our ability to attain the financing necessary for us to develop our business plan. In the face of competition, we may not be successful in sufficient market share to make our business profitable.

- Many of the large management consultancy firms are developing blockchain-specific practice areas including Accenture, Deloitte and Bain.
- Facebook’s Calibra Wallet and the Libra Foundation stable coin project is in development.

### ***Intellectual Property and Technology***

We do not currently own any intellectual property. We intend to aggressively assert our rights under trade secret, patents, trademark and copyright laws to protect any intellectual property that we create, including product design, product research and concepts and recognized trademarks. These rights may be protected through the acquisition of patents and trademark registrations, the maintenance of trade secrets, the development of trade dress, and, where appropriate, litigation against those who are, in our opinion, infringing these rights.

We may initiate claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. In addition, while we are not aware that our services or proprietary rights infringe the proprietary rights of third parties, we may receive notices from third parties asserting that we have infringed their patents, trademarks, copyrights or other intellectual property rights. Any such claims could be time-consuming, result in costly litigation, cause service stoppages or lead us to enter into royalty or licensing agreements rather than disputing the merits of such claims. An adverse outcome in litigation or similar proceedings could subject us to significant liabilities to third parties, require expenditure of significant resources to develop non-infringing technology, require disputed rights to be licensed from others, or require us to cease operating our business, any of which could have a material adverse effect on our business, operating results and financial condition.

As we have just begun our new business, we have devoted no substantial efforts to research and development within the last three fiscal years.

### ***Government Regulation***

Current and future legislation and rulemaking and other regulatory developments, including interpretations released by a regulatory authority, may impact the manner in which bitcoins or other cryptocurrency is viewed or treated for classification and clearing purposes. In particular, bitcoins and other cryptocurrency may not be excluded from the definition of “security” by regulatory rulemaking or interpretation requiring registration of all transactions, unless an exemption is available, including transacting in bitcoin or cryptocurrency amongst owners, and require registration of trading platforms as “exchanges” such as Coinsquare. We cannot be certain as to how future regulatory developments will impact the treatment of bitcoins and other cryptocurrencies under the law. If we determine not to comply with such additional regulatory and registration requirements, we may seek to cease certain of our operations or be subjected to fines, penalties and other governmental action. Any such action may adversely affect an investment in us. Such circumstances would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account and harm investors.

We intend to comply with any applicable anti-money laundering or know your customer rules relating to tokens imposed by the SEC and Canadian securities regulators.

### ***Investment Company Act of 1940 Considerations***

We intend to conduct our operations so that we do not fall within, or are excluded from the definition of an “investment company” under the Investment Company Act of 1940.

Under Section 3(a)(1)(A) of the Investment Company Act of 1940, a company is deemed to be an “investment company” if it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. We believe that we will not be considered an investment company under Section 3(a)(1)(A) of the Investment Company Act of 1940 because we will not engage primarily or hold ourselves out as being engaged primarily in the business of investing, reinvesting or trading in securities. Rather, our new business is a services and development business that provides a turnkey set of services for companies to develop and integrate blockchain and cryptocurrency technologies into their business operations.

Under Section 3(a)(1)(C) of the Investment Company Act of 1940, a company is deemed to be an “investment company” if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire “investment securities” having a value exceeding 40% of the value of our company’s total assets (exclusive of U.S. Government securities and cash items) on an unconsolidated basis, which we refer to as the “40% test.” We intend to monitor our holdings and conduct operations so that on an unconsolidated basis we will comply with the 40% test. Nevertheless, because we may accept tokens, coins or equity in payment for our services, to the extent permitted under applicable law, we may acquire “investment securities” having a value exceeding 40% of the value of our company’s total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. In that case, we intend to rely on a safe harbor exemption from the Investment Company Act of 1940 for so-called “transient investment companies.”

Consistent with the “transient investment company” safe harbor, we will have to reduce our holdings of “investment securities to not more than 40% of our total assets as soon as is reasonably possible and in any event within one year from the earlier of (i) the date on which we own securities and/or cash having a value exceeding 50% of the value of our company’s total assets on either a consolidated or unconsolidated basis or (ii) the date on which we own or propose to acquire “investment securities” having a value exceeding 40% of the value of our company’s total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. This reduction could be attempted in a number of ways, including the disposition of securities and the acquisition of other assets that would not constitute investment securities for purposes of the Investment Company Act of 1940. If we are required to sell securities, we may sell them sooner than we otherwise would, the sales may be at depressed prices, and we may never realize anticipated benefits from, or may incur losses on, those investments. We may not be able to sell some investments due to contractual or legal restrictions or the inability to locate a suitable buyer. We may also incur tax liabilities when we sell our assets. If we decide to try to acquire additional assets that would not constitute investment securities, we may not be able to identify and acquire suitable assets. If these steps do not achieve a sufficient reduction in our holdings of investment securities within the prescribed period, we will be forced to liquidate some of our securities holdings and invest the proceeds in U.S. government securities and cash items, with a potential loss.

Because we can rely on the “transient investment company” safe harbor only once during any three-year period, we may not accept tokens, coins or equity in payment for our services during the period that this safe harbor is not available.

If we become obligated to register our company as an investment company, we would have to comply with a variety of substantive requirements under the Investment Company Act of 1940 imposing, among other things:

- limitations on capital structure;
- restrictions on specified investments;
- prohibitions on transactions with affiliates; and
- compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly change our operations.

If we were required to register our company as an investment company but failed to do so, we would be prohibited from engaging in our business, and criminal and civil actions could be brought against us. In addition, our contracts would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of us and liquidate our business, all of which would have a material adverse effect on us.

### ***Employees***

As at March 30, 2020, we have three executive officers, Bruce Elliott, who is our president, Michael Blum, who is our chief operating officer, secretary, and treasurer, and Swapan Kakumanu, who is our chief financial officer, and no employees. Our management oversees all responsibilities in the areas of corporate administration, business development, and research. We also employ consultants on an as-needed-basis to provide specific expertise in areas of product design and development and other business functions including marketing and accounting. We intend to expand our current management to retain skilled directors, officers, and employees with experience relevant to our business focus.

## **ITEM 1A. RISK FACTORS**

An investment in our common stock involves a number of very significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this annual report in evaluating our company and our business before purchasing our securities. Our business, operating results and financial condition could be seriously harmed as a result of the occurrence of any of the following risks. You could lose all or part of your investment due to any of these risks. You should invest in our common stock only if you can afford to lose your entire investment.

### **General Cryptocurrency Risks**

*Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be subject to fraud and failures.*

When cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, such events could result in a reduction in cryptocurrency prices or confidence and impact our success and have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects and operations.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, commodities or currencies. For example, during the past three years, a number of bitcoin exchanges have closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed exchanges were not compensated or made whole for partial or complete losses of their account balances. While smaller exchanges are less likely to have the infrastructure and capitalization that may provide larger exchanges with some stability, larger exchanges may be more likely to be appealing targets for hackers and “malware” (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action. We do not maintain any insurance to protect from such risks, and do not expect any insurance for customer accounts to be available (such as federal deposit insurance) at any time in the future, putting customer accounts at risk from such events. In the event we face fraud, security failures, operational issues or similar events such factors would have a material adverse effect on our ability of to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects and operations.

***Regulatory changes or actions may alter the nature of an investment in us or restrict the use of cryptocurrencies in a manner that adversely affects our business, prospects or operations.***

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies, with certain governments deeming them illegal while others have allowed their use and trade.

Governments may in the future curtail or outlaw the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may also take regulatory action that may increase the cost and/or subject cryptocurrency companies to additional regulation. The effect of any future regulatory change on our business or any cryptocurrency that may impact our business is impossible to predict, but such change could be substantial and would have a material adverse effect on our business, prospects and operations.

Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. Similar actions by governments or regulatory bodies could result in restriction of the acquisition, ownership, holding, selling, use or trading in our securities. Such a restriction could have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, raise new capital which would have a material adverse effect on our business, prospects or operations and harm investors in our securities.

On-going and future regulatory actions and regulatory change related to our business or cryptocurrencies, may impact our ability to continue to operate and such actions could affect our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations.

***The development and acceptance of cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate.***

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may occur and is unpredictable. The factors include, but are not limited to:

- Continued worldwide growth in the adoption and use of cryptocurrencies;
- Governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;
- Changes in consumer demographics and public tastes and preferences;
- The maintenance and development of the open-source software protocol of the network;
- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- General economic conditions and the regulatory environment relating to digital assets; and
- Negative consumer sentiment and perception of bitcoin specifically and cryptocurrencies generally.

Such events would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account and harm investors in our securities.

***Banks and financial institutions may not provide banking services, or may cut off services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment, including financial institutions of investors in our securities.***

A number of companies that provide bitcoin and/or other cryptocurrency-related services have been unable to find banks or financial institutions that are willing to provide them with bank accounts and other services. Similarly, a number of companies and individuals or businesses associated with cryptocurrencies may have had and may continue to have their existing bank accounts closed or services discontinued with financial institutions. We also may be unable to obtain or maintain these services for our business. The difficulty that many businesses that provide bitcoin and/or other cryptocurrency-related services have and may continue to have in finding banks and financial institutions willing to provide them services may be decreasing the usefulness of cryptocurrencies as a payment system and harming public perception of cryptocurrencies and could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of cryptocurrencies as a payment system and the public perception of cryptocurrencies could be damaged if banks or financial institutions were to close the accounts of businesses providing bitcoin and/or other cryptocurrency-related services. This could occur as a result of compliance risk, cost, government regulation or public pressure. The risk applies to securities firms, clearance and settlement firms, national stock and commodities exchanges, the over the counter market and the Depository Trust Company, which, if any of such entities adopts or implements similar policies, rules or regulations, could result in the inability of our investors to open or maintain stock or commodities accounts, including the ability to deposit, maintain or trade our securities. Such factors would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and harm investors.

***The impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain.***

Crises may motivate large-scale purchases of cryptocurrencies which could increase the price of cryptocurrencies rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior wanes, adversely affecting the value of any cryptocurrencies we hold or expect to acquire for our own account. Such risks are similar to the risks of purchasing commodities in general uncertain times, such as the risk of purchasing, holding or selling gold.

As an alternative to gold or fiat currencies that are backed by central governments, cryptocurrencies, which are relatively new, are subject to supply and demand forces. How such supply and demand will be impacted by geopolitical events is uncertain but could be harmful to us and investors in our securities. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of cryptocurrencies either globally or locally. Such events would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account.

***Acceptance and/or widespread use of cryptocurrency is uncertain.***

Currently, there is a relatively small use of bitcoins and/or other cryptocurrencies in the retail and commercial marketplace for goods or services. In comparison there is relatively large use by speculators contributing to price volatility.

The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. Such lack of acceptance or decline in acceptances would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account.

***Political or economic crises may motivate large-scale sales of Bitcoins and Ethereum, or other cryptocurrencies, which could result in a reduction in value and adversely affect us.***

As an alternative to fiat currencies that are backed by central governments, digital assets such as bitcoins and Ethereum, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of bitcoins and Ethereum and other cryptocurrencies either globally or locally. Large-scale sales of bitcoins and Ethereum or other cryptocurrencies would result in a reduction in their value and could adversely affect us. Such circumstances would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account and harm investors.

***It may be illegal now, or in the future, to acquire, own, hold, sell or use bitcoins, Ethereum, or other cryptocurrencies, participate in the blockchain or utilize similar digital assets in one or more countries, the ruling of which would adversely affect us.***

Although currently bitcoins, Ethereum, and other cryptocurrencies, the blockchain and digital assets generally are not regulated or are lightly regulated in most countries, including the United States, one or more countries such as China and Russia may take regulatory actions in the future that could severely restrict the right to acquire, own, hold, sell or use these digital assets or to exchange for fiat currency. Such restrictions may adversely affect us. Such circumstances would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account and harm investors.

***If regulatory changes or interpretations require the regulation of bitcoins or other digital assets under the securities laws of the United States or elsewhere, including the Securities Act of 1933, the Securities Exchange Act of 1934 and the Investment Company Act of 1940 or similar laws of other jurisdictions and interpretations by the SEC, CFTC, IRS, Department of Treasury or other agencies or authorities, we may be required to register and comply with such regulations, including at a state or local level. To the extent that we decide to continue operations, the required registrations and regulatory compliance steps may result in extraordinary expense or burdens to us. We may also decide to cease certain operations. Any disruption of our operations in response to the changed regulatory circumstances may be at a time that is disadvantageous to us.***

Current and future legislation and SEC rulemaking and other regulatory developments, including interpretations released by a regulatory authority, may impact the manner in which bitcoins or other cryptocurrency is viewed or treated for classification and clearing purposes. In particular, bitcoins and other cryptocurrency may not be excluded from the definition of “security” by SEC rulemaking or interpretation requiring registration of all transactions, unless another exemption is available, including transacting in bitcoin or cryptocurrency amongst owners and require registration of trading platforms as “exchanges” such as Coinsquare. We cannot be certain as to how future regulatory developments will impact the treatment of bitcoins and other cryptocurrencies under the law. If we determine not to comply with such additional regulatory and registration requirements, we may seek to cease certain of our operations or be subjected to fines, penalties and other governmental action. Any such action may adversely affect an investment in us. Such circumstances would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account and harm investors.

***Lack of liquid markets, and possible manipulation of blockchain/cryptocurrency-based assets may adversely affect us.***

Digital assets that are represented and trade on a ledger-based platform may not necessarily benefit from viable trading markets. Stock exchanges have listing requirements and vet issuers, requiring them to be subjected to rigorous listing standards and rules and monitoring investors transacting on such platform for fraud and other improprieties. These conditions may not necessarily be replicated on a distributed ledger platform, depending on the platform’s controls and other policies. The more lax a distributed ledger platform is about vetting issuers of digital assets or users that transact on the platform, the higher the potential risk for fraud or the manipulation of digital assets. These factors may decrease liquidity or volume, or increase volatility of digital securities or other assets trading on a ledger-based system, which may adversely affect us. Such circumstances would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account and harm investors.

## **Risks Related to Our Business**

***We have an evolving business model.***

As digital assets and blockchain technologies become more widely available, we expect the services and products associated with them to evolve. As a result, to stay current with the industry, our business model may need to evolve as well. From time to time, we may modify aspects of our business model relating to our product mix and service offerings. We cannot offer any assurance that these or any other modifications will be successful or will not result in harm to the business. We may not be able to manage growth effectively, which could damage our reputation, limit our growth and negatively affect our operating results. In addition, we intend to spend between \$500,000 and \$1,000,000 on various expenses to assist client companies to develop and integrate blockchain and cryptocurrency technologies into their business operations. These expenses that we incur are risk capital and can only be recovered by us if the applicable clients can successfully launch their businesses. Therefore, we risk losing substantial amounts of capital in the event any of our clients do not successfully launch their businesses. Such circumstances would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account and harm investors.

***The loss or potential loss of our exclusion from regulation pursuant to the Investment Company Act of 1940, the Investment Advisors Act of 1940 or any related state exemptions, could require us to restructure our operations.***

The SEC heavily regulates the manner in which “investment companies,” “investment advisors,” and “broker-dealers” are permitted to conduct their business activities. We believe we will conduct our business in a manner that does not result in us being characterized as an investment company, an investment advisor or a broker-dealer, as we do not believe that we will engage in any of the activities that require registration under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or any similar provisions under state law. We intend to continue to conduct our business in such manner. If, however, we are deemed to be an investment company, an investment advisor, or a broker-dealer, we may be required to institute burdensome compliance requirements and our activities may be restricted, which would affect our business to a material degree. The loss or potential loss of our exclusion from regulation pursuant to the Investment Company Act of 1940, the Investment Advisors Act of 1940 or any related state exemptions, could require us to restructure our operations, which could have an adverse effect on our financial condition and results of operations. In addition, we are determined to have engaged in activities that require any such registration, without obtaining such registration, we could be subject to civil and/or criminal liability, which could have an adverse effect on our financial condition and results of operations.

***Cryptocurrency inventory, including that maintained by or for us, may be exposed to cybersecurity threats and hacks.***

As with any computer code generally, flaws in cryptocurrency codes may be exposed by malicious actors. Several errors and defects have been found previously, including those that disabled some functionality for users and exposed users’ information. Flaws in and exploitations of the source code allow malicious actors to take or create money have previously occurred. To date, several hackings have become public knowledge whereby hackers have exploited security vulnerabilities in computer code used by cryptocurrency exchanges, digital wallets and companies that hold cryptocurrency to steal the equivalent of hundreds of millions of dollars based on current exchange rates. Such events would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account.

***Competing blockchain platforms and technologies may adversely affect our business.***

The development and acceptance of competing blockchain platforms or technologies may cause consumers to use alternative distributed ledgers or an alternative to distributed ledgers altogether. This may adversely affect us and our exposure to various blockchain technologies. Such circumstances would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account and harm investors.

***Competition in our market could harm our business.***

Many of our current and potential competitors may have greater brand recognition, longer operating histories, larger customer bases and significantly greater financial, marketing and other resources than we do. Accordingly, these competitors may be able to spend greater amounts on product development, marketing and distribution. This advantage could enable our competitors to acquire larger market share and develop and offer more competitive products and services. Such competition could adversely impact our ability to attain the financing necessary for us to develop our business plan. In the face of competition, we may not be successful in sufficient market share to make our business profitable.

***The cryptocurrency assets we hold may be subject to loss, theft or restriction on access.***

There is a risk that some or all of the cryptocurrency assets we hold from time to time could be lost or stolen. Access to the cryptocurrency assets we hold from time to time could also be restricted by cybercrime (such as a denial of service attack) against a service at which we maintain a hosted online wallet. Any of these events may adversely affect our operations and, consequently, our investments and profitability. The loss or destruction of a private key required to access our digital wallets may be irreversible and we may be denied access for all time to our cryptocurrency holdings. Our loss of access to our private keys or our experience of a data loss relating to our digital wallets could adversely affect our investments and assets.

Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet's public key or address is reflected in the network's public blockchain. We will publish the public key relating to digital wallets in use when we verify the receipt of transfers and disseminate such information into the network, but we will need to safeguard the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, we will be unable to access the cryptocurrency assets we hold from time to time and such private keys will not be capable of being restored by any network. Any loss of private keys relating to digital wallets used to store the cryptocurrency assets we hold from time to time would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account.

***Incorrect or fraudulent coin transactions may be irreversible.***

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred coins may be irretrievable. As a result, any incorrectly executed or fraudulent coin transactions could adversely affect our investments and assets.

Coin transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. In theory, cryptocurrency transactions may be reversible with the control or consent of a majority of processing power on the network. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of a coin or a theft of coin generally will not be reversible and we may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, our coins could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts. Such events would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account.

***Since there has been limited precedence set for financial accounting of bitcoin, Ethereum, and other digital assets, it is unclear how we will be required to account for digital assets transactions in the future.***

Since there has been limited precedence set for the financial accounting of digital assets, it is unclear how we will be required to account for digital asset transactions or assets. Furthermore, a change in regulatory or financial accounting standards could result in the necessity to restate our financial statements. Such a restatement could negatively impact our business, prospects, financial condition and results of operation. Such circumstances would have a material adverse effect on our ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies we hold or expect to acquire for our own account and harm investors.

***The current state of capital markets, particularly for small companies, is expected to reduce our ability to obtain the financing necessary to continue our business. If we cannot raise the funds that we need to operate and expand our new business, we may go out of business and investors may lose their entire investment in us.***

Like other smaller companies, we face difficulties in raising capital for our continued operations and to operate and expand our new business. We may not be able to raise money through the sale of our equity securities or through borrowing funds on terms we find acceptable.

***We have had negative cash flows from operations and if we are not able to obtain further financing, our business operations may fail.***

We had cash and cash equivalents in the amount of \$1,269 and working deficit of \$1,801,808 as of December 31, 2019, and cash and cash equivalents of \$898,142 and working capital of \$2,884,404 as of December 31, 2018. We anticipate that we will require additional financing while we operate our business. Further, we anticipate that we will not have sufficient capital to fund our ongoing operations for the next twelve months. We would likely secure any additional financing necessary through a private placement of our common stock through a debt financing. There can be no assurance that any financing will be available to us, or, even if it is, if it will be offered on terms and conditions acceptable to us. Our inability to obtain additional financing in a sufficient amount when needed and upon terms and conditions acceptable to us, could have a material adverse effect upon us. If additional funds are raised by issuing equity securities, dilution to existing or future stockholders will result. If adequate funds are not available on acceptable terms when needed, we may be required to delay, scale back or eliminate the expansion of our new business.

***Our board of directors is composed of an equal number of independent directors and non-independent directors and our board composition may afford less protection to our stockholders than if our board of directors were composed of a majority of independent directors.***

Our board of directors is comprised of six directors, three of whom are not independent. As a result, there may be a low level of board oversight on our management and our board of directors may be influenced by the concerns, issues or objectives of management, including the compensation and governance issues, to a greater extent than would occur with a majority of independent directors. In addition, non-independent directors may make a decision on a merger, change of control or other transactions or actions affecting our company without the consent of an independent director, which may lead to a conflict with the interest of our stockholders. As a result, our board composition may afford less protection to our stockholders than if our board of directors were composed of a majority of independent directors.

***Our chief financial officer devotes approximately 50% of his working time to our company.***

Swapan Kakumanu, our chief financial officer, devotes approximately 50% of his working time, or approximately up to 20 hours per week, to our company. Because Mr. Kakumanu works only part-time, instances may occur where he may not be immediately available to provide solutions to problems or address concerns that arise in the course of us conducting our business and thus adversely affect our business. In addition, Mr. Kakumanu can become subject to conflicts of interest because he devotes part of his working time to other business endeavors, including consulting relationships with other entities, and have responsibilities to these other entities. Such conflicts include deciding how much time to devote to our affairs, as well as what business opportunities should be presented to us. Because of these relationships, Mr. Kakumanu could be subject to conflicts of interest.

The directors and officers of our company, including Mr. Kakumanu, are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors and officers of conflicts of interest, and we will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of our directors and officers. All such conflicts are to be disclosed by such directors or officers in accordance with applicable laws and the directors and officers are to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

#### **Risks Related to Our Common Stock**

***Because our directors and officers control a large percentage of our voting stock, they have the ability to influence matters affecting our stockholders.***

Our directors and officers control approximately 24.25% of our voting stock. As a result, they have the ability to influence matters affecting our stockholders, including the election of our directors, the acquisition of assets, and the issuance of securities. Because they control a significant portion of votes, it would be very difficult for investors to replace our management if the investors disagree with the way our business is being operated. Because the influence by our directors and officers could result in management making decisions that are in their best interest and not in the best interest of the investors, you may lose some or all of the value of your investment in our common stock.

***Because we can issue additional shares of common stock, our stockholders may experience dilution in the future.***

We are authorized to issue up to 75,000,000 shares of common stock, of which 23,756,033 shares of common stock were issued and outstanding as of March 30, 2020. Our board of directors has the authority to cause us to issue additional shares of common stock without consent of our stockholders. Consequently, stockholders may experience dilution in their ownership of our stock in the future.

If the outstanding stock options or convertible notes are exercised or converted, then we would be required to issue additional shares of our common stock, which will result in dilution to our stockholders' ownership of our stock.

***Because we do not intend to pay any cash dividends on our common stock in the near future, our stockholders will not be able to receive a return on their shares unless they sell them.***

We do not anticipate paying any cash dividends on our common stock in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, our results of operations, cash flows and financial condition, operating and capital requirements, and other factors the board considers relevant. We may never pay any dividends. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them.

***Our stock is a penny stock. Trading of our stock is restricted by the SEC's penny stock regulations, which may limit a stockholder's ability to buy and sell our stock.***

Our stock is a penny stock. The SEC has adopted Rule 15c-9 which generally defines "penny stock" to be any equity security that has a market price (as defined in Rule 15c-9) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC, which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

*The Financial Industry Regulatory Authority sales practice requirements may also limit a stockholder's ability to buy and sell our stock.*

In addition to the "penny stock" rules promulgated by the SEC, the Financial Industry Regulatory Authority ("FINRA") has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock.

#### ***Risks related to Covid-19***

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. It is unknown how long these conditions will last and what the complete financial effect will be to the company. Our sBetOne project is currently on hold due to professional sports being shut down. We are vulnerable to the risk of a near-term severe impact if the risks related to Covid-19 negatively affect our ability to raise funds.

#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

#### **ITEM 2. PROPERTIES**

We do not own any property. Our principal offices are located at 561 Indiana Court, Los Angeles, California 90291. Effective December 31, 2019, we terminated the previous facility services agreement with Business Instincts Group Inc. We believe that our office premises are suitable and adequate for our present needs.

#### **ITEM 3. LEGAL PROCEEDINGS**

We know of no material pending legal proceedings to which our company or subsidiaries is a party or of which any of our properties, or the properties of our subsidiaries, is the subject. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

We know of no material proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder is a party adverse to our company or subsidiaries or has a material interest adverse to our company or subsidiaries.

#### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

### **PART II**

#### **ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

##### **Market Information**

There is currently no established public trading market for our common stock. There is a limited public market for our common stock.

Our common stock has been quoted on the OTCQB operated by the OTC Markets Group under the trading symbol "CWRK" since September 5, 2019. From February 19, 2019 to September 4, 2019, our common stock was quoted on the OTCQB operated by the OTC Markets Group under the trading symbol "ICOX." From November 28, 2017 to February 18, 2019, our common stock was quoted on the OTC Pink operated by the OTC Markets Group under the trading symbol "ICOX."

Our common stock has been listed for trading on the TSX Venture Exchange under the symbol “CWRK” since September 3, 2019. From December 4, 2018 to September 2, 2019, our common stock was listed for trading on the TSX Venture Exchange under the symbol “ICOX.”

Trading in stocks quoted on the OTCQB or the TSX Venture Exchange is often thin and is characterized by wide fluctuations in trading prices due to many factors that may be unrelated or have little to do with a company’s operations or business prospects. We cannot assure you that there will be a market for our common stock in the future.

Set forth below are the range of high and low bid quotations for our common stock from the OTCQB/OTC Pink and high and low closing prices for our common stock from the TSX Venture Exchange for the periods indicated. The market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions:

Quarter Ended	OTCQB/OTC Pink (U.S. dollars)		TSX Venture Exchange (Canadian dollars)	
	High	Low	High	Low
December 31, 2019	\$ 0.06	\$ 0.05	\$ 0.16	\$ 0.07
September 30, 2019	\$ 0.12	\$ 0.12	\$ 0.39	\$ 0.16
June 30, 2019	\$ 0.24	\$ 0.21	\$ 0.55	\$ 0.205
March 31, 2019	\$ 0.20	\$ 0.20	\$ 0.495	\$ 0.225
December 31, 2018	\$ 0.40	\$ 0.03	\$ 0.65	\$ 0.35
September 30, 2018	\$ 2.30	\$ 0.30	N/A	N/A
June 30, 2018	\$ 2.30	\$ 2.30	N/A	N/A
March 31, 2018	\$ 3.15	\$ 2.30	N/A	N/A

#### Holders of Common Stock

As of March 30, 2020, the 23,756,033 issued and outstanding shares of our common stock were held by a total of 120 stockholders of record.

#### Dividends

We have not declared any dividends since incorporation and do not anticipate that we will do so in the foreseeable future. Our intention is to retain future earnings, if any, for use in our operations and the expansion of our business.

There are no restrictions in our articles of incorporation or bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

1. We would not be able to pay our debts as they become due in the usual course of business; or
2. Our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of stockholders who have preferential rights superior to those receiving the distribution.

## Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes certain information regarding our equity compensation plans as at December 31, 2019:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	Nil	N/A	Nil
Equity compensation plans not approved by security holders (2017 Equity Incentive Plan)	3,500,000	\$ 0.19	674,904
<b>Total</b>	<b>3,500,000</b>	<b>\$ 0.19</b>	<b>674,904</b>

On October 15, 2017, as amended on January 22, 2018 and November 22, 2018, our board of directors adopted and approved the 2017 Equity Incentive Plan. The purpose of the plan is to (a) enable us and any of our affiliates to attract and retain the types of employees, consultants and directors who will contribute to our long range success; (b) provide incentives that align the interests of employees, consultants and directors with those of our stockholders; and (c) promote the success of our business.

On November 22, 2018, our board of directors amended our 2017 Equity Incentive Plan in connection with our application to list our common stock on the TSX Venture Exchange. The plan was amended to provide:

- that a total of 4,174,904 shares of our common stock will be available for the grant of stock options and no shares will be available for the grant of non-stock option awards;
- that any shares underlying an award that is cancelled, forfeited or expires prior to exercise or realization, either in full or in part, will become available for issuance under the plan;
- that while our common stock is listed on the TSX Venture Exchange:
  - a participant must either be a Director, Employee or Consultant (as defined by the policies of the TSX Venture Exchange) of our company or a subsidiary of our company at the time of grant of the awards, except as otherwise provided by the policies of the TSX Venture Exchange and, for awards granted to Employees, Consultants or Management Company Employees (as defined by the policies of the TSX Venture Exchange), we must ensure that the participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be;
  - except in relation to Consultant Companies (as defined by the policies of the TSX Venture Exchange), the awards may be granted only to an individual or to a company that is wholly owned by individual eligible for a grant of an award;
  - the aggregate number shares of our common stock subject to stock options granted, within a 12 month period, to a participant who is a Consultant (as defined by the policies of the TSX Venture Exchange) is limited to an amount equal to 2% of the issued and outstanding shares of our common stock (on a non-diluted basis), calculated on the date a stock option is granted to the participant;
  - aggregate number of shares of our common stock subject to stock options granted, within a 12 month period, to all participants (as a group) who are employed to perform Investor Relations Activities (as defined by the policies of the TSXV) is limited to an amount equal to 2% of the issued and outstanding shares of our common stock (on a non-diluted basis), calculated on the date a stock option is granted to any participant, provided that such stock options must vest in stages over a 12 month period with no more than 1/4 of the stock options vesting in any 3 month period;
  - the exercise price of a stock option must be determined by the committee (currently our board of directors) and the exercise price must not be less than the price permitted by the TSX Venture Exchange or other regulatory body having jurisdiction and a minimum exercise price must not be established unless the stock options are allocated to particular persons and we must not grant stock options unless and until the stock options have been allocated to a particular person or persons;
  - the exercise price of a stock option must be paid in cash; and
  - stock options granted to participants engaged in Investor Relations Activities (as defined by the policies of the TSX Venture Exchange) on behalf of our company must expire 30 days after such participants cease to perform such Investor Relations Activities for our company;

- if shares of our common stock are listed on the TSX Venture Exchange, unless disinterested shareholder approval is obtained, under no circumstances will the plan, together with all of our other previously established and outstanding stock option or equity incentive plans or grants, result in:
  - the aggregate number of shares of our common stock reserved for issuance under awards granted to insiders (as a group) at any point in time exceeding 10% of the issued and outstanding shares of our common stock (on a non-diluted basis);
  - the grant to insiders (as a group), within a 12 month period, of stock options where an aggregate number of shares of our common stock subject to such stock options exceeds 10% of the issued and outstanding shares of our common stock (on a non-diluted basis), calculated on the date an award is granted to any insider;
  - the grant to insiders (as a group), within a 12 month period, of non-stock option awards where an aggregate number of shares of our common stock subject to such non-stock option awards exceeds 2% of the issued and outstanding shares of our common stock (on a non-diluted basis), calculated on the date a non-stock option award is granted to any insider;
  - the aggregate number of shares of our common stock subject to awards granted to any one participant within a 12 month period exceeding 5% of the issued and outstanding shares of our common stock (on a non-diluted basis), calculated on the date an award is granted to the participant;
  - the aggregate number of shares of our common stock subject to non-stock option awards granted to any one participant within a 12 month period exceeding 1% of the issued and outstanding shares of our common stock (on a non-diluted basis), calculated on the date a non-stock option award is granted to the participant;
  - the aggregate number of shares of our common stock subject to awards granted to any one participant who is a Consultant (as defined by the policies of the TSXV) within a 12 month period exceeding 2% of the issued and outstanding shares of our common stock (on a non-diluted basis), calculated on the date an award is granted to the participant; or
  - the aggregate number of shares of our common stock subject to awards granted to all participants (as a group) who are employed to perform Investor Relations Activities (as defined by the policies of the TSXV) within a 12 month period exceeding 2% of the issued and outstanding shares of our common stock (on a non-diluted basis), calculated on the date an award is granted to the participant; and if the shares of our common stock are listed on the TSX Venture Exchange, we must obtain disinterested shareholder approval for any amendment to stock options held by insiders that would have the effect of decreasing the exercise price of the stock options.

#### **Recent Sales of Unregistered Securities**

Since the beginning of our fiscal year ended December 31, 2019, we have not sold any equity securities that were not registered under the Securities Act of 1933 that were not previously reported in a quarterly report on Form 10-Q or in a current report on Form 8-K.

On January 8, 2019, we issued 750,000 shares of our common stock upon conversion of the principal amount of \$75,000 of a convertible note. We issued the shares to one non-U.S. person (as that term is defined in Regulation S of the *Securities Act of 1933*, as amended) in an offshore transaction in which we relied on the exemptions from the registration requirements provided for in Regulation S and/or Section 4(a)(2) of the *Securities Act of 1933*, as amended.

## **Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

None.

## **ITEM 6. SELECTED FINANCIAL DATA**

Not applicable.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Our management's discussion and analysis provides a narrative about our financial performance and condition that should be read in conjunction with the audited consolidated financial statements and related notes thereto included in this annual report. This discussion contains forward looking statements reflecting our current expectations and estimates and assumptions about events and trends that may affect our future operating results or financial position. Our actual results and the timing of certain events could differ materially from those discussed in these forward-looking statements due to a number of factors, including, but not limited to, those set forth in the sections of this annual report titled "Risk Factors" and "Forward-Looking Statements".

### **Overview**

We were incorporated under the laws of the State of Nevada on July 20, 2010. Following incorporation, we commenced the business of representing authors to publishers.

Our business is a services and development business that provides a turnkey set of services for companies to develop and integrate blockchain and payment technologies into their business operations. We anticipate that we will enable companies to focus on their core competencies while providing the necessary resources and expertise to execute a strategy that will enable companies to integrate new blockchain plus payment technologies into their business operations. Our plan is to be compensated on a fee-for-services model, technology licensing model and reoccurring transactions revenue model. We may accept tokens, coins or equity in payment for our services, to the extent permitted under applicable law.

### **Results of Operations**

#### ***Revenue***

We recognized revenues of \$250,000 from consulting services for the year ended December 31, 2019 compared to \$0 in 2018.

#### ***Operating Expenses***

We incurred operating expenses of \$2,187,114 and \$3,980,160 for the years ended December 31, 2019 and 2018, respectively, representing a decrease of \$1,793,046 between the two periods. These expenses consisted primarily of consulting fees, service costs, professional fees, stock-based compensation, interest and bank charges, and other general and administrative expenses. The decrease in operating expenses between the two periods related to an decrease in consulting expenses from \$1,449,681 in 2018 to \$656,737 in 2019 due to our company amending consulting agreement with Business Instincts Group Inc. and other individuals to provide strategic and project management services, a decrease in service costs from \$675,633 in 2018 to a credit of \$58,454 in 2019 due to the impairment related to Ryde, and a decrease in other general and administrative expenses from \$1,390,489 in 2018 to \$1,378,834 in 2019 as travel costs and advertising expenses have decreased due to lowered activity in 2019.

#### ***Net Loss from Operations***

We incurred net losses from operations of \$1,937,114 and \$3,980,160 for the years ended December 31, 2019 and 2018, respectively, representing a decrease of \$2,043,046 primarily attributable to the factors discussed above under the heading "Operating Expenses".

### ***Other Income (Expense)***

Other income includes \$56,096 of interest earned for the year ended December 31, 2019 on a loan receivable to a related party compared to \$30,864 for the period ended December 31, 2018. Other expenses include interest expense on convertible notes payable of \$113,413 compared to \$70,558 interest expense for the same period last year. There was also bad debt expense of \$110,000 and an impairment of \$2,783,834 for the year ended December 31, 2019.

The loan receivable of \$1,250,000, plus accrued interest of \$86,762, was impaired as the loan matured at the end of Q3 and there were concerns about collectability. Efforts to pursue the receivable amounts will continue.

### **Liquidity and Capital Resources**

#### ***Working Capital***

	<b>As at December 31, 2019</b>	<b>As at December 31, 2018</b>
Current Assets	\$ 42,886	\$ 3,170,861
Current Liabilities	1,844,693	286,457
Working Capital (Deficit)	\$ (1,801,807)	\$ 2,884,404

#### ***Current Assets***

Current assets of \$42,886 as at December 31, 2019 and \$3,170,861 as at December 31, 2018 were comprised of only cash and cash equivalents, accounts receivable, prepaid expenses, an outstanding loan receivable, deferred service costs and our capitalized service costs. The decrease in current assets as at December 31, 2019 is due to our company impairing the matured loan and accrued interest of \$1,280,666 and the write down of deferred service costs of \$874,838 were impaired as the path to bringing these clients to a revenue generating position is no longer likely. Cash and cash equivalents also decreased by \$896,873 as it was used for operating costs in the year.

#### ***Current Liabilities***

Current liabilities as at December 31, 2019 were attributable to \$264,808 in accounts payable, \$41,307 in accounts payable, related party, \$534,840 in loans payable, related party and \$1,003,738 in convertible notes and accrued interest due within the year compared to \$239,026 in accounts payable and accrued expenses and \$47,431 in accounts payable, related party as at December 31, 2018.

#### ***Cash Flow***

Our cash flows for the year ended December 31, 2019 and December 31, 2018 are as follows:

	<b>Year ended December 31, 2019</b>	<b>Year ended December 31, 2018</b>
Net cash (used in) operating activities	\$ (2,292,337)	\$ (4,074,305)
Net cash (used in) investing activities	-	(1,150,000)
Net cash provided by financing activities	1,395,890	5,907,454
Net changes in cash and cash equivalents	\$ (896,873)	\$ 683,149

#### ***Operating Activities***

Net cash used in operating activities was \$2,292,337 for the year ended December 31, 2019, as compared to \$4,074,305 for the year ended December 31, 2018, a decrease of \$1,781,968. The decrease in net cash used in operating activities was primarily due to impairment of the deferred service costs and the loan receivable.

#### ***Investing Activities***

Net cash used in investing activities was \$nil for the year ended December 31, 2019, as compared to \$1,150,000 from the loan to Wenn Digital Inc. for the year ended December 31, 2018.

### ***Financing Activities***

Financing activities provided cash of \$1,395,890 for the year ended December 31, 2019 and \$5,907,454 for the year ended December 31, 2018. In 2019, sBetOne issued \$575,000 of convertible debentures, net proceeds of \$294,550 were raised in a private placement, and \$526,340 was raised from issuance of loans payable.

On June 1, 2018, we issued an aggregate of 9,274,524 shares of common stock for total consideration of \$5,468,195 and paid offering costs of \$235,206. On November 27, 2018, we issued an aggregate of 674,950 share of common stock for total consideration of \$674,950 and paid offering costs of \$18,485.

### **Cash Requirements**

We expect that we will require \$780,000, including our current working capital, to fund our operating expenditures for the next twelve months. Projected working capital requirements for the next twelve months are as follows:

#### Estimated Working Capital Expenditures During the Next Twelve Months

General and administrative expenses	\$ 780,000
<b>Total</b>	<b>\$ 780,000</b>

Our estimated general and administrative expenses for the next 12 months are \$780,000 and are comprised of: consulting fees, accounting services, board of directors and our advisory board, investor relations consultants, and to our public relations and marketing consultants; legal and professional fees (including auditing fees); for insurance; marketing and advertising expenses; trade shows; travel expenses; office rent and miscellaneous and office expenses.

We will require additional cash resources to meet our planned capital expenditures and working capital requirements for the next 12 months. We expect to derive such cash through the sale of equity or debt securities or by obtaining a credit facility. The sale of additional equity securities will result in dilution to our stockholders. The incurrence of indebtedness will result in debt service obligations, could cause additional dilution to our stockholders, and could require us to agree to financial covenants that could restrict our operations or modify our plans to source a new business opportunity. Financing may not be available in amounts or on terms acceptable to us, if at all. Failure to raise additional funds could cause our company to fail.

### **Going Concern**

Our consolidated financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. We have not yet established a source of revenues sufficient to cover our operating costs and to allow us to continue as a going concern. We have incurred losses since inception resulting in an accumulated deficit of \$9,310,776 as at December 31, 2019 (December 31, 2018: \$4,712,862). Our ability to operate as a going concern is dependent on obtaining adequate capital to fund operating losses until we become profitable.

In its report on our financial statements for the years ended December 31, 2019 and 2018, our independent registered public accounting firm included an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### **Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

### **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

### **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

See next page.

## FINANCIAL STATEMENTS

<b>Financial Statements for the Years Ended December 31, 2019 and 2018</b>	<b>Page</b>
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and  
Stockholders of CurrencyWorks Inc.

**Opinion on the Financial Statements**

We have audited the accompanying balance sheets of CurrencyWorks Inc. (the Company) as of December 31 2019 and 2018, and the related statements of operations, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2019, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

**Consideration of the Company's Ability to Continue as a Going Concern**

The accompanying consolidated financial statements have been prepared assuming that CurrencyWorks, Inc. will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has recurring losses from operations and negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. If the Company is unable to obtain additional financing, there could be a material adverse effect on the Company.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*/s/ Haynie & Company*

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Haynie & Company  
Salt Lake City, Utah  
March 30, 2020

We have served as the Company's auditor since 2018.

**CurrencyWorks Inc.**  
**(formerly ICOx Innovations Inc.)**  
**Consolidated Balance Sheets**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,269	\$ 898,142
Accounts receivable, related party	-	20,000
Prepaid expenses	26,617	82,215
Prepaid expenses, related party	15,000	15,000
Deferred service costs	-	874,838
Related party loans receivable and related accrued interest	-	1,280,666
<b>Total Current Assets</b>	<u>42,886</u>	<u>3,170,861</u>
Investment, related party	37	37
<b>Total Assets</b>	<u>\$ 42,923</u>	<u>\$ 3,170,898</u>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 227,707	\$ 239,026
Accounts payable and accrued expenses, related party	78,408	47,431
Loans payable, related party	526,340	-
Accrued interest on loans payable, related party	8,500	-
Current portion of convertible notes	898,825	-
Current portion of interest on convertible notes	104,913	-
<b>Total Current Liabilities</b>	<u>1,844,693</u>	<u>286,457</u>
Convertible notes payable	101,500	500,325
Accrued interest on convertible notes	115,518	115,518
<b>Total Liabilities</b>	<u>2,061,711</u>	<u>902,300</u>
<b>Commitments and Contingencies</b>		
	-	-
<b>Stockholders' Equity (Deficit)</b>		
Common stock, \$0.001 par value, 75,000,000 shares authorized; 23,756,033 and 21,579,474 shares issued and outstanding as at December 31, 2019 and 2018, respectively	23,755	21,579
Additional paid-in-capital	7,558,174	6,959,881
Accumulated deficit	(9,310,776)	(4,712,862)
<b>Total CurrencyWorks Stockholders' Equity (Deficit)</b>	<u>(1,728,847)</u>	<u>2,268,598</u>
Non-controlling Interest	(289,941)	
<b>Total Stockholders' Equity (Deficit)</b>	<u>(2,018,788)</u>	<u>2,268,598</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 42,923</u>	<u>\$ 3,170,898</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CurrencyWorks Inc.**  
**(formerly ICOx Innovations Inc.)**  
**Consolidated Statements of Operations**

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>Revenues</b>		
Service revenue	\$ 250,000	\$ -
Total revenues	<u>250,000</u>	<u>-</u>
<b>Operating expenses</b>		
General and administrative expense	2,064,267	2,744,527
Consulting fees, related party	181,301	560,000
Service costs	(58,454)	675,633
Total operating expenses	<u>2,187,114</u>	<u>3,980,160</u>
Net loss from operations	<u>(1,937,114)</u>	<u>(3,980,160)</u>
<b>Other income (expense)</b>		
Interest income, related party	56,096	30,864
Note interest expense	(113,413)	(70,558)
Bad debt expense	(110,000)	-
Impairment	(2,783,834)	-
Total other income (expense)	<u>(2,951,151)</u>	<u>(39,694)</u>
Provision for taxes	-	-
Net loss	<u>\$ (4,888,265)</u>	<u>\$ (4,019,854)</u>
(Income)/loss from non-controlling interest	(290,351)	-
Net loss attributable to CurrencyWorks	<u>\$ (4,597,914)</u>	<u>\$ (4,019,854)</u>
Loss per common share – Basic and diluted	<u>\$ (0.20)</u>	<u>\$ (0.24)</u>
<b>Weighted average number of common shares outstanding, basic and diluted</b>	<u>23,015,923</u>	<u>17,077,348</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CurrencyWorks Inc.**  
**(formerly ICOx Innovations Inc.)**  
**Consolidated Statements of Cash Flows**

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>Operating activities</b>		
Net loss for the year	\$ (4,888,265)	\$ (4,019,854)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	33,618	54,544
Stock-based compensation, related party	83,137	181,844
Impairment of Loan to WENN Digital Inc, related party	1,250,000	-
Changes in operating assets and liabilities		
Accounts receivable, related party	20,000	480,000
Prepaid expense	55,598	(52,215)
Prepaid expense, related party	-	20,000
Deferred service costs	874,838	(874,817)
Accrued interest receivable, related party	30,666	(29,914)
Accounts payable and accrued expenses	140,782	107,723
Accounts payable and accrued expenses, related party	30,977	(4,185)
Accrued interest on loans payable, related party	8,500	-
Accrued interest on notes payable	104,913	62,569
Net cash (used in) operating activities	<u>(2,292,337)</u>	<u>(4,074,305)</u>
<b>Investing activities</b>		
Repayment of loan issued to related party	-	100,000
Loan issued to related party	-	(1,250,000)
Net cash (used in) investing activities	<u>-</u>	<u>(1,150,000)</u>
<b>Financing activities</b>		
Proceeds from issuance of loans payable	526,340	400,000
Proceeds from issuance of convertible notes	575,000	-
Repayment of loans payable	-	(400,000)
Proceeds from share issuance	294,124	5,907,454
Net cash provided by financing activities	<u>1,395,464</u>	<u>5,907,454</u>
Net changes in cash and equivalents	<u>(896,873)</u>	<u>683,149</u>
Cash and equivalents at beginning of the year	898,142	214,993
Cash and equivalents at end of the year	<u>\$ 1,269</u>	<u>\$ 898,142</u>

**SUPPLEMENTAL CASH FLOW INFORMATION**

	Year Ended December 31, 2019	Year Ended December 31, 2018
Cash paid in interest	\$ -	\$ 7,989
Cash paid for income taxes	\$ -	\$ -
Non-cash share issue costs	<u>\$ 5,383</u>	<u>\$ 96,519</u>

**SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES**

Stock-based compensation	<u>\$ 33,618</u>	<u>\$ 43,039</u>
Stock-based compensation, related party	<u>\$ 83,137</u>	<u>\$ 144,305</u>
Conversion of convertible debt	<u>\$ 75,000</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CurrencyWorks Inc.**  
**(formerly ICOx Innovations Inc.)**  
**Consolidated Statements of Changes in Stockholders' Equity (Deficit)**

	Common Stock		Additional		Non-Controlling Interest	Total Stockholders' Equity (Deficit)
	Number of Shares	Amount	Paid-in Capital	Accumulated Deficit		
Balance, December 31, 2017	11,600,000	\$ 11,600	\$ 826,018	\$ (693,008)	\$ -	\$ 144,610
Share issuance net of offering costs of \$350,210	9,979,474	9,979	5,897,475	-	-	5,907,454
Stock-based compensation	-	-	54,544	-	-	54,544
Stock-based compensation, related party	-	-	181,844	-	-	181,844
Net loss for the period	-	-	-	(4,019,854)	-	(4,019,854)
Balance, December 31, 2018	21,579,474	\$ 21,579	\$6,959,881	\$ (4,712,862)	\$ -	\$ 2,268,598
Stock-based compensation	-	-	33,618	-	-	33,618
Stock-based compensation, related party	-	-	83,137	-	-	83,137
Share issuance for conversion of debt	750,000	750	74,250	-	-	75,000
Share issuance for cash May 16, 2019	1,000,000	1,426	292,714	-	410	294,124
Share issuance for debt settlement October 1, 2019	333,333	333	99,667	-	-	100,000
Share issuance for debt settlement November 7, 2019	93,226	93	14,907	-	-	15,000
Net loss for the period	-	-	-	(4,597,914)	(290,351)	(4,888,265)
Balance, December 31, 2019	<u>23,756,033</u>	<u>23,755</u>	<u>7,558,174</u>	<u>(9,310,776)</u>	<u>(289,941)</u>	<u>(2,018,788)</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CurrencyWorks Inc.**  
**(formerly ICOx Innovations Inc.)**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**1. NATURE AND CONTINUANCE OF OPERATIONS**

CurrencyWorks Inc. (the “Company”) was incorporated under the laws of the State of Nevada on July 20, 2010, with an authorized capital of 75,000,000 common shares, having a par value of \$0.001 per share. During the period ended December 31, 2010, the Company commenced operations by issuing shares and developing its publishing service business, focused on representing authors to publishers.

On February 14, 2018, the Company changed its name from “AppCoin Innovations Inc.” to “ICOx Innovations Inc.”

On August 17, 2018, a subsidiary of the Company changed its name from “AppCoin Innovations (USA) Inc.” to “ICOx USA, Inc.”

On November 19, 2018, we incorporated a new Delaware subsidiary, GN Innovations, Inc., to provide blockchain technology opportunities to the sports and entertainment industry by working with large and well-established brands.

On November 28, 2018, we incorporated a new Delaware subsidiary, Cathio, Inc, to provide blockchain technology opportunities to the Catholic community.

Effective December 5, 2018, we effected a name change for our subsidiary from “GN Innovations, Inc.” to “GN1, Inc.”.

Effective February 6, 2019, we effected a name change for our subsidiary from “GN1, Inc.” to “sBetOne, Inc.”.

On September 3, 2019, the Company changed its name from “ICOx Innovations Inc.” to “CurrencyWorks Inc.” and a subsidiary of the Company changed its name from “ICOx USA, Inc.” to “CurrencyWorks USA Inc.”.

The Company’s business model is to provide a turnkey set of services for companies to develop and integrate blockchain and cryptocurrency technologies into their business operations. The Company will enable its customers to focus on their core competencies while providing the necessary resources and expertise to execute a strategy that will enable companies to integrate new blockchain plus cryptocurrency technologies into their business operations. The Company will be compensated on a fee-for-services model. The Company may also accept tokens or coins in payment for its services, to the extent permitted under applicable law.

The Company’s services will include strategic planning, project planning, structure development and administration, business plan modeling, technology development support, whitepaper preparation, due diligence reporting, governance planning and management.

Going Concern

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception resulting in an accumulated deficit of \$9,310,776 and \$4,712,863 as of December 31, 2019 and December 31, 2018, respectively, and further losses are anticipated in the pursuit of the Company’s new service business opportunity, raising substantial doubt about the Company’s ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with existing cash on hand, loans from directors and/or the private placement of common stock.

The financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

**CurrencyWorks Inc.**  
**(formerly ICOx Innovations Inc.)**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America.

### Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary. All intercompany transactions and balances have been eliminated.

### Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and these differences could be material.

### Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments, such as certificates of deposit or money market funds that are readily convertible to known amounts of cash and have original maturities of three months or less. All cash balances are held by major banking institutions.

The carrying amounts of cash and cash equivalents, prepaid expenses, short-term loans receivable, trade payables and convertible notes payable approximate their fair value due to the short-term maturity of such instruments.

### Contingent Liabilities:

The Company accounts for its contingent liabilities in accordance with ASC No. 450 “Contingencies”. A provision is recorded when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

With respect to legal matters, provisions are reviewed and adjusted to reflect the impact of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter. As of December 31, 2019 and 2018, the Company was not a party to any litigation that could have a material adverse effect on the Company’s business, financial position, results of operations or cash flows.

### Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the estimated tax consequences attributable to differences between the financial statement carrying values and their respective income tax basis (temporary differences). The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

FASB Accounting Standards Codification Topic 740, Income Taxes (“ASC 740”), clarifies the accounting for uncertainty in income taxes recognized in the financial statements. ASC 740 provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits of the position. Income tax positions must meet a more-likely-than-not recognition threshold to be recognized. ASC 740 also provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. We have determined that the Company does not have uncertain tax positions on its tax returns for the years 2019, 2018, and prior. Based on evaluation of the 2019 transactions and events, the Company does not have any material uncertain tax positions that require measurement.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Our policy is to recognize interest and/or penalties related to income tax matters in income tax expense. We had no accrual for interest or penalties on our consolidated balance sheets at December 31, 2019 or 2018, and have not recognized interest and/or penalties in the consolidated statement of operations for the years ended December 31, 2019 or 2018.

We are subject to taxation in the U.S. and the state of California. All of our tax years are subject to examination by the U.S. and California tax authorities due to the carry-forward of unutilized net operating losses.

Collectability of Accounts Receivable

In considering the collectability of accounts receivable, the Company takes into account the legal obligation for payment by the customer, as well as the financial capacity of the customer to fund its obligation to the Company.

Earnings per Share

The Company computes earnings (loss) per share in accordance with ASC 105, "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic earnings (loss) per share is computed by dividing net loss available to common stockholders by the weighted average number of outstanding common shares during the period. Diluted earnings (loss) per share gives effect to all dilutive potential common shares outstanding during the period. At December 31, 2019, common shares from the conversion of debt (shares) (Note 4) and outstanding of stock options (shares) (Note 10) have been excluded as their effect is anti-dilutive. At December 31, 2018, common shares from the conversion of debt (12,019,929 shares) and stock options (2,980,554 shares) have been excluded as their effects are anti-dilutive.

Stock-Based Compensation

The Company has adopted FASB guidance on stock-based compensation. Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. The fair value of the options is calculated based off the Black Scholes valuation model (Note 10).

The Company has issued stock options to employees and non-employees. Stock options granted to non-employees for services or performance not yet rendered would be expensed over the service period or until the goals had been reached. The fair value calculation is recalculated at the end of every reporting period until the goal had been reached, when the expense has been wholly recognized. The stock options granted to non-employees during the year ended December 31, 2019 were for services already rendered in lieu of cash compensation and, as such, the service period has already passed and the entirety of the expense was recognized in the year.

Digital Currency Valuation

Digital currencies consist of cryptocurrency denominated assets and are included in current assets. Digital currencies are carried at their fair market value determined by an average spot rate of the most liquid digital currency exchanges. On an interim basis, we recognize decreases in the value of the assets caused by market declines. Subsequent increases in the value of these assets through market price recoveries during the same fiscal year are recognized in the later interim period, but may not exceed the total previously recognized decreases in value during the same year. Such unrealized gains or losses resulting from changes the value of the digital currency are recorded in Other Income, net in the consolidated statements of operations. Gains and losses realized upon sale of digital currencies are also recorded in Other Income, net in the consolidated statement of operations.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Fair market value is determined by taking the average spot rate from the most liquid digital currency exchanges. Digital currencies are measured using level one fair values, determined by taking the rate from market currency exchanges. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The Company may not be able to liquidate its inventory of digital currency at its desired price if required. A decline in the market prices for digital currencies could negatively impact the Company's future operations. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies would have a significant impact on the Company's earnings and financial position.

The Company did not hold any digital currency at December 31, 2019 and December 31, 2018.

Revenue Recognition

Revenue is recognized in accordance with FASB ASC Topic 606, Revenue Recognition. The Company recognizes revenue when persuasive evidence of an arrangement exists, the related services are rendered or delivery has occurred.

The Company primarily generates revenues from professional services consulting agreements. These arrangements are generally entered into on a contingent fee basis. There is no prepayment or retainer required prior to performing services and the entire fees is earned on a contingent basis. The Company also provides monthly post-business launch support services. The recurring monthly post-business launch support services are recognized as revenue each month that the subscription is maintained.

The Company generally enters into arrangements for which revenues are contingent upon achieving a pre-determined deliverable or future outcome. Any contingent revenue for these arrangements is not recognized until the contingency is resolved and collectability is reasonably assured.

Differences between the timing of billings and the recognition of revenue are recognized as either unbilled revenue (a component of accounts receivable) or deferred revenue on the consolidated balance sheet. Revenues recognized for services performed but not yet billed to clients are recorded as unbilled revenue.

Reimbursable expenses, including those relating to travel, other out-of-pocket expenses and any third-party costs, are included as a component of revenues. Typically, an equivalent amount of reimbursable expenses are included in total direct client service costs. Taxes collected from customers and remitted to governmental authorities are presented in the statement of operations on a net basis.

Costs to obtain contracts are capitalized and amortized over the course of the revenue cycle.

Service costs

The Company's policy is to defer direct service costs that relate to the earning of contingent fee revenue. These deferred costs are expensed when the contingent fee revenue is recognized or when the earning the contingent fee revenue is in doubt.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Compensation-Stock Compensation (ASU 2018-07)

In June 2018, the FASB issued ASU 2018-07, “Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting”, which expands the scope of Topic 718 to include all share-based payment transactions for acquiring goods and services from nonemployees. ASU 2018-07 specifies that Topic 718 applies to all share-based payment transactions in which the grantor acquires goods and services to be used or consumed in its own operations by issuing share-based payment awards. ASU 2018-07 also clarifies that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under ASC 606. The amendments in ASU 2018-07 are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company’s assessment is that there is no impact of this guidance on its consolidated financial statements.

Statement of Cash Flows (ASU 2016-15)

This update provides specific guidance to clarify how entities should classify certain cash receipts and cash payments on the statement of cash flows. The update also clarifies the application of the predominance principle when cash receipts and cash payments have aspects of more than one class of cash flows. The Company adopted this standard effective January 1, 2018. The adoption of this update had no material effect on our financial statements.

**3. ACCOUNTS RECEIVABLE**

As at December 31, 2019, the Company had outstanding accounts receivable from a related party of \$0 (2018 - \$20,000).

**4. NOTES PAYABLE**

The Company has convertible notes outstanding as at December 31, 2019 and are as follows:

	<u>Start Date</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Note 1 <sup>(1)</sup>	09-14-2015	09-14-2020	8%	\$ 73,825	\$ 49,077	\$ 122,902
Note 2 <sup>(1)</sup>	12-30-2016	12-30-2021	8%	50,000	21,600	71,600
Note 3 <sup>(1)</sup>	12-30-2016	12-30-2021	8%	21,500	9,288	30,788
Note 4 <sup>(1)</sup>	03-02-2017	03-02-2022	8%	20,000	8,028	28,028
Note 5 <sup>(1)</sup>	06-08-2017	06-08-2022	8%	10,000	3,531	13,531
Note 6 <sup>(2)</sup>	10-30-2017	10-30-2020	10%	250,000	54,247	304,247
Note 7 <sup>(2)(3)</sup>	10-30-2017	01-08-2019	10%	-	8,938	8,938
Note 8	13-02-2019	12-08-2020	15%	25,000	3,298	28,298
Note 9	22-02-2019	21-08-2020	15%	225,000	28,849	253,849
Note 10	27-02-2019	26-08-2020	15%	50,000	6,308	56,308
Note 11	12-03-2019	11-09-2020	15%	25,000	3,021	28,021
Note 12	09-05-2019	08-11-2020	15%	250,000	24,247	274,247
Note 13 <sup>(4)</sup>	15-11-2019		5%	50,000	315	50,315
Note 14 <sup>(4)</sup>	18-07-2019		5%	250,000	5,685	255,685
Note 15 <sup>(4)</sup>	09-08-2019		5%	25,000	493	25,493
Note 16 <sup>(4)</sup>	13-09-2019		5%	45,000	672	45,672
Note 17 <sup>(4)</sup>	04-10-2019		5%	91,180	1,099	92,279
Note 18 <sup>(4)</sup>	19-11-2019		5%	30,160	174	30,334
Note 19 <sup>(4)</sup>	18-12-2019		5%	35,000	62	35,062
Total				<u>\$ 1,526,665</u>	<u>\$ 228,932</u>	<u>\$ 1,755,597</u>

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**4. NOTES PAYABLE (CONT'D)**

- (1) The principal of the note, and the interest calculated up to November 30, 2018, may be converted into shares of common stock of the Company at a conversion price of \$0.03 per share.
- (2) The note may be converted into shares of common stock of the Company at a conversion price of \$0.10 per share.
- (3) The principal of the note has been converted into equity with the remaining interest outstanding to be payable.
- (4) These promissory notes are un-secured and payable on demand with no maturity date

Notes 1 through 5 were initially entered into with an interest rate of 18% per annum. On November 5, 2018, amendment agreements were signed amending the interest rate to 8% per annum effective December 1, 2018. The amendments also state that the interest is payable only in cash on a quarterly basis commencing December 1, 2018 on March 31, June 30, September 30, and December 31 of each year until the Maturity Date or earlier on the date that all amounts owing under this Note are prepaid by the Company. The principal, and the interest calculated until November 30, 2018, may still be converted to shares.

The balances of the convertible notes outstanding as at December 31, 2018 are as follows:

	<u>Start Date</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Note 1 <sup>(1)</sup>	09-14-2015	09-14-2020	18%	\$ 73,825	\$ 43,170	\$ 116,995
Note 2 <sup>(1)</sup>	12-30-2016	12-30-2021	18%	50,000	17,600	67,600
Note 3 <sup>(1)</sup>	12-30-2016	12-30-2021	18%	21,500	7,568	29,068
Note 4 <sup>(1)</sup>	03-02-2017	03-02-2022	18%	20,000	6,428	26,428
Note 5 <sup>(1)</sup>	06-08-2017	06-08-2022	18%	10,000	2,731	12,731
Note 6 <sup>(2)</sup>	10-30-2017	10-30-2020	10%	250,000	29,247	279,247
Note 7 <sup>(2)</sup>	10-30-2017	10-30-2020	10%	75,000	8,774	83,774
Total				<u>\$ 500,325</u>	<u>\$ 115,518</u>	<u>\$ 615,843</u>

- (1) The note may be converted into shares of common stock of the Company at a conversion price of \$0.03 per share.
- (2) The note may be converted into shares of common stock of the Company at a conversion price of \$0.10 per share.

Based upon the balances as of December 31, 2019, the convertible notes and the related interest will come due in the following years:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,425,165	\$ 186,485	\$ 1,611,650
2021	71,500	30,888	102,388
2022	30,000	11,559	41,559
2023	-	-	-
2024	-	-	-
Total	<u>\$ 1,526,665</u>	<u>\$ 228,932</u>	<u>\$ 1,755,597</u>

**5. LOANS PAYABLE – RELATED PARTY**

On July 18, 2019, we entered into a loan agreement with Business Instincts Group (“BIG”), whereby BIG advanced \$250,000 to us. The principal amount of \$250,000 was repayable on demand and bore simple interest at a rate of 5% per annum, which was payable upon repayment of the principal amount of \$250,000. We were entitled to repay the whole or any portion of the principal amount of \$250,000, plus accrued interest on the portion of the principal amount of \$250,000 being repaid, at any time.

On August 9, 2019, we entered into a loan agreement with Business Instincts Group (“BIG”), whereby BIG advanced \$25,000 to us. The principal amount of \$25,000 was repayable on demand and bore simple interest at a rate of 5% per annum, which was payable upon repayment of the principal amount of \$25,000. We were entitled to repay the whole or any portion of the principal amount of \$25,000, plus accrued interest on the portion of the principal amount of \$25,000 being repaid, at any time.

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**5. LOANS PAYABLE – RELATED PARTY (CONT'D)**

On September 13, 2019, we entered into a loan agreement with Business Instincts Group (“BIG”), whereby BIG advanced \$45,000 to us. The principal amount of \$45,000 was repayable on demand and bore simple interest at a rate of 5% per annum, which was payable upon repayment of the principal amount of \$45,000. We were entitled to repay the whole or any portion of the principal amount of \$45,000, plus accrued interest on the portion of the principal amount of \$45,000 being repaid, at any time.

On October 4, 2019, we entered into a loan agreement with Business Instincts Group (“BIG”), whereby BIG advanced \$91,180 to us. The principal amount of \$91,180 was repayable on demand and bore simple interest at a rate of 5% per annum, which was payable upon repayment of the principal amount of \$91,180. We were entitled to repay the whole or any portion of the principal amount of \$91,180, plus accrued interest on the portion of the principal amount of \$91,180 being repaid, at any time.

On November 15, 2019, we entered into a loan agreement with Business Instincts Group (“BIG”), whereby BIG advanced \$50,000 to us. The principal amount of \$50,000 was repayable on demand and bore simple interest at a rate of 5% per annum, which was payable upon repayment of the principal amount of \$50,000. We were entitled to repay the whole or any portion of the principal amount of \$50,000, plus accrued interest on the portion of the principal amount of \$50,000 being repaid, at any time.

On November 19, 2019, we entered into a loan agreement with Business Instincts Group (“BIG”), whereby BIG advanced \$30,160 to us. The principal amount of \$30,160 was repayable on demand and bore simple interest at a rate of 5% per annum, which was payable upon repayment of the principal amount of \$30,160. We were entitled to repay the whole or any portion of the principal amount of \$30,160, plus accrued interest on the portion of the principal amount of \$30,160 being repaid, at any time.

On December 18, 2019 we entered into a loan agreement with Business Instincts Group (“BIG”), whereby BIG advanced \$35,000 to us. The principal amount of \$35,000 was repayable on demand and bore simple interest at a rate of 5% per annum, which was payable upon repayment of the principal amount of \$35,000. We were entitled to repay the whole or any portion of the principal amount of \$35,000, plus accrued interest on the portion of the principal amount of \$35,000 being repaid, at any time.

**6. NOTES RECEIVABLE – RELATED PARTY**

On July 9, 2018, we entered into a loan agreement with Ryde whereby we provided to Ryde a loan in the principal amount of \$750,000. The principal amount of the loan bears interest at the rate of 2% per annum, provided, however, any amounts not paid when due will immediately commence accruing interest at the default rate of 10% per annum. The principal amount of the loan, any accrued and unpaid interest thereon, and any other amounts owing under the loan matures on the earlier of (i) March 9, 2019 and (ii) the closing by Ryde of a minimum of \$3,000,000 in financings, in the aggregate, whether through the sale of KodakCoins, equity or otherwise. Ryde can prepay all outstanding amounts on 10 days’ notice to our company.

As a condition for entering into the loan agreement, Ryde GmbH, a subsidiary of Ryde, provided a corporate guarantee dated July 9, 2018 to our company, pursuant to which Ryde GmbH unconditionally guaranteed and promised to pay our company on demand all amounts that become due from Ryde under the loan agreement with Ryde and any other amounts that we may in the future loan or advance to Ryde.

Also, as a condition for entering into the loan agreement, Ryde entered into the amendment no. 2, dated as of July 9, 2018, to the business service agreement dated December 29, 2017 as amended as of March 15, 2018, with our company. Pursuant to the amendment no. 2, our company and Ryde agreed that each party will be responsible for its respective expenses and agreed not to charge any out of pocket expenses to the other party unless expressly approved by the other party in advance in writing. As of December 31, 2018, interest of \$7,192 has been accrued and earned.

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**6. NOTES RECEIVABLE – RELATED PARTY (CONT'D)**

On July 27, 2018, we entered into a loan agreement with Ryde whereby we provided to Ryde a loan in the principal amount of \$500,000. This loan is unsecured, will mature on the earlier of eight (8) months from the date of issuance or the closing by Ryde of a minimum of \$4,250,000 in financings, in the aggregate, whether through the sale of KodakCoins, equity, or otherwise and will bear interest at the rate of 12% interest per annum. However, any amounts not paid when due shall immediately commence accruing interest at the default rate of 18% per annum. As of December 31, 2018, interest of \$23,474 has been accrued and earned.

	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Note 1 <sup>(1)</sup>	07-09-2018	03-09-2019	2%	\$ 750,000	\$ 7,192	\$ 757,192
Note 2 <sup>(1)</sup>	07-27-2018	03-27-2019	12%	500,000	23,474	523,474
Total as at December 31, 2018				<u>\$ 1,250,000</u>	<u>\$ 30,666</u>	<u>\$ 1,280,666</u>
Impairment as at September 30, 2019				<u>\$(1,250,000)</u>	<u>\$ (\$30,666)</u>	<u>\$(1,280,666)</u>
Total as at December 31, 2019				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<sup>(1)</sup> The \$500,000 was issued in four tranches and the interest is calculated based on the dates that those tranches were issued. As at December 31, 2019, the balances of the outstanding notes receivable were impaired. Please see subsequent events (Note 14).

**7. COMMITMENTS**

The Company has no outstanding commitments as at December 31, 2019.

**8. RELATED PARTY TRANSACTIONS**

In support of the Company's efforts and cash requirements, it may rely on advances from stockholders until such time as the Company can support its operations through revenue generation or attain adequate financing through sales of its equity or traditional debt financing. There is no formal written commitment for continued support by stockholders. Amounts represent advances or amounts paid in satisfaction of liabilities.

The Company's office premises were provided to it at no cost by one of its directors until April 30, 2018. This director did not take any fees for serving as director during the year ended December 31, 2018.

In October 2017, the Company signed an agreement with a company in which the Company's Chairman is a director, officer, and 30.5% shareholder, to provide strategic management. On June 26, 2018, the agreement was amended to pay \$105,000 a month as of June 1, 2018 and pay a bonus of \$280,000. On June 26, 2019, the Company signed an amended credit agreement where BIG cancelled \$115,250 amount owed by the Company. On December 1, 2019, the agreement was amended to pay \$1 a month as of December 1, 2019. As of December 31, 2019, the Company had trade and other payables owing to this related party of \$6,301 (December 31, 2018 - \$20,458). The Company also terminated the rental agreement as at December 31, 2019 with BIG with a monthly rental expense of \$16,500 that was due to expire on February 28, 2020.

Pursuant to the loan agreement with Ryde GmbH ("Borrower") dated July 27, 2018, as amended on July 12, 2019 and September 30, 2019, we transferred to Borrower \$500,000 on or about July 9, 2018 and \$750,000 on or about July 27, 2018 and Borrower owes us \$1,250,000, plus accrued interest. Under the Agreement, the parties agreed that commencing on January 1, 2020, interest will commence accruing on the outstanding principal balance of the loan at a rate of 6% per annum (previously 12% per annum for the \$500,000 loan and 2% per annum for the \$750,000 loan provided, however, any amounts not paid thereunder when due would have immediately commence accruing interest at a default rate of 18% per annum and 12% per annum respectively for both the loans) and if there is any default on the terms of the loan agreement, default interest at the lesser of 18% per annum and the highest rate permitted by applicable law will be deemed to have retroactively been accruing on the loan as of January 1, 2020 and will continue accrue until the earlier of the date such default is cured and the date the loan is repaid in full.

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**8. RELATED PARTY TRANSACTIONS (CONT'D)**

In addition, under the Agreement, Borrower agreed to pay us \$125,000 on or before February 7, 2020 as payment in full of all interest accrued under the loan agreement through December 31, 2019 and commencing on March 31, 2020, Borrower agreed to make quarterly interest only payments on or before the last day of each calendar quarter until such time as the loan is repaid in full.

In addition, under the Agreement, Borrower agreed to pay us \$150,000 on or before February 7, 2020, which will reduce the outstanding principal balance of the loan by \$150,000. Borrower agreed that the remaining unpaid principal balance of the loan and all accrued and unpaid interest, will be due and paid in full on or before the earlier of (a) December 31, 2021, and (b) March 31, 2021, provided, Borrower has Earnings Before Interest, Taxes, Depreciation and Amortization or EBITDA as defined under United States GAAP of more than \$5,000,000, for the 12 month period ending December 31, 2020, as certified by an independent auditor appointed by Borrower. If Borrower does not provide such certified financial statements on or before March 31, 2021, Borrower agreed that the remaining unpaid principal balance of the loan and all accrued and unpaid interest, will be immediately due and paid in full.

On or before February 7, 2020, Borrower agreed to pay to us a total of \$27,500 for expense reimbursement.

In addition, we terminated the Business Services Agreement (“BSA”) with Ryde Holding Inc. (“Customer”) dated December 29, 2017, as amended on March 15, 2018, July 9, 2018 and October 29, 2018. Customer agreed to issue to us 10 million KodakOne Tokens after their issuance. As per the BSA we had agreed to provide consulting of corporate development and governance, business development and technical services, business awareness services, financial and administrative services and media management services. In addition, we agreed to provide to Customer the monthly services from January 1, 2020 to December 31, 2020 consisting of board and corporate strategy management and board and corporate governance management. Customer has since acquired internal resources to provide the services as anticipated under the BSA and hence both the parties had mutually agreed to terminate the BSA in exchange for 10 million KodakOne Tokens which are to be issued after their issuance.

Our chairman and director, Cameron Chell, is a director, officer and an indirect shareholder of Business Instincts Group Inc. which owns 10% of the common stock of Ryde Holding Inc., the parent company of Ryde GmbH and he is also a director, officer and indirect shareholder of Blockchain Merchant Group, Inc. which owns 2.5% of the common stock of Ryde Holding Inc. Mr. Chell has also been a director and secretary of Ryde Holding Inc. from December 2017 and chairman of Ryde Holding Inc. from February 2018. From December 2017 to February 2018, our president, Bruce Elliott, served as the chief marketing officer of Ryde Holding Inc. Our chief financial officer, Swapan Kakumanu has also been the chief financial officer of Ryde Holding Inc. from October 2018.

On February 7, 2020, we entered into an amendment to the loan agreement and termination of business services agreement (the “Agreement”) with Ryde GmbH (“Borrower”) and Ryde Holding Inc. (“Customer”).

On December 4, 2018, the Company appointed Swapan Kakumanu as Chief Financial Officer. Previously, on October 9, 2017, the Company had signed an agreement with a company owned by Swapan Kakumanu to complete the accounting functions of the Company. On June 26, 2019, Red to Black credited the Company \$25,000 in amounts owing. As of December 31, 2019, the Company had trade and other payables owing to this related party of \$31,688 (December 2018 - \$14,000)

**9. REVENUE**

The Company had revenue stream in 2019 related to one customer for consulting services provided.

**10. SHARE CAPITAL**

On May 16, 2019, the Company completed a private placement where 1,000,000 shares were issued at a price of \$0.40 (Canadian dollars (“CAD”)) for total gross proceeds of \$400,000 CAD or \$295,565 less share issue costs of \$1,836.

On October 19, 2019, the Company issued 333,333 common shares to Tryton Financial Corporation by way of a debt settlement for \$100,000 at a deemed price of US\$0.30 per share.

On November 7, 2019, the Company issued 93,226 common shares to Uptick Capital LLC for services rendered for \$15,000.

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**11. STOCK-BASED COMPENSATION**

The Company has adopted the 2017 Equity Incentive Plan (“the Plan”) under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees, or consultants of the Company. The terms of the Plan provide that our board of directors may grant options to acquire common shares of the Company at not less than 100% of the greater of: (i) the fair market value of the shares underlying the options on the grant date and (ii) the fair market value of the shares underlying the options on the date preceding the grant date at terms of up to ten years. No amounts are paid or payable by the recipient on receipt of the options. As of December 31, 2017, the maximum number of options available for grant was 3,000,000 shares. On January 22, 2018, the maximum number of options available for grant was increased to 3,900,000 shares. As of December 31, 2019, there are 3,400,000 stock options issued (December 31, 2017 – 2,900,000) and 500,000 stock options unissued (December 31, 2017 – 100,000).

The Company has also granted stock options to non-employees. These stock options were granted to consultants who have provided their services for cash compensation below cost, with the stock options providing additional compensation in lieu of cash.

On February 13, 2019, the Company granted a total of 100,000 stock options to a consultant. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options have a fair value of \$0.2480 and are exercisable as follows:

- (i) 1/3 on the first anniversary date;
- (ii) 1/3 on the second anniversary date; and
- (iii) 1/3 on the third anniversary date.

On February 9, 2018, the Company granted a total of 100,000 stock options to a director. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options are exercisable as follows:

- (i) 1/3 upon the date of grant;
- (ii) 1/3 on the first anniversary date; and
- (iii) 1/3 on the second anniversary date.

On February 16, 2018, the Company granted a total of 75,000 stock options to two consultants. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options are exercisable as follows:

- (i) 1/3 on the first anniversary date;
- (ii) 1/3 on the second anniversary date; and
- (iii) 1/3 on the third anniversary date.

On May 17, 2018, the Company granted a total of 100,000 stock options to a director. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options are exercisable as follows:

- (i) 2,778 upon the date of grant;
- (ii) 2,778 on the 17<sup>th</sup> of each of the following 34 months; and
- (iii) 2,770 on April 17, 2021.

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**11. STOCK-BASED COMPENSATION (CONT'D)**

On June 7, 2018, the Company granted a total of 100,000 stock options to a director. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options are exercisable as follows:

- (i) 1/3 upon the date of grant;
- (ii) 1/3 on the first anniversary date; and
- (iii) 1/3 on the second anniversary date.

On June 8, 2018, the Company granted 75,000 stock options to one consultant. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options become exercisable as follows:

- (i) 1/3 upon the date of grant;
- (ii) 1/3 on the first anniversary date; and
- (iii) 1/3 on the second anniversary date.

On August 15, 2018, the Company granted 50,000 stock options to one consultant. The stock options are exercisable at the exercise price of \$1.00 per share for a period of two years from the date of grant. The stock options became exercisable upon the date of grant.

Stock-based compensation expense recognized for the years ended December 31, 2019 and 2018 were \$116,755 and \$236,388, respectively. Stock options granted are valued at the fair value calculation based off the Black-Scholes valuation model. The weighted average assumptions used in the calculation are as follows:

	<b>Years Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
Share price	\$ 0.60	\$ 0.60
Exercise price	\$ 0.60-1.00	\$ 0.60-1.00
Time to maturity (years)	10	2-10
Risk-free interest rate	1.68%-2.41%	2.61%-3.11%
Expected volatility	119.58%-145.24%	50.48%-192.68%
Dividend per share	\$ 0.00	\$ 0.00
Forfeiture rate	Nil	Nil

	<b>Number of Options</b>	<b>Weighted Average Grant-Date Fair Value (\$)</b>	<b>Weighted Average Exercise Price (\$)</b>	<b>Weighted Average Remaining Life (Yrs)</b>
<b>Options outstanding, December 31, 2017</b>	2,900,000	0.10	0.10	8.8
Granted	500,000	0.55	0.64	8.5
Exercised	-	-	-	-
Forfeited	-	-	-	-
<b>Options outstanding, December 31, 2018</b>	3,400,000	0.17	0.18	8.6
Granted	100,000	0.55	0.64	8.5
Exercised	-	-	-	-
Forfeited	-	-	-	-
<b>Options outstanding, December 31, 2019</b>	<b>3,500,000</b>	<b>0.17</b>	<b>0.19</b>	<b>7.8</b>
<b>Options exercisable, December 31, 2019</b>	<b>2,980,554</b>	<b>0.14</b>	<b>0.16</b>	<b>7.7</b>

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**11. STOCK-BASED COMPENSATION (CONT'D)**

Cathio, Inc. (“Cathio”), a subsidiary of the Company, has issued nonvested shares to the management team of Cathio.

On March 5, 2019, Cathio granted a total of 16,000,000 nonvested shares to two officers of Cathio. These nonvested shares vest based upon various milestones, have no exercise price, exercise immediately upon vesting, and do not expire except upon resignation of the employee or by a resolution by the Board of Directors. As at the grant date of the nonvested shares, the fair value of the common stock was based upon the issuance of the founder shares at \$0.0001 per share.

Nonvested shares are valued at the date of the grant at the fair value of the common stock and are expensed over the vesting period. As vesting conditions are not wholly dependent on the employee and there is no timeline for them, for accounting purposes, the fair value will be calculated and the expense will be recognized upon the achievement of the milestones.

sBetOne, Inc. (“sBetOne”), a subsidiary of the Company, has issued nonvested shares to a member of the Board of Directors of sBetOne.

On March 22, 2019, sBetOne granted a total of 150,000 nonvested shares to a member of the Board of Directors of sBetOne. These nonvested shares vest 1/36 starting April 1, 2019 and at the beginning of the month for the following 35 months, have no exercise price, exercise immediately upon vesting, and do not expire except upon resignation of the employee or by a resolution by the Board of Directors.

Nonvested shares are valued at the date of the grant at the fair value of the common stock and are expensed over the vesting period. As at the grant date of the nonvested shares, the fair value of the common stock was based upon the issuance of the founder shares at \$0.0001 per share.

On June 12, 2019, June 27, 2019, and June 28, 2019, sBetOne granted a total of 150,000 stock options to three advisors. The stock options are exercisable at the price of \$0.01 per share for a period of ten years from the date of grant. The fair values of the stock options were \$0.7880, \$0.7380, and \$0.7680, respectively. The stock options are exercisable as follows:

- (i) 1/2 upon the date of grant; and
- (ii) 1/2 on the first anniversary date.

**12. INCOME TAXES**

For the fiscal years 2019 and 2018, there was no provision for income taxes and deferred tax assets have been entirely offset by valuation allowances.

As of December 31, 2019 and 2018, the Company had net operating loss carry forwards of approximately \$8,957,633 and \$4,712,862, respectively. The carry forwards expire through the year 2038. The Company’s net operating loss carry forwards may be subject to annual limitations, which could reduce or defer the utilization of the losses as a result of an ownership change as defined in Section 382 of the Internal Revenue Code.

The Tax Cuts and Jobs Act was enacted on December 22, 2017 which reduced the U.S. corporate statutory tax rate from 35% to 21% beginning on January 1, 2018. We used 21% as an effective rate. The Company’s tax expense differs from the “expected” tax expense for Federal income tax purposes (computed by applying the United States Federal tax rate of 21% to loss before taxes (2018 – 21%)), as follows:

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**12. INCOME TAXES (CONT'D)**

	<b>For the years ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
Net operating loss before taxes	\$ (4,597,914)	\$ (4,019,854)
Federal income tax rate	21%	21%
Tax expense (benefit) at the statutory rate	(965,562)	(844,169)
Non-deductible items		
Tax effect of stock-based compensation (non-qualifying options)	24,519	49,641
Change in valuation allowance	941,043	794,528
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

The tax effects of the temporary differences between reportable financial statement income and taxable income are recognized as deferred tax assets and liabilities. The tax effect of significant components of the Company's deferred tax assets at December 31, 2018 and 2017, respectively, are as follows:

	<b>2019</b>	<b>2018</b>
Deferred tax asset:		
Net operating loss carry forwards	\$ 1,955,263	\$ 940,060
Total gross deferred tax assets	1,955,263	940,060
Less: Deferred tax asset valuation allowance	(1,955,263)	(940,060)
<b>Total net deferred tax assets</b>	<b>\$ -</b>	<b>\$ -</b>

In assessing the ability to realize the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

The returns filed from the year 2014 going-forward are subject to examination by the IRS.

**13. FINANCIAL INSTRUMENTS**

Fair value is an exit price representing the amount that would be received to sell an asset or aid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

A three-tier fair value hierarchy is established as a base for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Observable inputs that reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: unobservable inputs reflecting our own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participants assumptions that are reasonably available.
  - o Investment in related party

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**13. FINANCIAL INSTRUMENTS (CONT'D)**

	As of December 31,	
	2019	2018
Investment in related party	\$ 37	\$ 37

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

**14. NON-CONTROLLING INTEREST**

The Company has three subsidiaries, CurrencyWorks USA Inc., Cathio, Inc., and sBetOne, Inc. The Company has 100% ownership of CurrencyWorks USA Inc. and Cathio, Inc.

For sBetOne, Inc., on April 1, 2019, the Company transferred 2,000,000 of its shares to a third-party and cancelled 1,097,826 of its shares. Additionally, 2,097,826 shares of sBetOne, Inc. were issued to third-parties, reducing the Company's ownership in this subsidiary to 59.02%

The following table sets forth a summary of the changes in non-controlling interest:

Year ended December 31	2019
Non-controlling interest at beginning of period	\$ -
Share issuance	410
Net loss	(290,351)
Non-controlling interest at end of period	\$ (289,941)

**15. SUBSEQUENT EVENTS**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. It is unknown how long these conditions will last and what the complete financial effect will be to the company. Our sBetOne project is currently on hold due to professional sports being shut down. We are vulnerable to the risk of a near-term severe impact if the risks related to Covid-19 negatively affect our ability to raise funds.

On February 7, 2020, we entered into an amendment to the loan agreement and termination of business services agreement (the “Agreement”) with Ryde GmbH (“Borrower”) and Ryde Holding Inc. (“Customer”).

Pursuant to the loan agreement with Borrower dated July 27, 2018, as amended on July 12, 2019 and September 30, 2019, we transferred to Borrower US\$500,000 on or about July 9, 2018 and US\$750,000 on or about July 27, 2018 and Borrower owes us US\$1,250,000, plus accrued interest. Under the Agreement, the parties agreed that commencing on January 1, 2020, interest will commence accruing on the outstanding principal balance of the loan at a rate of 6% per annum (previously 12% per annum for the US\$500,000 loan and 2% per annum for the US\$750,000 loan provided, however, any amounts not paid thereunder when due would have immediately commence accruing interest at a default rate of 18% per annum and 12% per annum respectively for both the loans) and if there is any default on the terms of the loan agreement, default interest at the lesser of 18% per annum and the highest rate permitted by applicable law will be deemed to have retroactively been accruing on the loan as of January 1, 2020 and will continue accrue until the earlier of the date such default is cured and the date the loan is repaid in full.

In addition, under the Agreement, Borrower agreed to pay us US\$125,000 on or before February 7, 2020 as payment in full of all interest accrued under the loan agreement through December 31, 2019 and commencing on March 31, 2020, Borrower agreed to make quarterly interest only payments on or before the last day of each calendar quarter until such time as the loan is repaid in full.

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**15. SUBSEQUENT EVENTS (CONT'D)**

On February 7, 2020, we concluded the Business Services Agreement (“BSA”) with Customer dated December 29, 2017, as amended on March 15, 2018, July 9, 2018 and October 29, 2018. Customer agreed to issue to us 10 million KodakOne Tokens after their issuance. As per the BSA we had agreed to provide consulting of corporate development and governance, business development and technical services, business awareness services, financial and administrative services and media management services. In addition, we agreed to provide to Customer the monthly services from January 1, 2020 to December 31, 2020 consisting of board and corporate strategy management and board and corporate governance management. Customer has since acquired internal resources to provide the services as anticipated under the BSA and hence both the parties had mutually agreed to terminate the BSA in exchange for 10 million KodakOne Tokens which are to be issued after their issuance.

In addition, under the Agreement, Borrower agreed to pay us US\$150,000 on or before February 7, 2020, which will reduce the outstanding principal balance of the loan by US\$150,000. Borrower agreed that the remaining unpaid principal balance of the loan and all accrued and unpaid interest, will be due and paid in full on or before the earlier of (a) December 31, 2021, and (b) March 31, 2021, provided, Borrower has Earnings Before Interest, Taxes, Depreciation and Amortization or EBITDA as defined under United States GAAP of more than US\$5,000,000, for the 12 month period ending December 31, 2020, as certified by an independent auditor appointed by Borrower. If Borrower does not provide such certified financial statements on or before March 31, 2021, Borrower agreed that the remaining unpaid principal balance of the loan and all accrued and unpaid interest, will be immediately due and paid in full.

On or before February 7, 2020, Borrower agreed to pay to us a total of US\$27,500 for expense reimbursement related to (\$17,500 for Pickwick invoice and \$10,000 for Raue invoice).

The Company intends to settle debt (the “Debt Settlement”) in the amount of US\$40,000 owed by the Company to one creditor of the Company by the issuance of 200,000 common shares (each, a “Share”) of the Company at a deemed price of US\$0.20 per Share. The Debt Settlement is subject to the approval of the TSX Venture Exchange and entry into a debt settlement agreement with the creditor. The Shares issued in the Debt Settlement are subject to resale restrictions imposed by applicable law or regulation, including a statutory hold period expiring four months and one day from the date of closing of the Debt Settlement.

The Company has amended the terms of an aggregate of 225,000 options (the “Options”) granted to consultants between February 16, 2018 and August 15, 2018. The options were originally granted with exercise prices ranging from US\$0.60 to US\$1.00 per share. The Company has determined to reduce the exercise prices of all such Options to US\$0.10 per share. All other terms of the Options remain the same. The amendments are subject to the approval of the TSX Venture Exchange.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

### Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by our company is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Our principal executive officer, who is our president, and our principal financial officer, who is our chief financial officer, are responsible for establishing and maintaining disclosure controls and procedures for our company.

Our management conducted an evaluation, with the participation of our principal executive officer and our principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934, as of the end of the period covered by this annual report on Form 10-K. Based upon that evaluation, our principal executive officer and our principal financial officer concluded that as a result of the material weaknesses in our internal control over financial reporting described below, our disclosure controls and procedures were not effective as of December 31, 2019.

### Management's Annual Report on Internal Control over Financial Reporting

Our principal executive officer and our principal financial officer are responsible for establishing and maintaining adequate internal control over financial reporting. Our principal executive officer and our principal financial officer have assessed the effectiveness of our internal control over financial reporting as of the end of the period covered by this annual report on Form 10-K based on the criteria for effective internal control described Internal Control-Integrated Framework issued by the Committee of Sponsoring Organization of the Treadway Commission 2013. Based on this assessment, our principal executive officer and our principal financial officer have concluded our internal control over the financial reporting is not effective due to the following material weaknesses, which existed as of December 31, 2019:

- **Financial Reporting Systems:** We did not maintain a fully integrated financial reporting system throughout the period and as a result, extensive manual analysis, reconciliation and adjustments were required in order to produce financial statements for external reporting purposes; and
- **Segregation of Duties:** We do not currently have a sufficient complement of technical accounting and external reporting personal commensurate to support standalone external financial reporting under U.S. generally accepted accounting principles ("U.S. GAAP") or SEC requirements. Specifically, we did not effectively segregate certain accounting duties due to the small size of our accounting staff, and inability to maintain a sufficient number of adequately trained personnel who have the knowledge and experience with U.S. GAAP and SEC reporting necessary to anticipate and identify risks critical to financial reporting and the closing process. In addition, there were inadequate reviews and approvals by our personnel of certain reconciliations and other processes in day-to-day operations due to the lack of a full complement of accounting staff.

We believe that our material weaknesses in internal control over financial reporting and our disclosure controls and procedures relate in part to the fact that we are an emerging business with limited personnel. Management and our board of directors believe that we must allocate additional human and financial resources to address these matters. Throughout the year, we have been continuously improving our monitoring of current reporting systems and our personnel. We intend to continue to make improvements in our internal control over financial reporting and disclosure controls and procedures until our material weaknesses are remediated.

## Limitations on the Effectiveness of Controls and Permitted Omission from Management's Assessment

Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal control over financial reporting can only provide reasonable assurance with respect to financial statement preparation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In light of the material weaknesses described above, additional procedures were performed by our management to ensure that the consolidated financial statements included in this report were prepared in accordance with U.S. GAAP.

## Changes in Internal Control over Financial Reporting during the Fourth Quarter of 2019

During the fourth quarter ended December 31, 2019, there were no changes to our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

## ITEM 9B. OTHER INFORMATION

None.

## PART III

## ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

### Directors and Executive Officers

The following individuals serve as our directors and executive officers. All of our directors hold office until the next annual meeting of our stockholders or until their successors have been elected and qualified, or until their death, resignation or removal. Our executive officers are appointed by our board of directors and hold office until their death, resignation or removal from office.

<u>Name</u>	<u>Position Held with Our Company</u>	<u>Age</u>	<u>Date First Elected or Appointed</u>
Bruce Elliott	President	56	October 15, 2017
	Chief Operating Officer, Secretary,		
Michael Blum	Treasurer and Director	43	October 9, 2017
Swapan Kakumanu	Chief Financial Officer	50	December 4, 2018
Cameron Chell	Chairman and Director	51	August 21, 2017
James P. Geiskopf	Lead Director	60	August 28, 2014
Edmund C. Moy	Director	62	February 9, 2018
James M. Carter	Director	74	May 17, 2018
Alphonso Jackson	Director	74	June 22, 2018

## **Business Experience**

The following is a brief account of the education and business experience during at least the past five years of each director and executive officer, indicating the person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

### ***Bruce Elliott***

On October 15, 2017, Bruce Elliott was appointed as the president of our company. From April 2012 to October 2017, Mr. Elliott served as director of Boston Limited, Isle of Man, a regulated fiduciary and corporate service provider. From January 2013 to October 2017, Mr. Elliott served as director of Boston Ventures Limited, Isle of Man. From December 2017 to February 2018, Mr. Elliott served as the chief marketing officer of Ryde.

Mr. Elliott is a 25-year eCommerce veteran having held senior leadership roles in privately held and listed companies in online payments, gaming, venture capital and trust and corporate service sectors in North America and Europe. Mr. Elliott is a recognized international conference speaker on entrepreneurship, venture capital and emerging technology trends and has also led venture capital investments into clean tech, gaming, blockchain and fintech companies. Career highlights include Executive Vice President Marketing and Sales of AIM listed Neteller plc, Director of Boston Group Limited and Managing Director of Boston Ventures Limited.

### ***Michael Blum***

On October 9, 2017, Michael Blum was appointed as the chief financial officer, secretary, treasurer and a director of our company. On December 4, 2018, we removed Michael Blum as our chief financial officer in order to accommodate the appointment of Swapan Kakumanu as our chief financial officer in connection with our application to list our common stock on the TSX Venture Exchange.

Mr. Blum started his career in Silicon Valley where he eventually joined PayPal as country manager, Germany and later ran the payments business for eBay in South East Asia and the Pacific. In 2005, he moved into the world of finance, co-founding a hedge fund, Falconhenge Partners which then became part of Magnetar Capital. Since January 2008, Mr. Blum has been a co-founder and the president at Hedgeye Risk Management, a leading online financial media company and he is a director at Hedgeye Cares, the company's employee driven charity. Since August 2016, he has also served as president of Seven7, LLC, a sports and entertainment focused venture fund. Since July 2013, he has served as managing director at Asia Leisure Capital SA, a hotel and casino management and investment firm. He was previously co-founder and chief financial officer of Firefly Systems Inc. from January 2014 to February 2017. Mr. Blum graduated from Yale University with a Bachelor of Arts in Economics and International studies in 1998.

We believe that Mr. Blum is qualified to serve on our board of directors because of his extensive business management and financial expertise derived from his past occupation.

### ***Swapan Kakumanu***

On December 4, 2018, Swapan Kakumanu was appointed as the chief financial officer of our company. Mr. Kakumanu had been the controller of our company since October 2017.

Mr. Kakumanu has been a partner, controller and chief financial officer for Red to Black Inc., a financial services firm offering chief financial officer, controller and strategic consulting services to both public and private companies, since November 2012. Mr. Kakumanu has been the chief financial officer of RYDE Holding Inc. since October 2018, the chief financial officer and a director of BLOCKStrain Technology Corp. since September 2018, and the chief financial officer of Pounce Technologies Inc. since July 2016. Mr. Kakumanu was also the chief financial officer of Intercept Energy Services Inc. from June 2014 to September 2018, the chief financial officer of Vogogo Inc. from August 2017 to April 2018, the controller of Vogogo Inc. from November 2013 to April 2018, the chief financial officer of Oral4D Systems Inc. from February 2015 to April 2017, the chief financial officer of Decisive Farming Corp. from December 2014 to November 2016 and the chief financial officer of Silver Gold Bull Inc. from March 2013 to December 2013.

Mr. Kakumanu has over 20 years of senior finance and operations experience. He has served at the executive levels in both public and private companies including senior roles as president, chief executive officer, chief financial officer and company secretary, as well as director roles on boards. Mr. Kakumanu has extensive experience in public company reporting, investor relations, ERP implementations, mergers and acquisitions, internal controls and general overall financial, strategic and operations management. His diverse industry experience spans commercializing technologies and launching software solutions, blockchain, manufacturing, distribution, oilfield services, healthcare technologies and multi-jurisdictional operations. He holds CPA.CGA, ACA (Chartered Accountant, India) and ACMA (Certified Management Accountant, India) designations.

#### ***Cameron Chell***

On August 21, 2017, Cameron Chell was appointed as the president and chief executive officer and a director of our company. On October 15, 2017, Mr. Chell resigned as our president and chief executive officer in order to accommodate the appointment of Bruce Elliott as our president. On the same day, Mr. Chell was appointed as the non-executive chairman.

Mr. Chell has been the CEO of Business Instincts Group Inc. since November 2009. Business Instincts Group is a venture creation accelerator and services firm whose focus is building high-tech startups. The companies that Business Instincts Group has helped build include Draganfly, RaptorRig, ColdBore, UrtheCast, the first commercial video platform on the International Space Station and Slyce, the visual purchasing engine. As well, Mr. Chell has founded several startups including Futurelink, the original cloud computing company. Mr. Chell is currently involved with creating and sourcing new projects, and overseeing corporate development for Business Instincts Group. Business Instincts Group's venture creation process involves management services that integrate a proprietary strategic planning process (The RIPKIT) into organizations fostering strategic growth, valuation appreciation, liquidity, and management accountability. In this regard Mr Chell's primary responsibility is to provide project and strategic management facilitation while working with his co-founders, executives, and investors to determine what is most important and specifically how to get it done. Mr. Chell has also been a director and secretary of Ryde from December 2017 and chairman of Ryde from February 2018.

We believe that Mr. Chell is qualified to serve on our board of directors because of his extensive business experience derived from his current and past occupation.

#### ***James P. Geiskopf***

Effective August 28, 2014, Mr. Geiskopf was appointed as president, secretary, treasury and director of our company. On August 21, 2017, Mr. Geiskopf resigned as our president. On October 9, 2017, Mr. Geiskopf resigned as our secretary and treasurer. Mr. Geiskopf has been our lead director since August 21, 2017.

Mr. Geiskopf currently serves on the board of directors of Verb Technology Company, Inc. (VERB: NASDAQ), formerly nFusz, Inc. (since May 7, 2014), a company having shares of common stock registered under the Securities Exchange Act of 1934. He served as a director of Electronic Cigarettes International Group, Ltd. from June 2013 to March 2017. He was the president, secretary, treasurer and a director of Searchbyheadlines.com (now Naked Brand Group Inc.) from December 22, 2011 to July 30, 2012, and the president and director of The Resource Group from 2007 to 2009. From 1986 to 2007, he served as the president and chief executive officer of Budget Rent-a-Car of Fairfield, California. Mr. Geiskopf also served on the board of directors of Suisun Valley Bank from 1986 to 1993 and on the board of directors of Napa Valley Bancorp. from 1991 to 1993.

We believe that Mr. Geiskopf is qualified to serve on our board of directors because of his extensive business management and financial expertise derived from his past occupation and his past and current board participation.

#### ***Edmund C. Moy***

On February 9, 2018, we appointed Edmund C. Moy as a director of our company.

Mr. Moy has been self-employed since July 2013. He has provided autographs for Numismatic Guarantee Corporation since December 2015 and to Profession Coin Grading Services, a division of Collectors Universe (CLCT: NASDAQ) from November 2013 to November 2015. Mr. Moy has also been an author with Whitman Publishing since December 2013, and was a provider of endorsement to Fortress Gold Group from August 2014 to July 2017 and to Morgan Gold from November 2011 to July 2014. As a consultant since August 2013, he has advised the U.S. Department of Labor and the U.S. Department of Transportation during most of 2017 and worked on projects to develop the first Bitcoin IRA and the first state gold bullion depository in America. He has also been a professional speaker since August 2013. He was the vice president for corporate infrastructure of L&L Energy, Inc. from January 2011 to July 2013 and a director of L&L Energy, Inc. from January 2012 to September 2012. From September 2006 to January 2011, Mr. Moy served as Director of the United States Mint, the world's largest manufacturer of coins and medals. He was appointed by President George W. Bush and unanimously confirmed by the U.S. Senate.

He currently serves on the advisory board or board of directors of several privately-held companies: AID:Tech (a blockchain company that fights global corruption in foreign aid and relief with digital identification), OmniSparx (develops healthy decentralized token ecosystems), and Valaurum (which sells the smallest verifiable unit of gold in the world). He is also a member of the Executive Advisory Board for the School of Business & Economics of Seattle Pacific University, the Board of Regents for Trinity International University, and the National Council for C3 Leaders.

Mr. Moy has served on public, private and non-profit boards and advisory boards, including coin.co, Axon Connected, LLC, L&L Energy, Inc. (NASDAQ: LLEN), Xactimed, Emerald Health Network, Christianity Today International, and Tau Kappa Epsilon International Fraternity.

We believe that Mr. Moy is qualified to serve on our board of directors because of his extensive business experience derived from his current and past occupation.

#### ***James M. Carter***

On May 17, 2018, we appointed James M. Carter as a director of our company.

Mr. Carter is a Chartered Professional Accountant with over 45 years' experience in both the private and public business sectors, and was Vice President of MFC Bancorp Ltd., an NYSE listed company focused on merchant banking activities from January 1998 to February 2017. He specialized in conducting corporate evaluations, due diligence reviews, analysis and related negotiations for corporate acquisitions, as well as designing, negotiating, managing and implementing corporate and debt restructurings and risk management programs.

He was based in Europe from 1998 to 2005, and has extensive domestic and international experience encompassing both North American and European capital markets with particular expertise gained in emerging markets and the natural resources sector.

Mr. Carter currently services on the board of directors of Aloro Mining Corp. (since April 2, 2018). During his career, he has served as an officer and director of a number of private and publicly traded companies in various industries in both North America and Europe.

We believe that Mr. Carter is qualified to serve on our board of directors because of his extensive business management and financial expertise derived from his past occupation and his past and current board participation.

#### ***Alphonso Jackson***

On June 22, 2018, we appointed Alphonso Jackson as a director of our company. Mr. Jackson has been a member of our advisory board since June 7, 2018.

Mr. Jackson is the chief executive officer of A.R. Jackson Advisors, LLC since June 2017. Mr. Jackson has decades of experience in housing and community development. His expertise includes development of affordable and market rate housing, handling complex urban development issues and housing finance.

Mr. Jackson worked for First Data Corporation as its Senior Advisor from January 2015 to June 2017. Based out of the Washington, DC office, his primary focus was to strengthen First Data Corporation's relationships with government entities, public policy initiatives, and maximizing business opportunities in the sector. In addition, Mr. Jackson helped expand and support First Data Corporation's many diversity efforts.

From May 2012 to July 2014, Mr. Jackson served as Vice Chairman of Consumer & Community Banking at JP Morgan Chase in New York City. From August 2008 to May 2012, he served as the distinguished university professor and Director of the Center for Public Policy and Leadership at Hampton University in Hampton, Virginia.

Mr. Jackson was appointed the 13th Secretary of the US Department of Housing and Urban Development in March 2004. Nominated by President George W. Bush, he was unanimously confirmed by the United States Senate. Mr. Jackson served as the Secretary until April 2008.

Mr. Jackson holds a Bachelor of Arts degree in political science and a Master's in education administration from Truman State University. He also received a Juris Doctor degree from Washington University School of Law in St. Louis, Missouri.

We believe that Mr. Jackson is qualified to serve on our board of directors because of his extensive business experience derived from his current and past occupation.

### **Family Relationships**

There are no family relationships among our directors or officers.

### **Involvement in Certain Legal Proceedings**

Except as disclosed below, none of our directors or executive officers have been involved in any of the following events during the past ten years:

- (a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
- (c) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;
- (d) being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- (e) being the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of: (i) any federal or state securities or commodities law or regulation; or (ii) any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease- and-desist order, or removal or prohibition order; or (iii) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- (f) being the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Securities Exchange Act of 1934), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Michael Blum was a co-founder of Firefly Systems Inc. ("**Firefly**") and acted as the chief financial officer of Firefly from January 2014 to February 2017. Firefly was a start-up in the space launch industry. Firefly grew from nothing in January 2014 to a company with 185 employees in the summer of 2016 with NASA as its flagship customer. When a major European investor backed out of a \$32 million funding commitment at the last minute due to the Brexit vote, Firefly's major stockholder was unwilling to pick-up the pieces and Firefly failed to close its last round of funding by early 2017. As a result, on April 3, 2017, Firefly filed a bankruptcy petition under Chapter 7 in the United States Bankruptcy Court for the Western District of Texas.

Michael Blum was elected to the board of directors of XCOR Aerospace, Inc. (“XCOR”) in late April 2017. XCOR lost its only customer one or two weeks after his election and the board of directors of XCOR asked Mr. Blum to fill the role of acting chief executive officer and Mr. Blum took over as acting chief executive officer on June 27, 2017. Mr. Blum was unable to save XCOR and, on November 8, 2017, XCOR filed a bankruptcy petition under Chapter 7 in the United States Bankruptcy Court for the Eastern District of California.

### **Delinquent Section 16(a) Reports**

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission and to provide us with copies of those filings. Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons we believe that during year ended December 31, 2019 all filing requirements applicable to our executive officers and directors, and persons who own more than 10% of our common stock were complied with.

### **Code of Ethics**

On December 20, 2017, our board of directors adopted a code of ethics and business conduct for directors, senior officers and employees of our company. We adopted the code of ethics and business conduct for the purpose of promoting:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- full, fair, accurate, timely and understandable disclosure in all reports and documents that we file with, or submits to, the Securities and Exchange Commission and in other public communications made by our company;
- compliance with applicable governmental laws, rules and regulations;
- the protection of our assets, including corporate opportunities and confidential information;
- fair dealing practices;
- the prompt internal reporting of violations of the code of ethics and business conduct; and
- accountability for adherence to the code of ethics and business conduct.

### **Audit Committee**

We have an audit committee consisting of Michael Blum, James M. Carter, James P. Geiskopf, and Edmund C. Moy. Our audit committee assists our board of directors in fulfilling its responsibility to our stockholders relating to corporate accounting matters, the financial reporting practices of our company, and the quality and integrity of the financial reports of our company.

### **Audit Committee Financial Expert**

Our board of directors has determined that James M. Carter, a member of our audit committee, qualifies as an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K issued by the Securities and Exchange Commission, and is “independent” as the term is used by NASDAQ Marketplace Rule 5605(a)(2).

### **Other Committees of Board of Directors**

We do not have nominating or compensation committees or committees performing similar functions nor do we have a written nominating or compensation committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes that the functions of such committees can be adequately performed by our board of directors.

We do not have any defined policy or procedure requirements for our stockholders to submit recommendations or nominations for directors. We do not currently have any specific or minimum criteria for the election of nominees to our board of directors and we do not have any specific process or procedure for evaluating such nominees. Our board of directors assesses all candidates, whether submitted by management or stockholders, and makes recommendations for election or appointment.

A stockholder who wishes to communicate with our board of directors may do so by directing a written request to the address appearing on the first page of this annual report.

## ITEM 11. EXECUTIVE COMPENSATION

### Summary Compensation

The particulars of compensation paid to the following persons:

- (a) all individuals serving as our principal executive officer during the year ended December 31, 2019;
- (b) each of two most highly compensated executive officers other than our principal executive officer who were serving as executive officers at December 31, 2019; and
- (c) up to two additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as our executive officer at December 31, 2019,

who we will collectively refer to as the named executive officers, for all services rendered in all capacities to our company for the years ended December 31, 2019 and 2018 are set out in the following summary compensation table:

### Summary Compensation Table – Years Ended December 31, 2019 and 2018

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity	Nonqualified	All Other	Total (\$)
						Incentive Plan Compensation (\$)	Deferred Compensation Earnings (\$)	Compensation (\$)	
Bruce Elliott <i>President</i> <sup>(1)</sup>	2019	80,000	-	-	-	-	-	-	80,000
	2018	170,000	-	-	8,594 <sup>(7)</sup>	-	-	-	178,594
Michael Blum <i>Chief Operating Officer, Secretary, Treasurer and Director</i> <sup>(2)</sup>	2019	36,000	-	-	-	-	-	-	36,000
	2018	121,806	-	-	17,187 <sup>(4)</sup>	-	-	-	138,993
Swapan Kakumanu <i>Chief Financial Officer</i> <sup>(3)</sup>	2019	25,000	-	-	-	-	-	-	25,000
	2018	4,516	-	-	27,619	-	-	-	32,135

### Notes:

- (1) On October 15, 2017, Mr. Elliott was appointed as the president of our company.
- (2) On October 9, 2017, Mr. Blum was appointed as the chief financial officer, secretary, treasurer and a director of our company. On December 4, 2018, Mr. Blum resigned as our chief financial officer in order to accommodate the appointment of Swapan Kakumanu as our chief financial officer. On the same day, Mr. Blum was appointed as chief operating officer.
- (3) On December 4, 2018, Mr. Kakumanu was appointed as the chief financial officer of our company.
- (4) Reflects the grant date fair value computed in accordance with FASB ASC Topic 718. See Note 7 of our annual financial statements for the years ended December 31, 2019 and 2018 for a description of the assumptions made in the valuation of these stock options.

## Narrative Disclosure to Summary Compensation Table

In connection with the appointment of Bruce Elliott as president, we have entered into an independent consultant agreement dated October 15, 2017 with Bruce Elliott whereby we agreed to pay Mr. Elliott a signing bonus of \$7,500, payable within 30 days, and a consulting fee in the amount of \$10,000 per month, which was increased to \$12,000 per month commencing on February 1, 2018 with the approval of our board of directors. On June 1, 2018, his consulting fee increased to \$16,000 per month with the approval of our board of directors. On December 1, 2019, his consulting fee decreased to \$1 per month. Subject to compliance with all applicable securities laws, we also agreed to grant to Mr. Elliott 200,000 stock options within 60 days at a price of \$0.10 per share, which stock options become exercisable as follows: (i) 1/3 upon the date of grant; (ii) 1/3 on the first anniversary date and (iii) 1/3 on the second anniversary date. The agreement continues for twelve months terms which will automatically be renewed unless we provide 90 days prior written notice of our intention to not renew the agreement. The agreement may be terminated by (i) Mr. Elliott by providing at least 90 days advance notice in writing, (ii) us by giving at least 90 days advance notice in writing, or (iii) us without notice in the event that Mr. Elliott: (a) breaches any term of the agreement, (b) neglects the services or any other duty to be performed under the agreement, (c) engages in any conduct which is dishonest, or damages our reputation or standing, (d) is convicted of any criminal act, (e) engages in any act of moral turpitude, (f) files a voluntary petition in bankruptcy, or (g) is adjudicated as bankrupt or insolvent. Mr. Elliott has also agreed for the term of the agreement not to compete with us in the business of providing services for blockchain initial coin offerings. During the term of the agreement and for a period of one year immediately following the termination or expiration of the agreement, Mr. Elliott has agreed not to solicit or induce any customer, prospective customer, supplier, sales personnel, employee or independent contractor involved with us to terminate or breach any employment, contractual or other relationship with us, or to otherwise discontinue or alter such third party's relationship with us.

In connection with the appointment of Michael Blum as chief financial officer, we have entered into an independent consultant agreement dated October 9, 2017 with Michael Blum whereby we agreed to pay Mr. Blum a signing bonus of \$25,000, payable within 30 days, and a consulting fee in the amount of \$10,000 per month. Subject to compliance with all applicable securities laws, we also agreed to grant to Mr. Blum stock options in an amount to be determined by our board of directors. The agreement continues for twelve months terms which will automatically be renewed unless we provide 30 days prior written notice of our intention to not renew the agreement. The agreement may be terminated by (i) Mr. Blum by providing at least 30 days advance notice in writing, (ii) us by giving at least 30 days advance notice in writing, or (iii) us without notice in the event that Mr. Blum: (a) breaches any term of the agreement, (b) neglects the services or any other duty to be performed under the agreement, (c) engages in any conduct which is dishonest, or damages our reputation or standing, (d) is convicted of any criminal act, (e) engages in any act of moral turpitude, (f) files a voluntary petition in bankruptcy, or (g) is adjudicated as bankrupt or insolvent. Mr. Blum has also agreed for the term of the agreement not to compete with us in the business of providing services for blockchain initial coin offerings. During the term of the agreement and for a period of one year immediately following the termination or expiration of the agreement, Mr. Blum has agreed not to solicit or induce any customer, prospective customer, supplier, sales personnel, employee or independent contractor involved with us to terminate or breach any employment, contractual or other relationship with us, or to otherwise discontinue or alter such third party's relationship with us. On December 4, 2018, we removed Michael Blum as our chief financial officer in order to accommodate the appointment of Swapan Kakumanu as our chief financial officer in connection with our application to list our common stock on the TSX Venture Exchange. In connection with the appointment of Michael Blum as chief operating officer, on December 4, 2018, we have entered into an amendment to the independent consultant agreement dated October 9, 2017 with Mr. Blum whereby the parties (i) modified the services to be provided by Mr. Blum to reflect his new position with our company as chief operating officer and (ii) increased his consulting fee to \$12,000 per month commencing December 4, 2018. On December 1, 2019, his consulting fee decreased to \$1 per month.

Since October 1, 2017, we have paid Red to Black Inc., a company controlled by Swapam Kakumanu \$4,000 per month which was amended to \$10,000 per month from February 1, 2018 for providing accounting and controller services. On December 4, 2018, we removed Michael Blum as our chief financial officer in order to accommodate the appointment of Swapam Kakumanu as our chief financial officer in connection with our application to list our common stock on the TSX Venture Exchange. In connection with the appointment of Swapam Kakumanu as chief financial officer, we have entered into an independent consultant agreement dated December 4, 2018 with Swapam Kakumanu whereby we agreed to pay a consulting fee of \$5,000 per month. Commencing December 1, 2019, the consulting agreement was amended to pay \$1 per month. Subject to compliance with all applicable securities laws, we also agreed to grant to Mr. Kakumanu stock options in an amount to be determined by our board of directors. The agreement continues for a twelve month term, which will automatically be renewed unless we provide 30 days prior written notice of our intention to not renew the agreement. The agreement may be terminated by (i) Mr. Kakumanu by providing at least 30 days advance notice in writing, (ii) us by giving at least 30 days advance notice in writing, or (iii) us without notice in the event that Mr. Kakumanu: (a) breaches any term of the agreement, (b) neglects the services or any other duty to be performed under the agreement, (c) engages in any conduct which is dishonest or damages our reputation or standing, (d) is convicted of any criminal act, (e) engages in any act of moral turpitude, (f) files a voluntary petition in bankruptcy, or (g) is adjudicated as bankrupt or insolvent. Mr. Kakumanu has also agreed, for the term of the agreement, not to compete with us in the business of providing services for blockchain initial coin offerings. During the term of the agreement, and for a period of one year immediately following the termination or expiration of the agreement, Mr. Kakumanu has agreed not to solicit or induce any customer, prospective customer, supplier, sales personnel, employee, or independent contractor involved with us to terminate or breach any employment, contractual or other relationship with us, or to otherwise discontinue or alter such third party's relationship with us.

On October 15, 2017, as amended on January 22, 2018 and November 22, 2018, our board of directors adopted and approved the 2017 Equity Incentive Plan. The purpose of the plan is to (a) enable us and any of our affiliates to attract and retain the types of employees, consultants and directors who will contribute to our long range success; (b) provide incentives that align the interests of employees, consultants and directors with those of our stockholders; and (c) promote the success of our business. On November 22, 2018, our board of directors amended our 2017 Equity Incentive Plan in connection with our application to list our common stock on the TSX Venture Exchange. The plan was amended to provide that a total of 4,174,904 shares of our common stock will be available for the grant of stock options and no shares will be available for the grant of non-stock option awards;

Effective October 15, 2017, we granted a total of 1,400,000 stock options to our directors and officers (200,000 stock options to Bruce Elliott, 400,000 stock options to Michael Blum, 400,000 stock options to Cameron Chell and 400,000 stock options to James P. Geiskopf). The stock options are exercisable at the exercise price of \$0.10 per share for a period of ten years from the date of grant. The stock options become exercisable as follows: (i) 1/3 upon the date of grant; (ii) 1/3 on the first anniversary date and (iii) 1/3 on the second anniversary date. The grant also included 100,000 stock options to Swapam Kakumanu. These stock options become exercisable as follows: (i) 1/3 on the first anniversary date; (ii) 1/3 on the second anniversary date and (iii) 1/3 on the third anniversary date.

Effective October 15, 2017, we granted 100,000 stock options to Red to Black Inc., a company controlled by Swapam Kakumanu. The stock options are exercisable at the exercise price of \$0.10 per share for a period of ten years from the date of grant. The stock options become exercisable as follows: (i) 1/3 on the first anniversary of the grant date; (ii) 1/3 on the second anniversary of the grant date and (iii) 1/3 on the third anniversary of the grant date.

Effective June 8, 2018, we granted 75,000 stock options to Red to Black Inc. The stock options are exercisable at the exercise price of \$0.60 per share for a period of ten years from the date of grant. The stock options become exercisable as follows: (i) 1/3 on the first anniversary of the grant date; (ii) 1/3 on the second anniversary of the grant date and (iii) 1/3 on the third anniversary of the grant date.

#### **Retirement or Similar Benefit Plans**

There are no arrangements or plans in which we provide retirement or similar benefits for our directors or executive officers.

## Resignation, Retirement, Other Termination, or Change in Control Arrangements

We have no contract, agreement, plan or arrangement, whether written or unwritten, that provides for payments to our directors or executive officers at, following, or in connection with the resignation, retirement or other termination of its directors or executive officers, or a change in control of our company or a change in our directors' or executive officers' responsibilities following a change in control.

## Outstanding Equity Awards at Fiscal Year-End

The following table sets forth for each named executive officer certain information concerning the outstanding equity awards as of December 31, 2019:

Name	Option awards					Stock awards			
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares of units of stock that have not vested (\$)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested (\$)
Bruce Elliott	200,000 <sup>(1)</sup>	-	-	0.10	October 15, 2027	-	-	-	-
Michael Blum	400,000 <sup>(1)</sup>	-	-	0.10	October 15, 2027	-	-	-	-
Swapan Kakumanu	66,667 <sup>(2)</sup> (4)	33,333 <sup>(2)</sup> (4)	-	0.10	October 15, 2027	-	-	-	-
Swapan Kakumanu	50,000 <sup>(3)</sup> (4)	25,000 <sup>(3)</sup> (4)	-	0.60	June 8, 2028	-	-	-	-

### Notes:

- (1) The stock options become exercisable as follows: (i) 1/3 upon the date of grant (October 15, 2017); (ii) 1/3 on the first anniversary date and (iii) 1/3 on the second anniversary date.
- (2) The stock options become exercisable as follows: (i) 1/3 on the first anniversary date of grant (October 15, 2018); (ii) 1/3 on the second anniversary date and (iii) 1/3 on the third anniversary date.
- (3) The stock options become exercisable as follows: (i) 1/3 upon the date of grant (June 8, 2018); (ii) 1/3 on the first anniversary date and (iii) 1/3 on the second anniversary date.
- (4) These stock options are held by Red to Black Inc., a company controlled by Swapan Kakumanu

## Compensation of Directors

During the year ended December 31, 2019, compensation to directors who were not our named executive officers is set out in the director compensation table below:

### Director Compensation

Name	Fees earned or paid in cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Cameron Chell <sup>(1)</sup>	-	-	-(7)	-	-	-	-(2)
James P. Geiskopf <sup>(3)</sup>	40,000	-	-(7)	-	-	-	-
Edmund C. Moy <sup>(4)</sup>	16,667	-	-(7)	-	-	-	-
James M. Carter <sup>(5)</sup>	16,667	-	-(7)	-	-	-	-
Alphonso Jackson <sup>(6)</sup>	12,500	-	-(7)	-	-	-	-

- (1) On August 21, 2017, Mr. Chell was appointed as the president and chief executive officer and a director of our company. On October 15, 2017, Mr. Chell resigned as our president and chief executive officer in order to accommodate the appointment of Bruce Elliott as our president. On the same day, Mr. Chell was appointed as the non-executive chairman.
- (2) Does not include the fees and stock options received by Business Instincts Group Inc. On October 18, 2017, we entered into a business services agreement with Business Instincts Group Inc., a company of which Mr. Chell is a director, officer and indirect shareholder. The fees and stock options received by Business Instincts Group Inc. are compensation for the services provided by that company as a whole and we did not compensate Mr. Chell separately for these services. See Business – Recent Developments for additional information.
- (3) Effective August 28, 2014, Mr. Geiskopf was appointed as president, secretary, treasury and director of our company. On August 21, 2017, Mr. Geiskopf resigned as our president. On October 9, 2017, Mr. Geiskopf resigned as our secretary and treasurer.
- (4) On February 9, 2018, Mr. Moy was appointed as a director of our company.
- (5) On May 17, 2018, Mr. Carter was appointed as a director of our company.
- (6) On June 22, 2018, Mr. Jackson was appointed as a director of our company.
- (7) Reflects the grant date fair value computed in accordance with FASB ASC Topic 718. See Note 7 of our annual financial statements for the years ended December 31, 2019 and 2018 for a description of the assumptions made in the valuation of these stock options.

On January 22, 2018, we entered into an offer letter with James P. Geiskopf, pursuant to which, among other things, we agreed to pay Mr. Geiskopf \$120,000 in annual cash compensation commencing on January 1, 2018. On June 26, 2019, Mr. Geiskopf agreed to a credit \$30,000 of his annual cash compensation. On December 20, 2019, Mr. Geiskopf agreed to credit the remaining outstanding invoices of \$50,000.

In connection with the appointment of Edmund C. Moy as a director on February 9, 2018, we entered into an offer letter dated February 9, 2018 with Mr. Moy, pursuant to which, among other things, we agreed to pay Mr. Moy \$50,000 in annual cash compensation and grant 100,000 stock options. Effective February 9, 2018, we granted to Mr. Moy 100,000 stock options, which are exercisable at an exercise price of \$0.60 per share until February 9, 2028. The stock options become exercisable as follows: (i) 1/3 on the grant date, (ii) 1/3 on the first anniversary of the grant date and (iii) 1/3 on the second anniversary of the grant date. On December 20, 2019, Mr. Moy agreed to credit the remaining outstanding invoices of \$33,333.

In connection with the appointment of James Carter as a director on May 17, 2018, we entered into an offer letter dated May 17, 2018 with Mr. Carter, pursuant to which, among other things, we agreed to pay Mr. Carter \$50,000 in annual cash compensation and grant 100,000 stock options. Effective May 17, 2018, we granted to Mr. Carter 100,000 stock options, which are exercisable at an exercise price of \$0.60 per share until May 17, 2028. The stock options become exercisable monthly over 36 months as follows: 1/36 of the stock options vesting each month commencing on May 17, 2018. On December 20, 2019, Mr. Moy agreed to credit the remaining outstanding invoices of \$33,333.

In connection with the appointment of Alphonso Jackson as a director on June 22, 2018, we entered into an offer letter dated June 22, 2018 with Mr. Jackson, pursuant to which, among other things, we agreed to pay Mr. Jackson \$50,000 in annual cash compensation and grant 100,000 stock options, which stock options were previously granted on June 7, 2018 in connection with his appointment as a member of our advisory board. The stock options are exercisable at the exercise price of \$0.60 per share until June 7, 2028. The stock options become exercisable as follows: (i) 1/3 on the grant date, (ii) 1/3 on the first anniversary of the grant date and (iii) 1/3 on the second anniversary of the grant date. On December 20, 2019, Mr. Jackson agreed to credit the remaining outstanding invoices of \$47,500.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of March 30, 2020, certain information with respect to the beneficial ownership of our common stock by each stockholder known by us to be the beneficial owner of more than 5% of any class of our voting securities and by each of our directors, our named executive officers and by our executive officers and directors as a group.

<b>Name and Address of Beneficial Owner</b>	<b>Title of Class</b>	<b>Amount and Nature of Beneficial Ownership<sup>(1)</sup></b>	<b>Percentage of Class<sup>(1)(2)</sup></b>
Bruce Elliott 6 Kermode Road, Crosby, Isle of Man IM4 4BZ	Common Stock	200,000(3)	*
Michael Blum 2212 Glenbrook Way, Las Vegas, NV 89117	Common Stock	650,000(4)	2.74%
Swapan Kakumanu 193 Simcoe Circle SW, Calgary, AB T3H 4S3	Common Stock	133,333(5)	*
Cameron Chell 561 Indiana Court, Venice Beach, CA 90291	Common Stock	2,650,000(6)	11.16%
James P. Geiskopf 3250 Oakland Hills Court, Fairfield, CA 94534	Common Stock	1,900,000(7)	7.99%
Edmund C. Moy 4251 Campbell Avenue, Suite 313, Arlington, VA 22206	Common Stock	100,000(8)	*
James M. Carter 12532 23 <sup>rd</sup> Ave, Surrey, BC V4A 2C4, Canada	Common Stock	69,447(9)	*
Alphonso Jackson 1411 Key Blvd, Unit 601, Arlington, VA 22209	Common Stock	58,333(10)	*
<b>All executive officers and directors as a group (8 persons)</b>	<b>Common Stock</b>	<b>5,761,113</b>	<b>24.25%</b>

### Notes

\* Less than 1%.

(1) Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Common stock subject to options or warrants currently exercisable or exercisable within 60 days, are deemed outstanding for purposes of computing the percentage ownership of the person holding such option or warrants, but are not deemed outstanding for purposes of computing the percentage ownership of any other person.

- (2) Percentage of ownership is based on 23,756,033 shares of our common stock issued and outstanding as of March 25, 2020.
- (3) Comprised of 200,000 options to purchase shares of our common stock exercisable within 60 days.
- (4) Includes 400,000 options to purchase shares of our common stock exercisable within 60 days.
- (5) Includes 83,333 options to purchase shares of our common stock exercisable within 60 days, held by Red to Black Inc., a company controlled by Mr. Kakumanu.
- (6) Comprised of 50,000 shares of our common stock held directly, 2,000,000 shares of our common stock held indirectly through Blockchain Fund GP Inc., 200,000 shares of our common stock held indirectly through 1373024 Alberta Inc. and 400,000 options to purchase shares of our common stock exercisable within 60 days, held by Mr. Chell. Mr. Chell has the sole power to vote or direct the vote, and to dispose or direct the disposition of the shares of our common stock held by Blockchain Fund GP Inc. and 1373024 Alberta Inc.
- (7) Includes 400,000 options to purchase shares of our common stock exercisable within 60 days.
- (8) Includes 66,666 options to purchase shares of our common stock exercisable within 60 days.
- (9) Includes 55,560 options to purchase shares of our common stock exercisable within 60 days.
- (10) Includes 66,666 options to purchase shares of our common stock exercisable within 60 days.

### **Changes in Control**

We are unaware of any arrangement the operation of which may at a subsequent date result in a change of control of our company.

## **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

### **Transactions with Related Persons**

Other than as disclosed below, there has been no transaction, since January 1, 2018, or currently proposed transaction, in which we were or are to be a participant and the amount involved exceeds \$20,258.50, being the lesser of \$120,000 or one percent of the average of its total assets at year end for the last two completed fiscal years, and in which any of the following persons had or will have a direct or indirect material interest:

- (i) any director or executive officer of our company;
- (ii) any person who beneficially owns, directly or indirectly, shares carrying more than 5% of any class of our voting securities;
- (iii) any person who acquired control of our company when it was a shell company or any person that is part of a group, consisting of two or more persons that agreed to act together for the purpose of acquiring, holding, voting or disposing of our common stock, that acquired control of our company when it was a shell company; and
- (iv) any member of the immediate family (including spouse, parents, children, siblings and in-laws) of any of the foregoing persons.

On October 18, 2017, we entered into a business services agreement with Business Instincts Group Inc., on November 20, 2017, we entered into a loan agreement with RYDE Holding Inc. (“Ryde”), formerly WENN Digital Inc., and, on December 29, 2017, as amended as of March 15, 2018, July 9, 2018, and October 29, 2018, we entered into a business services agreement with Ryde. Our chairman and director, Cameron Chell, is a director, officer and an indirect shareholder of Business Instincts Group Inc. which owns 10% of the common stock of Ryde and he is also a director, officer and indirect shareholder of Blockchain Merchant Group, Inc. which owns 2.5% of the common stock of Ryde. Mr. Chell has also been a director and secretary of Ryde from December 2017 and chairman of Ryde from February 2018. From December 2017 to February 2018, our president, Bruce Elliott, served as the chief marketing officer of Ryde. Our chief financial officer, Swapan Kakumanu has also been the chief financial officer of Ryde from October 2018. See Related Party (Note 8) for additional information.

On March 13, 2018, we entered into a loan agreement with Michael Blum whereby Mr. Blum advanced \$100,000 to us. The principal amount of \$100,000 was repayable on demand (but no longer than a term of six month) and bore simple interest at a rate of 12% per annum, which was payable upon repayment of the principal amount of \$100,000. We were entitled to prepay the whole or any portion of the principal amount of \$100,000, plus accrued interest on the portion of the principal amount of \$100,000 being prepaid, at any time. The loan agreement provided that we must, within five days of the release of funds to us from our private placement of subscription receipts that closed in March 2018, repay the principal amount of \$100,000 plus accrued interest in full. The loan agreement also provided that if we obtain any indebtedness on terms that are superior to the terms set forth in the loan agreement, then the terms under the loan agreement will be deemed to be amended, as of March 13, 2018, to match such superior terms in a manner and on terms as nearly equivalent as practicable to such superior terms. The loan was repaid on June 1, 2018 with interest of \$2,630.

On July 9, 2018, we entered into a loan agreement with Ryde whereby we provided to Ryde a loan in the principal amount of \$750,000. The principal amount of the loan bears interest at the rate of 2% per annum, provided, however, any amounts not paid when due will immediately commence accruing interest at the default rate of 10% per annum. The principal amount of the loan, any accrued and unpaid interest thereon, and any other amounts owing under the loan matures on the earlier of (i) March 9, 2019 and (ii) the closing by Ryde of a minimum of \$3,000,000 in financings, in the aggregate, whether through the sale of KodakCoins, equity or otherwise. Ryde can prepay all outstanding amounts on 10 days' notice to our company. This loan agreement has since been amended (please see Note 8).

On November 27, 2018, we issued 200,000 shares of our common stock to 1373024 Alberta Inc., a company wholly-owned by Cameron Chell, our chairman and director, at a price of \$1.00 per share for aggregate gross proceeds of \$200,000.

Effective May 1, 2018, we entered into a facility services agreement with Business Instincts Group Inc., a company of which Cameron Chell is a director, officer and indirect shareholder, whereby we agreed to pay Business Instincts Group Inc. a basic monthly rent of \$16,500 for the complete occupancy term commencing May 1, 2018 until February 28, 2020 to use the premises located at 4101 Redwood Ave, Building F. Los Angeles, California 90066 for general office purposes. This service agreement has since been terminated as at December 31, 2019.

The Company entered into six promissory notes on July 18, 2019, August 9, 2019, September 13, 2019, October 4, 2019, November 19, 2019, and December 18, 2019 with BIG. As of December 31, 2019, the Company owed \$484,525 in principal and interest (December 31, 2018 - \$Nil).

#### **Compensation for Executive Officers and Directors**

For information regarding compensation for our executive officers and directors, see "Executive Compensation".

#### **Director Independence**

We currently act with six directors consisting of Michael Blum, Cameron Chell, James P. Geiskopf, Edmund C. Moy, James M. Carter, and Alphonso Jackson. Our common stock is quoted on the OTC Pink operated by the OTC Markets Group, which does not impose any director independence requirements. Under NASDAQ rule 5605(a)(2), a director is not independent if he or she is also an executive officer or employee of the corporation or was, at any time during the past three years, employed by the corporation. Using this definition of independent director, we have three independent directors, Edmund C. Moy, James M. Carter, and Alphonso Jackson.

## ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

### Audit Fees

The following table sets forth the fees billed or expected to be billed to our company for the years ended December 31, 2019 and December 31, 2018 for professional services rendered by Haynie & Company, our independent registered public accounting firm:

<b>Fees</b>	<b>2019</b>	<b>2018</b>
Audit Fees	\$ 55,000*	\$ 55,542
Audit Related Fees	-	-
Tax Fees	-	-
Other Fees	-	-
<b>Total Fees</b>	<b>\$ 55,000</b>	<b>\$ 55,542</b>

\*Estimated.

### Pre-Approval Policies and Procedures

Our audit committee pre-approves all services provided by our independent registered public accountants. All of the above services and fees were reviewed and approved by our board of directors or our audit committee before the respective services were rendered.

Our board of directors has considered the nature and amount of fees billed by our independent registered public accountants and believes that the provision of services for activities unrelated to the audit is compatible with maintaining the independence of our independent registered public accountants.

## 15. NON-CONTROLLING INTEREST

The Company has three subsidiaries, CurrencyWorks USA Inc., Cathio, Inc., and sBetOne, Inc. The Company has 100% ownership of CurrencyWorks USA Inc. and Cathio, Inc.

For sBetOne, Inc., on April 1, 2019, the Company transferred 2,000,000 of its shares to a third-party and cancelled 1,097,826 of its shares. Additionally, 2,097,826 shares of sBetOne, Inc. were issued to third-parties, reducing the Company's ownership in this subsidiary to 59.02%

## PART IV

## ITEM 16. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

<b>Exhibit Number</b>	<b>Description</b>
<b>(3)</b>	<b>Articles of Incorporation and Bylaws</b>
3.1	<a href="#">Articles of Incorporation (incorporated by reference from our Current Report on Form S-1, filed on March 30, 2011)</a>
3.2	<a href="#">Amended and Restated Bylaws (incorporated by reference from our Current Report on Form 8-K, filed on November 23, 2018)</a>
3.3	<a href="#">Articles of Merger (incorporated by reference from our Current Report on Form 8-K filed on August 23, 2017)</a>
3.4	<a href="#">Articles of Merger (incorporated by reference from our Current Report on Form 8-K filed on February 15, 2018)</a>

Exhibit Number	Description
<b>(10)</b>	<b>Material Contracts</b>
10.1	<a href="#">Private Placement Subscription Agreement with Oceanside Strategies Inc. dated September 14, 2015 (incorporated by reference from our Current Report on Form 8-K, filed on September 15, 2015)</a>
10.2	<a href="#">18% Unsecured Convertible Note with Oceanside Strategies Inc. dated September 14, 2015 (incorporated by reference from our Current Report on Form 8-K, filed on September 15, 2015)</a>
10.3	<a href="#">Private Placement Subscription Agreement with Oceanside Strategies Inc. dated December 30, 2016 (incorporated by reference from our Current Report on Form 8-K, filed on January 5, 2017)</a>
10.4	<a href="#">18% Unsecured Convertible Note with Oceanside Strategies Inc. dated December 30, 2016 (incorporated by reference from our Current Report on Form 8-K, filed on January 5, 2017)</a>
10.5	<a href="#">Private Placement Subscription Agreement with Oceanside Strategies Inc. dated December 30, 2016 (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)</a>
10.6	<a href="#">18% Unsecured Convertible Note with Oceanside Strategies Inc. dated December 30, 2016 (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)</a>
10.7	<a href="#">Private Placement Subscription Agreement with Oceanside Strategies Inc. dated March 2, 2017 (incorporated by reference from our Current Report on Form 8-K, filed on March 15, 2017)</a>
10.8	<a href="#">18% Unsecured Convertible Note with Oceanside Strategies Inc. dated March 2, 2017 (incorporated by reference from our Current Report on Form 8-K, filed on March 15, 2017)</a>
10.9	<a href="#">Private Placement Subscription Agreement with Oceanside Strategies Inc. dated June 8, 2017 (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)</a>
10.10	<a href="#">18% Unsecured Convertible Note with Oceanside Strategies Inc. dated June 8, 2017 (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)</a>
10.11	<a href="#">Transfer Agreement dated August 21, 2017 with Blockchain Fund GP Inc. (incorporated by reference from our Current Report on Form 8-K filed on August 23, 2017)</a>
10.12	<a href="#">Business Services Agreement with Business Instincts Group Inc. dated October 18, 2017. (incorporated by reference from our Current Report on Form 8-K filed on October 19, 2017)</a>
10.13	<a href="#">Private Placement Subscription Agreement with Oceanside Strategies Inc. dated October 30, 2017 (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017)</a>
10.14	<a href="#">10% Unsecured Convertible Note dated October 30, 2017 issued in connection with Private Placement Subscription Agreement with Oceanside Strategies Inc. dated October 30, 2017 (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017)</a>
10.15	<a href="#">Private Placement Subscription Agreement with Hospitality Investors Special Situation Group Pvt. Ltd. dated October 30, 2017 (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017)</a>
10.16	<a href="#">10% Unsecured Convertible Note dated October 30, 2017 issued in connection with Private Placement Subscription Agreement with Hospitality Investors Special Situation Group Pvt. Ltd. dated October 30, 2017 (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017)</a>
10.17	<a href="#">Form of Private Placement Subscription Agreement for Common Stock Offering (incorporated by reference from our Current Report on Form 8-K filed on October 31, 2017)</a>
10.18	<a href="#">Loan Agreement dated November 20, 2017 with WENN Digital Inc. (incorporated by reference from our Current Report on Form 8-K filed on November 27, 2017)</a>
10.19	<a href="#">Independent Consultant Agreement dated effective October 9, 2017 with Bruce Elliott (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)</a>
10.20	<a href="#">Independent Consultant Agreement dated effective October 9, 2017 with Michael Blum (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)</a>
10.21	<a href="#">Business Services Agreement dated effective December 29, 2017 with WENN Digital Inc. (incorporated by reference from our Current Report on Form 8-K, filed on January 2, 2018)</a>
10.22	<a href="#">Form of Subscription Agreement (incorporated by reference from our Current Report on Form 8-K, filed on March 14, 2018)</a>
10.23	<a href="#">Amendment No. 1 to Business Services Agreement dated as of March 15, 2018 with WENN Digital Inc. (incorporated by reference from our Current Report on Form 8-K, filed on March 20, 2018)</a>
10.24	<a href="#">Offer Letter dated January 22, 2018 with James P. Geiskopf (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017)</a>

Exhibit Number	Description
10.25	<a href="#">Offer Letter dated February 9, 2018 with Edmund C. Moy (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.26	<a href="#">2017 Equity Incentive Plan (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017)</a>
10.27	<a href="#">Stock Option Agreement dated October 15, 2017 with James P. Geiskopf (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.28	<a href="#">Stock Option Agreement dated October 15, 2017 with Cameron Chell (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.29	<a href="#">Stock Option Agreement dated October 15, 2017 with Michael Blum (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.30	<a href="#">Stock Option Agreement dated October 15, 2017 with Bruce Elliott (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.31	<a href="#">Stock Option Agreement dated October 15, 2017 with Business Instincts Group Inc. (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.32	<a href="#">Stock Option Agreement dated February 9, 2018 with Edmund C. Moy (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.33	<a href="#">Indemnification Agreement dated December 20, 2017 with James P. Geiskopf (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.34	<a href="#">Indemnification Agreement dated December 20, 2017 with Cameron Chell (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.35	<a href="#">Indemnification Agreement dated December 20, 2017 with Michael Blum (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.36	<a href="#">Indemnification Agreement dated December 20, 2017 with Bruce Elliott (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.37	<a href="#">Indemnification Agreement dated February 9, 2018 with Edmund C. Moy (incorporated by reference from our Annual Report on Form 10-K filed on April 2, 2017).</a>
10.38	<a href="#">Offer Letter dated May 17, 2018 with James Carter (incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018).</a>
10.39	<a href="#">Stock Option Agreement dated May 17, 2018 with James Carter (incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018).</a>
10.40	<a href="#">Indemnification Agreement dated May 17, 2018 with James Carter (incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018).</a>
10.41	<a href="#">Offer Letter dated June 22, 2018 with Alphonso Jackson (incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018).</a>
10.42	<a href="#">Stock Option Agreement dated June 7, 2018 with Alphonso Jackson (incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018).</a>
10.43	<a href="#">Indemnification Agreement June 22, 2018 with Alphonso Jackson (incorporated by reference from our Registration Statement on Form S-1/A filed on July 17, 2018).</a>
10.44	<a href="#">Amendment Agreement dated effective as of June 25, 2018 to Business Services Agreement dated October 18, 2017 with Business Instincts Group Inc. (incorporated by reference from our Current Report on Form 8-K, filed on June 29, 2018).</a>
10.45	<a href="#">Loan Agreement dated July 9, 2018 with Ryde Holding Inc. (formerly WENN Digital Inc.) (incorporated by reference from our Current Report on Form 8-K, filed on July 11, 2018).</a>
10.46	<a href="#">Corporate Guaranty dated July 9, 2018 by Ryde GmbH (incorporated by reference from our Current Report on Form 8-K, filed on July 11, 2018).</a>
10.47	<a href="#">Amendment No. 2 to Business Services Agreement dated as of July 9, 2018 with Ryde Holding Inc. (formerly WENN Digital Inc.) (incorporated by reference from our Current Report on Form 8-K, filed on July 11, 2018).</a>
10.48	<a href="#">Loan Agreement entered into as of August 29, 2018 with Ryde GmbH (incorporated by reference from our Current Report on Form 8-K, filed on August 31, 2018).</a>
10.49	<a href="#">Corporate Guaranty entered into as of August 29, 2018 by Ryde Holding Inc. (formerly WENN Digital Inc.) (incorporated by reference from our Current Report on Form 8-K, filed on August 31, 2018).</a>

Exhibit Number	Description
10.50	<a href="#">Security Agreement entered into as of August 29, 2018 with Ryde Holding Inc. (formerly WENN Digital Inc.) (incorporated by reference from our Current Report on Form 8-K, filed on August 31, 2018)</a>
10.51	<a href="#">Security Assignment Agreement entered into as of August 29, 2018 with Ryde GmbH (incorporated by reference from our Current Report on Form 8-K, filed on August 31, 2018)</a>
10.52	<a href="#">Master Services Agreement dated effective October 19, 2018 between ICOx USA, Inc. and BitRail, LLC (incorporated by reference from our Current Report on Form 8-K, filed on October 24, 2018)</a>
10.53	<a href="#">Software Services Statement of Work dated effective October 19, 2018 between ICOx USA, Inc. and BitRail, LLC (incorporated by reference from our Current Report on Form 8-K, filed on October 24, 2018)</a>
10.54	<a href="#">Amendment No. 3 to Business Services Agreement dated as of October 29, 2018 with Ryde Holding Inc. (incorporated by reference from our Current Report on Form 8-K, filed on October 31, 2018)</a>
10.55	<a href="#">Amendment Agreement dated November 5, 2018 with Oceanside Strategies Inc. (incorporated by reference from our Current Report on Form 8-K, filed on November 7, 2018)</a>
10.56	<a href="#">Amendment Agreement dated November 5, 2018 with Oceanside Strategies Inc. (incorporated by reference from our Current Report on Form 8-K, filed on November 7, 2018)</a>
10.57	<a href="#">Amendment Agreement dated November 5, 2018 with Oceanside Strategies Inc. (incorporated by reference from our Current Report on Form 8-K, filed on November 7, 2018)</a>
10.58	<a href="#">Amendment Agreement dated November 5, 2018 with Oceanside Strategies Inc. (incorporated by reference from our Current Report on Form 8-K, filed on November 7, 2018)</a>
10.59	<a href="#">Amendment Agreement dated November 5, 2018 with Oceanside Strategies Inc. (incorporated by reference from our Current Report on Form 8-K, filed on November 7, 2018)</a>
10.60	<a href="#">2017 Equity Incentive Plan (incorporated by reference from our Current Report on Form 8-K, filed on November 23, 2018)</a>
10.61	<a href="#">Form of Private Placement Subscription Agreement (incorporated by reference from our Current Report on Form 8-K, filed on November 29, 2018)</a>
10.62	<a href="#">Amendment to Independent Consultant Agreement dated December 4, 2018 with Michael Blum (incorporated by reference from our Current Report on Form 8-K, filed on December 4, 2018)</a>
10.63	<a href="#">Master Services Agreement dated effective January 21, 2019 between ICOx USA, Inc. and FreedomCoin, LLC (incorporated by reference from our Current Report on Form 8-K, filed on February 4, 2019)</a>
10.64	<a href="#">Software Services Statement of Work dated effective January 21, 2019 between ICOx USA, Inc. and FreedomCoin, LLC (incorporated by reference from our Current Report on Form 8-K, filed on February 4, 2019)</a>
10.65	<a href="#">Stock Option Agreement dated October 15, 2017 with Red to Black Inc. (incorporated by reference from our Annual Report on Form 10-K, filed on March 26, 2019)</a>
10.66	<a href="#">Stock Option Agreement dated June 8, 2018 with Red to Black Inc. (incorporated by reference from our Annual Report on Form 10-K, filed on March 26, 2019)</a>
10.67	<a href="#">Independent Consultant Agreement dated effective December 4, 2018 with Swapan Kakumanu (incorporated by reference from our Annual Report on Form 10-K, filed on March 26, 2019)</a>
10.68	<a href="#">Indemnification Agreement with Swapan Kakumanu (incorporated by reference from our Annual Report on Form 10-K, filed on March 26, 2019)</a>
10.69	<a href="#">Form of Private Placement Subscription Agreement (incorporated by reference from our Current Report on Form 8-K, filed on May 20, 2019)</a>
10.70	<a href="#">Amendment Agreement dated January 21, 2020 with an effective date of December 1, 2019 to Consulting Agreement dated effective October 9, 2017 between CurrencyWorks Inc. and Bruce Elliott (incorporated by reference from our Current Report on Form 8-K, filed on January 27, 2020)</a>
10.71	<a href="#">Amendment Agreement dated January 21, 2020 with an effective date of December 1, 2019 to Offer Letter dated January 22, 2018 between CurrencyWorks Inc. and James P. Geiskopf (incorporated by reference from our Current Report on Form 8-K, filed on January 27, 2020)</a>
10.72	<a href="#">Amendment Agreement dated January 21, 2020 with an effective date of December 1, 2019 to Offer Letter dated February 9, 2018 between CurrencyWorks Inc. and Edmund C. Moy (incorporated by reference from our Current Report on Form 8-K, filed on January 27, 2020)</a>
10.73	<a href="#">Amendment Agreement dated January 21, 2020 with an effective date of December 1, 2019 to Offer Letter dated May 17, 2018 between CurrencyWorks Inc. and James Carter (incorporated by reference from our Current Report on Form 8-K, filed on January 27, 2020)</a>
10.74	<a href="#">Amendment Agreement dated January 21, 2020 with an effective date of December 1, 2019 to Offer Letter dated June 22, 2018 between CurrencyWorks Inc. and Alphonso Jackson (incorporated by reference from our Current Report on Form 8-K, filed on January 27, 2020)</a>
10.75	<a href="#">Amendment Agreement dated January 21, 2020 with an effective date of December 1, 2019 to Consulting Agreement dated effective October 9, 2017, as amended on November 30, 2018 and July 1, 2019 between CurrencyWorks Inc. and Michael Blum (incorporated by reference from our Current Report on Form 8-K, filed on January 27, 2020)</a>
10.76	<a href="#">Amendment Agreement dated January 21, 2020 with an effective date of December 1, 2019 to Business Services Agreement dated effective October 18, 2017 as amended on June 26, 2018 between CurrencyWorks Inc. and Business Instincts Group Inc. (incorporated by reference from our Current Report on Form 8-K, filed on January 27, 2020)</a>
10.77	<a href="#">Amendment Agreement dated January 21, 2020 with an effective date of December 1, 2019 to Consulting Agreement dated effective December 4, 2018 between CurrencyWorks Inc. and Swapan Kakumanu (incorporated by reference from our Current Report on Form 8-K, filed on January 27, 2020)</a>
10.78	<a href="#">Amendment to Loan Agreement and Termination of Business Services Agreement dated February 7, 2020 with Ryde GmbH and Ryde Holding Inc. (incorporated by reference from our Current Report on Form 8-K, filed on February 12, 2020)</a>
<b>(14)</b>	<b>Code of Ethics</b>
14.1	<a href="#">Code of Ethics and Business Conduct (incorporated by reference from our Annual Report on Form 10-K, filed on April 2, 2018)</a>
<b>(16)</b>	<b>Letter re Change in Certifying Accountant</b>
16.1	<a href="#">Letter from Pritchett, Siler &amp; Hardy P.C. dated January 22, 2018 (incorporated by reference from our Current Report on Form 8-K, filed on January 22, 2018)</a>
<b>(21)</b>	<b>Subsidiaries</b>
21.1	Subsidiaries of ICOx Innovations Inc. ICOx USA, Inc., Nevada corporation

Cathio, Inc., Delaware corporation  
sBetOne, Inc., Delaware corporation

**(31) Rule 13a-14(a) Certifications**

31.1\* [Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

31.2\* [Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

**(32) Section 1350 Certifications**

32.1\* [Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

32.2\* [Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

Exhibit Number	Description
<b>(101)</b>	<b>Interactive Data File</b>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

\*Filed herewith.

**ITEM 17. FORM 10-K SUMMARY**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### CURRENCYWORKS INC.

By:

*/s/Bruce Elliott*

\_\_\_\_\_  
Bruce Elliott  
President  
(Principal Executive Officer)  
Date: March 30, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

*/s/Bruce Elliott*

\_\_\_\_\_  
Bruce Elliott  
President  
(Principal Executive Officer)  
Date: March 30, 2020

*/s/ Swapan Kakumanu*

\_\_\_\_\_  
Swapan Kakumanu  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)  
Date: March 30, 2020

*/s/ Michael Blum*

\_\_\_\_\_  
Michael Blum  
Chief Operating Officer, Secretary, Treasurer, and Director  
Date: March 30, 2020

*/s/ Cameron Chell*

\_\_\_\_\_  
Cameron Chell  
Director  
Date: March 30, 2020

*/s/James P. Geiskopf*

\_\_\_\_\_  
James P. Geiskopf  
Director  
Date: March 30, 2020

*/s/Edmund C. Moy*

\_\_\_\_\_  
Edmund C. Moy  
Director  
Date: March 30, 2020

*/s/James M. Carter*

\_\_\_\_\_  
James M. Carter  
Director  
Date: March 30, 2020

*/s/Alphonso Jackson*

\_\_\_\_\_  
Alphonso Jackson  
Director  
Date: March 30, 2020

**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bruce Elliott, certify that:

1. I have reviewed this annual report on Form 10-K of CurrencyWorks Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 30, 2020

*/s/ Bruce Elliott*

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Bruce Elliott

President

(Principal Executive Officer)

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**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Swapan Kakumanu, certify that:

1. I have reviewed this annual report on Form 10-K of CurrencyWorks Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 30, 2020

*/s/Swapan Kakumanu*

Swapan Kakumanu

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

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**CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Bruce Elliott, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

1. the annual report on Form 10-K of CurrencyWorks Inc. for the year ended December 31, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of CurrencyWorks Inc.

March 30, 2020

*/s/ Bruce Elliott*

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Bruce Elliott  
President  
(Principal Executive Officer)

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**CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Swapan Kakumanu, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

1. the annual report on Form 10-K of CurrencyWorks Inc. for the year ended December 31, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of CurrencyWorks Inc.

March 30, 2020

*/s/ Swapan Kakumanu*

Swapan Kakumanu

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

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