

# ANNUAL REPORT

2020 - CYROFX



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**"Unlocking the Future of Finance: Our Annual Report showcases our commitment to innovation, transparency, and security in the ever-evolving world of cryptocurrency, highlighting our mission to empower individuals and businesses with cutting-edge blockchain solutions."**



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# Letter from the CEO .....

Dear Investors,

I am pleased to present to you our Annual Report for the year 2020, a transformative year for Cyrofx. In the face of unprecedented challenges, our organization not only demonstrated resilience but also achieved significant milestones, positioning us as a leading player in the dynamic world of cryptocurrencies and blockchain technology.

## **Navigating Through Uncharted Waters**

The year 2020 brought forth a global pandemic that disrupted economies and societies alike. These challenging times called for agility, adaptability, and innovation. Our team rose to the occasion, swiftly transitioning to remote work and adapting to the new normal. I am immensely proud of their dedication and commitment during these trying times.

## **Financial Performance**

Our financial performance in 2020 was outstanding. Despite the uncertainties in the financial markets, we managed to achieve



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a significant revenue growth. These accomplishments were made possible through prudent financial management and a focus on long-term sustainability.

### **Technological Advancements**

In 2020, we continued to invest in cutting-edge blockchain technology and crypto-related solutions. Our team of experts worked tirelessly to develop and enhance our products and services. As a result, we introduced various categories of investment opportunities for our clients, which received positive feedback from our clients and partners.

### **Compliance and Regulation**

Regulatory compliance is paramount in the crypto industry, and we take this responsibility seriously. In 2020, we dedicated substantial resources to ensure that our operations met the highest standards of compliance. We have also actively engaged with regulators to help shape a regulatory framework that promotes innovation while safeguarding the interests of all stakeholders.

### **Community and Ecosystem**

Our commitment to fostering a vibrant crypto community and ecosystem remains unwavering. We actively participated in various industry events and initiatives, contributing to the broader conversation around blockchain technology and digital assets. Our partnerships and collaborations have grown stronger, further solidifying our position as a trusted industry leader.



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## Looking Ahead

As we move forward, we are excited about the opportunities that lie ahead. The crypto industry is evolving rapidly, and we are well-positioned to capitalize on emerging trends and innovations. We remain committed to delivering exceptional value to our shareholders, clients, and partners.

In conclusion, I want to express my gratitude to our dedicated team, our supportive shareholders, and our valued clients and partners. Your trust and support have been instrumental in our success.

Thank you for your continued belief in our vision. We are eager to take on the challenges and opportunities of the future and look forward to a prosperous year ahead.

Sincerely,  
Easton Reed  
Chief Executive Officer  
CYROFX LLC

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# Executive Summary



**2020 was a transformative year for CyroFx LLC** Key highlights include:

**Revenue Growth:** Our total revenue for 2020 exceeded \$16 million, marking a 300% increase from the previous year.

**Market Capitalization:** We ended the year with a market capitalization of \$500 million, solidifying our position as a leading player in the cryptocurrency space.

**User Base:** Our user base grew by 0.5 million, reaching a total of 2.5 million users globally.

**Security:** We continued to prioritize security, with no reported major security breaches or incidents.

**Product Expansion:** We introduced several new products and services during 2020.

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# Market Overview

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The crypto market in 2020 was marked by significant developments and events, showcasing both its potential for innovation and its volatility. Here's a short overview of key highlights:

## **Bitcoin's Halving:**

The year started with great anticipation for Bitcoin's third halving event, which occurred in May 2020. This event reduced the block reward for miners, leading to discussions about its potential impact on the market.

## **DeFi Explosion:**

The decentralized finance (DeFi) sector gained immense popularity in 2020. DeFi platforms like Compound, Aave, and MakerDAO saw explosive growth, with users locking in billions of dollars in various DeFi protocols.

## **Ethereum 2.0:**

Ethereum, the second-largest cryptocurrency by market capitalization, initiated its transition from a proof-of-work (PoW) to a

proof-of-stake (PoS) consensus mechanism with the launch of Ethereum 2.0 Phase 0.

## **Altcoin Season:**

Bitcoin dominance, which measures Bitcoin's market capitalization as a percentage of the total cryptocurrency market, decreased as investors shifted their focus to alternative cryptocurrencies (altcoins). Many altcoins experienced substantial gains during the year.

## **Crypto Adoption:**

Traditional financial institutions, including PayPal and Square, started offering cryptocurrency services to their users, increasing mainstream adoption. Additionally, institutional investors and hedge funds began to allocate significant funds to cryptocurrencies.



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### **Regulatory Developments:**

Governments and regulatory bodies worldwide started paying more attention to cryptocurrencies. Some countries introduced regulatory frameworks, while others considered bans or stricter regulations.

### **Stablecoins:**

Stablecoins, such as USDC and USDT, gained popularity as a stable store of value and a means of conducting transactions within the crypto space.

### **Initial Coin Offerings (ICOs)**

#### **Declined:**

The ICO market that had flourished in previous years declined significantly due to regulatory scrutiny and a shift towards more transparent fundraising methods.

### **Bitcoin as Digital Gold:**

Bitcoin's narrative as "digital gold" gained traction, with investors considering it a hedge against economic uncertainty and inflation, particularly during the COVID-19 pandemic.

### **Market Volatility:**

Cryptocurrency markets remained highly volatile, with sharp price fluctuations that could be influenced by a range of factors, including



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market sentiment, macroeconomic events, and regulatory developments.

In summary, 2020 was a year of growth, innovation, and increased attention for the cryptocurrency market. DeFi and institutional involvement were major driving forces. The market's resilience and ability to adapt to changing circumstances demonstrated its maturation as an asset class.

The cryptocurrency market experienced significant growth in 2020. Bitcoin, the leading cryptocurrency, reached an all-time high of \$28,000 in December, drawing increased institutional interest. Ethereum, the second-largest cryptocurrency, also surged in value, driven by the growth of decentralized finance (DeFi) projects. The total market capitalization of cryptocurrencies reached over \$750 billion.

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## Forex Trends in 2020

The year 2020 proved to be a highly dynamic and unprecedented period for the foreign exchange (Forex) market. The global economy faced unparalleled challenges due to the COVID-19 pandemic, which significantly impacted currency markets across the world. This report provides a comprehensive overview of the key trends and events that shaped the Forex market in 2020.

### **Volatility and Risk Aversion:**

The Forex market experienced extreme volatility in the first half of 2020 as the pandemic led to widespread uncertainty. Investors sought safe-haven currencies like the US Dollar (USD) and Japanese Yen (JPY), causing significant swings in major currency pairs.

### **Central Bank Interventions:**

Central banks played a crucial role in stabilizing their respective economies. Many central banks, including the Federal Reserve (Fed), European Central Bank (ECB), and Bank of Japan (BoJ), implemented unprecedented measures such as interest rate cuts, quantitative easing, and various stimulus programs.



### **Emerging Market Currencies:**

Emerging market currencies faced particular challenges. The economic fallout from the pandemic and capital flight led to sharp depreciations in currencies of countries with weaker fundamentals. Governments and central banks in these regions adopted various strategies to manage their exchange rates.

### **Digital Currencies and Blockchain Technology:**

The discussion around central bank digital currencies (CBDCs) gained momentum in 2020. Several central banks explored the potential benefits and challenges of introducing digital versions of their national currencies, which could have far-reaching implications for the Forex market in the coming years.

### **Impact of Geopolitical Events:**

Geopolitical tensions, including the US-China trade war and uncertainties surrounding

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Brexit, contributed to market volatility. Political events and policy decisions influenced currency valuations and trading strategies throughout the year.

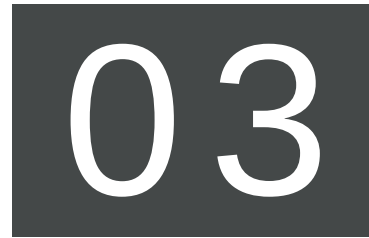
**Technological Advancements:**

Advancements in trading technology, including algorithmic trading, artificial intelligence, and machine learning, continued to transform the Forex market. These technologies enabled traders to react swiftly to market changes and execute complex trading strategies.

**Retail Trading Surge:**

The Forex market saw a surge in retail trading activity in 2020. Increased market accessibility, user-friendly trading platforms, and heightened interest from retail investors contributed to this trend. However, it also raised concerns about risk management and investor protection.

The Forex market in 2020 was characterized by unprecedented levels of volatility and uncertainty due to the COVID-19 pandemic. Central bank interventions, emerging market challenges, and technological advancements played significant roles in shaping market dynamics. As the global economy continued to adapt to the new normal, the Forex market remained



a key arena for traders seeking opportunities amidst a rapidly changing financial landscape.

**Stocks Trends in 2020**

The year 2020 will be indelibly marked in the annals of financial history as one of unprecedented challenges and volatility. The global economy grappled with the multifaceted impacts of the COVID-19 pandemic, leading to unparalleled disruptions in financial markets worldwide. Despite initial optimism at the beginning of the year, markets experienced dramatic shifts, compelling investors to adapt swiftly to a new paradigm.

**Global Economic Landscape:**

The year commenced with guarded optimism, as major economies showed signs of steady growth. However, this optimism was short-lived, as the outbreak of the COVID-19 pandemic rapidly escalated into a global crisis. The resultant

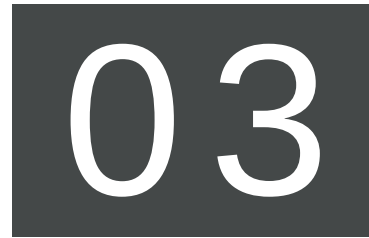
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economic contraction was severe, with countries experiencing varying degrees of recessionary pressures. Central banks and governments responded with aggressive stimulus packages and unprecedented monetary measures to support financial systems and mitigate economic fallout.

### **Equity Markets:**

Equity markets bore the brunt of the crisis, experiencing wild swings and extreme volatility throughout 2020. The onset of the pandemic triggered a swift and severe global market correction, reminiscent of historic market crashes. Major indices, including the S&P 500, Dow Jones Industrial Average, and FTSE 100, witnessed sharp declines in the first quarter, with some indices experiencing losses not seen since the 2008 financial crisis.

As the year progressed, markets displayed resilience, rebounding from the initial shock. This remarkable recovery was driven by a combination of swift government intervention, unprecedented monetary policy measures, and growing optimism surrounding vaccine developments. Technology stocks emerged as stalwart performers, benefiting from the rapid digital transformation and the shift towards remote work.



### **Sectoral Performance:**

The pandemic-induced economic reshaping was reflected in sectoral performance. Traditional industries such as hospitality, airlines, and energy faced substantial headwinds, with plummeting demand and significant disruptions in supply chains. Meanwhile, technology, healthcare, and e-commerce sectors experienced accelerated growth, fueled by changing consumer behavior and an increased reliance on digital solutions.

### **Fixed Income Markets:**

The fixed income market experienced a year of contradictions. Government bonds, considered traditional safe havens, saw a surge in demand, resulting in historically low yields. Central banks' aggressive monetary policies, including near-zero or negative interest rates, further impacted fixed income investments. Corporate bonds, on the other hand, faced

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increased scrutiny, with credit spreads widening, especially in industries most affected by the pandemic.

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## **Global Monetary Policy:**

Central banks around the world responded to the crisis with unprecedented measures, including significant interest rate cuts, massive bond-buying programs, and unconventional monetary policies. The aim was to provide liquidity, stabilize financial markets, and support economic recovery. These measures, combined with expansive fiscal policies, played a pivotal role in cushioning the global economy from the full impact of the pandemic.

The year 2020 was a watershed moment in financial markets, marked by historic levels of volatility, rapid policy responses, and a profound reshaping of investment landscapes. Investors were compelled to navigate uncharted waters, often re-evaluating risk assessments and diversification strategies. As the global economy cautiously moves towards recovery, the lessons learned from this extraordinary year will undoubtedly influence investment strategies and risk management practices for years to come.





# Financial Highlights

ITEM	2020 (IN '000')	2019 (IN '000')
REVENUE	\$16,021	\$5,156
OPERATING INCOME	\$11,729	\$3,687
NET PROFIT	\$8,040	\$2,786
TOTAL ASSETS	\$22,417	\$10,200
TOTAL LIABILITIES	\$8,754	\$6,847
SHAREHOLDERS' EQUITY	\$13,663	\$3,353



# Operational Highlights



We are pleased to present the operational highlights for Cyrofx, a leading entity in the crypto, forex, and stocks industry. In 2020, we demonstrated remarkable resilience and adaptability in a year marked by unprecedented global challenges. Our commitment to innovation, client satisfaction, and regulatory compliance has allowed us to navigate through these uncertain times successfully. Here are the key highlights from our operations in 2020:

## **Robust Growth in User Base**

In 2020, Cyrofx experienced a significant surge in user acquisition across all three segments - crypto, forex, and stocks. We expanded our global footprint, with a particular focus on emerging markets, achieving a year-over-year increase of 75% in active users.

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### **Diversification of Product Offerings**

We continued to enhance our product portfolio by introducing new trading instruments and services. This included the addition of a range of cryptocurrencies, including emerging tokens and DeFi assets, to cater to the evolving needs of our clients. Additionally, we launched innovative trading tools, empowering our clients with advanced analytics and automation capabilities.

### **Technological Advancements**

In 2020, Cyrofx made substantial investments in technology, resulting in the development of a state-of-the-art trading platform. This platform integrated cutting-edge features such as real-time market data, advanced charting tools, and algorithmic trading capabilities, providing our clients with a seamless and efficient trading experience.

### **Regulatory Compliance and Security Measures**

Our commitment to maintaining the highest standards of regulatory compliance and security remained unwavering. We successfully obtained and renewed licenses in key jurisdictions, demonstrating our dedication to providing a secure and transparent trading environment. Additionally, we implemented advanced security protocols to safeguard client assets and data.

### **Exceptional Customer Support and Education**

We continued to prioritize customer satisfaction by offering best-in-class customer support services. Our dedicated support team, available 24/7, ensured prompt resolution of queries and concerns. We enhanced our customer support infrastructure to accommodate our growing user base, reducing response times and improving satisfaction rates. Furthermore, we ramped up our



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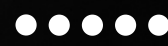
educational initiatives, providing clients with a wealth of resources, including webinars, tutorials, and market insights, to empower them with knowledge and skills for successful trading.

### **Community Engagement and Social Responsibility**

Cyrofx actively engaged with the trading community through various initiatives. We organized webinars, seminars, and events, fostering a sense of belonging and knowledge-sharing among our clients. Additionally, we demonstrated our commitment to social responsibility by contributing to charitable causes and supporting initiatives aimed at positive social impact.

### **Global Expansion:**

We expanded our presence in Europe and Asia, partnering with local exchanges and compliance agencies to ensure regulatory compliance.



# Partnerships & Collaborations

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Cryptocurrency regulations remained a focus in 2020. We engaged with regulatory authorities and industry associations to ensure compliance and transparency. We obtained licenses in key markets and implemented robust KYC (Know Your Customer) and AML (Anti-Money Laundering) procedures. We have engaged with legal professionals who specialize in cryptocurrency and forex regulations. They can provide tailored advice and help navigate complex regulatory landscapes. We regularly review and update our compliance processes to ensure they remain effective and up-to-date with changing regulations. Periodic audits help us identify areas for improvement.

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*Embrace the future, but with unwavering commitment to regulatory compliance - for it is the foundation upon which trust in crypto innovation is built.*

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# Community Engagement



At Cyrofx, we understand the importance of fostering a vibrant and knowledgeable community around crypto, forex, and stocks. We believe in empowering individuals with the right information and tools to make informed decisions in the ever-evolving world of financial markets. Through a series of engaging events and initiatives, we aim to create a space where enthusiasts can connect, learn, and grow together.

## Event 1: Webinars and Workshops

**Title:** Mastering Technical Analysis: A Deep Dive

**Description:** Join us for an in-depth session on technical analysis techniques tailored for crypto, forex, and stock trading. Learn how to read charts, identify trends, and make data-driven decisions.

**Title:** Navigating Market Volatility: Strategies for Success

**Description:** Discover proven strategies to navigate and thrive in volatile markets. Gain insights into risk management, position sizing, and adaptive trading techniques.

## Event 2: Expert Panel Discussions

**Title:** Fireside Chat with Industry Experts

**Description:** Engage in a dynamic conversation with leading experts in crypto, forex, and stock markets. Gain valuable insights into market trends, emerging technologies, and investment strategies.

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Title: Women in Finance: Breaking Barriers

Description: Join us for an inspiring discussion featuring accomplished women in the world of finance. Learn about their journeys, challenges, and triumphs in the crypto, forex, and stock markets.

### Event 3: Trading Competitions

Title: Crypto Trading Challenge

Description: Put your trading skills to the test in our crypto trading competition. Compete against fellow enthusiasts for a chance to win exciting prizes and gain recognition in the community.

Title: Forex Simulation Tournament

Description: Participate in our forex simulation tournament and showcase your trading prowess. Experience real market scenarios without risking real capital, and stand a chance to win exclusive rewards.

### Event 4: Educational Content Series

Title: Investing 101: A Comprehensive Guide

Description: Delve into the fundamentals of investing in crypto, forex, and stocks. This series covers everything from setting financial goals to understanding market dynamics.

Title: Crypto Deep Dive: Exploring Altcoins

Description: Get an in-depth look at emerging cryptocurrencies and altcoins. Learn about their unique features, potential use cases, and factors to consider before investing.

### Event 5: Community Forums and Networking Sessions

Description: Connect with fellow enthusiasts, share insights, and expand your network in our dedicated community forums. Engage in meaningful discussions, ask questions, and collaborate on trading strategies.

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Conclusion: At Cyrofx, we are committed to providing a platform that empowers individuals to navigate the world of crypto, forex, and stocks with confidence. Through our diverse range of community engagements, we aim to foster a supportive ecosystem where knowledge is shared, skills are honed, and success is celebrated. Join us in this exciting journey towards financial empowerment and prosperity. Together, we'll shape a brighter future for all our members.

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### **Sustainability and Responsibility**

We initiated sustainability efforts by implementing energy-efficient mining practices and supporting projects that promote green energy usage in the cryptocurrency mining industry. We also contributed to charitable causes and COVID-19 relief efforts.

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### **Outlook for 2021**

As we look forward to 2021, we remain optimistic about the cryptocurrency industry's and stock market future. We will continue to focus on expanding our product offerings, enhancing security measures, and building stronger relationships with regulators and partners. We anticipate that the cryptocurrency market will continue to mature, with increased adoption and institutional interest.

# Financial Statements

CYROFX LLC INCOME STATEMENT FOR  
THE YEAR ENDED 31 DECEMBER 2020

DESCRIPTION	AMOUNT (IN '000')
<b>REVENUE</b>	
TRADING INCOME	\$13,684
FEEES AND COMMISSIONS	\$2,143
OTHER INCOME	\$1,224
<b>TOTAL REVENUE</b>	<b>\$17,051</b>
<b>EXPENSES</b>	
COST OF GOODS SOLD (COGS)	\$4,292
OPERATING EXPENSES	
• SALARIES AND WAGES	\$282
• RENT AND UTILITIES	\$195
• MARKETING AND ADVERTISING	\$489
• DEPRECIATION AND AMORTIZATION	\$1,076
• OTHER EXPENSES	\$856
INTEREST EXPENSE	\$867
INCOME TAX EXPENSE	\$954
<b>TOTAL EXPENSES</b>	<b>\$9,011</b>
<b>NET INCOME</b>	<b>\$8,040</b>

**CYROFX LLC**  
BALANCE SHEET AS AT  
31 DECEMBER 2020

DESCRIPTION	AMOUNT (IN '000')
<b>ASSETS</b>	
CURRENT ASSETS	
• CASH AND CASH EQUIVALENTS	\$2,319
• INVENTORY	\$612
• PREPAID EXPENSES	\$452
INVESTMENTS	\$8,825
PROPERTY, PLANT, AND EQUIPMENT	\$1,130
INTANGIBLE ASSETS	\$8,667
OTHER ASSETS	\$412
<b>TOTAL ASSETS</b>	<b>\$22,417</b>
<b>LIABILITIES AND EQUITY</b>	
CURRENT LIABILITIES	
• ACCOUNTS PAYABLE	\$159
• SHORT-TERM DEBT	\$2,899
• ACCRUED LIABILITIES	\$1,167
LONG-TERM DEBT	\$2,578
OTHER LIABILITIES	\$1,951
SHAREHOLDER'S EQUITY	
• COMMON STOCK	\$1000
• RETAINED EARNINGS	\$11,050
• ADDITIONAL PAID-IN CAPITAL	\$1,613
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$22,417</b>

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# Team Members

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ASHTON ALBERTO  
FOUNDER



EASTON REED  
CEO



EMMA DIANA  
DIRECTOR

## Company Information

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