CRYPTO BLOCKCHAIN INDUSTRIES

CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS 2021-2022

APRIL 1ST, 2021 - MARCH 31ST, 2022

CRYPTO BLOCKCHAIN INDUSTRIES

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I. CONSOLIDATED FINANCIAL STATEMENTS 2021-2022

12-MONTH FINANCIAL PERIOD ENDED MARCH 31, 2022

INCOME STATEMENT

(000's of ¤)	March 31, 2022	March 31, 2021
Revenue	-	-
Other income	4,280.7	-
Cost of goods sold	(487.1)	-
GROSS MARGIN	**3,793.6**	-
Research and development expenses	(538.5)	-
Marketing and selling expenses	(562.5)	-
General and administrative expenses	(749.6)	(5.0)
Other operating income (expense)	-	-
CURRENT OPERATING INCOME (LOSS)	**1,943.0**	(5.0)
Restructuring costs		
Other income (expense)	0.0	-
OPERATING INCOME (LOSS)	**1,943.0**	(5.0)
Cost of debt	(62.2)	-
Other financial income (expense)	2,044.7	-
Income tax	-	-
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	**3,925.5**	(5.0)
Net income (loss) from discontinued operations	-	-
NET INCOME (LOSS) FOR THE YEAR	**3,925.5**	(5.0)
Group share	3,807.0	(5.0)
Minority interests	118.5	0.0
Basic earnings per share (in euro)	0.016	-
Diluted earnings per share (in euro)	0.016	-

BALANCE SHEET

ASSETS (000's of ¤)		March 31, 2022	March 31, 2021
Intangible assets	*Note 3*	**11,014.5**	-
Property, plant and equipment		**11.8**	-
Rights of use relating to leases	*Note 4*	**2,236.2**	-
Non-current financial assets	*Note 5*	**8,144.9**	-
Deferred tax assets	*Note 21*	**-**	-
Non-current assets		**21,407.4**	-
Inventories	*Note 6*	**2,828.5**	-
Trade receivables	*Note 7*	**440.4**	-
Other current assets	*Note 8*	**-**	-
Cash and cash equivalents	*Note 9*	**2,647.2**	37.0
Assets held for sale		**-**	-
Current assets		**5,916.1**	37.0
Total assets		**27,323.5**	37.0

EQUITY & LIABILITIES (000's of ¤)		March 31, 2022	March 31, 2021
Capital stock		**24,258.8**	37.0
Share premium		**-**	-
Consolidated reserves		**(10,446.8)**	-
Net income (loss) Group share		**3,807.0**	(5.0)
Shareholders' equity	Note 10	**17,619.0**	32.0
Minority interests		**206.6**	-
Provisions for non-current contingencies and losses	*Note 11*	**0.0**	-
Non-current financial liabilities	*Note 12*	**4,573.4**	-
Deferred tax liabilities		**-**	-
Long term lease liabilities	*Note 13*	**2,015.6**	-
Other non-current liabilities	*Note 14*	**-**	-
Non-current liabilities		**6,589.0**	-
Provisions for current contingencies and losses	*Note 11*	**-**	-
Current financial liabilities	*Note 14*	**-**	-
Short term lease liabilities	*Note 13*	**236.5**	-
Trade payables	*Note 14*	**2,559.2**	5.0
Other current liabilities	*Note 14*	**113.2**	-
Current liabilities		**2,908.9**	5.0
Total equity and liabilities		**27,323.5**	37.0

The following notes are an integral part of the Company's financial statements for the 12-month period ended on March 31, 2022 with a balance sheet total of €27,323.5K and the income statement presenting a profit of €3,807.0K.

n/a: not applicable

CASH FLOW STATEMENT

(000'S of ¤)	March 31, 2022	March 31, 2021
Net cash (used)/generated in operating activities	**1,341.5**	-
of which continuing operations	1,341.5	-
Net cash (used)/generated in investing activities	**(21,469.6)**	-
of which continuing operations	(21,469.6)	-
of which intangible assets and fixed assets	(11,026.3)	-
Net cash provided (used in) by financing activities	**22,738.3**	37.0
of which continuing operations	22,738.3	37.0
of which interest paid	(0.5)	-
Other cah flows	**-**	-
Net change in cash and cash equivalent	**2,610.2**	37.0

STATEMENT OF CHANGE IN SHAREHOLDER'S EQUITY

(000's of euros)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
Shareholders' equity 03/31/2021	**37,000**	**37.0**	**-**	**-**	**(5.0)**	**-**	**32.0**
Net income	-	-	-	-	-	3,807.0	3,807.0
Contribution in kind	18,000,000	18,000.0	5,000.0	-	-	-	23,000.0
Private Placement	1,300,000	1,300.0	1,300.0	-	-	-	2,600.0
Split of nominal value by 10	174,033,000	-	-	-	-	-	-
Repayment of loan	700,000	70.0	70.0	-	-	-	140.0
Allocation of free shares (1 for 4)	48,517,500	4,851.8	(4,851.8)	-	-	-	-
Expenses	-	-	(809.8)	-	-	-	(809.8)
Restatement IFRS 16	-	-	-	-	(435.3)	-	(435.3)
Repurchase of Atari Warrant	-	-	-	-	(10,716.9)	-	(10,716.9)
Currency translation adjustments / Others	-	-	-	-	2.0	-	2.0
Shareholders' equity 03/31/2022	**242,587,500**	**24,258.8**	**708.5**	**-**	**(11,155.2)**	**3,807.0**	**17,619.0**

BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

Crypto Blockchain Industries, SA ("CBI" or the "Company") is a French-law company.

The financial year of the Company is from April 1 to March 31.

The present financial statements are presented as at March 31, 2022 for the entire Financial Year 2022, i.e. April 1, 2021 to March 31, 2022. Since this is the first year of CBI, with the company listing in November 2021, CBI operating results for the fiscal year is based on 4 months of activity.

The annual financial statements are prepared and presented in accordance with Articles 832-2 and 833-2 of the French Commercial Code as well as the accounting regulations of the Accounting Standards Authority (ANC Regulation No. 2014-03 of June 5, 2014 updated for the various additional regulations on the date of the establishment of the said annual accounts).

COMPANY PRESENTATION

CBI is one of the very few companies offering a global investment approach, covering all domains of the Crypto Blockchain Industries, investing after careful selection in the portions of the value chain offering the best opportunities:

- Operating Businesses: CBI controls, alone or with partners, its own blockchain business (transportation, games)
- Investments: CBI invests in start-up companies; CBI also invests and assists existing companies in a digital transition to the blockchain space
- Intellectual Properties: CBI can invest into property rights (IPs), building its own portfolio of IPs
- Portfolio Management: CBI holds and manages a portfolio of crypto-currencies and tokens, and also owns highly liquid assets such as cash and listed shares in the videogame/blockchain space

CBI's investment strategy is to keep investing in ongoing businesses and start-up companies, as well as crypto-currencies and tokens.

CBI's permanent focus is to build the portfolio, maximize Return On Investment and operate on very low overhead, targeting the best opportunities in the industry. CBI uses financing techniques to leverage its resources, with a constant focus on securing guarantees in order to protect the downside.

The complementary nature of these business lines enables the optimization of synergies.

The corporate purpose of the Company CBI, in accordance with article 2 of its by-laws, in France or abroad, directly or indirectly, is:

- the design, production, publishing and distribution of all blockchain, multimedia and other services providing an interactive experience, of any nature whatsoever, in any form including software, data processing and content – either interactive or otherwise – for all media and by means of all present and future means of communication;
- the purchase, sale, supply and more generally distribution of all products and services related to the foregoing;
- the creation, acquisition, use and management of intellectual and industrial property rights or other in rem and in personam rights, including by means of assignment, licensing, patents, trademarks and other copyrights;
- the acquisition, the search for partnerships and the acquisition of interests in other firms, including the formation of new entities and the issuance, subscription or transfer of securities in any business directly or indirectly related to the foregoing or to the products and ideas developed by the Company;

NOTES TO THE STATUTORY CONSOLIDATED STATEMENTS

NOTE 1 – HIGHLIGHTS OF THE PERIOD

The year 2021-2022 has allowed the company to establish the basis for its development and to start its activity.

The highlights of the period are as follows:

1. Creation of the Crystal token (CRYS) and first sales

In September 2021, 600 million units of the Crystal (CRYS) token, the crypto-currency to be used in AlphaVerse, were created on the Binance Smart Chain.

The first sales of CRYS and NFTs occurred in November 2021.

2. Continued impact of the Covid-19 pandemic

In response to the current health crisis, the Company has taken the necessary measures to ensure the safety of its employees and the continuity of its operations, despite the continuation of work-at-home arrangements still in place as of the date of this document. The duration of this situation and its proportions are not predictable. The consequences vary considerably depending on the Company's various activities, with an expected negative impact on licensing activities due to delays in the renewal of license contracts. A positive impact has been observed for video game revenues.

The impact of Covid-19 is being closely monitored by the Company in order to take the necessary measures according to the situation.

3. Ukraine and Russia conflict

Crypto Blockchain Industries (CBI) is not exposed with the situation in Russia and Ukraine. CBI does not have any suppliers, clients, employees, affiliates or financial link with Russia and Ukraine.

CBI monitors the situation in a daily basis and will take all necessaries actions to minimize the risk.

4. Investments in new projects

One of the major goals of the Company is to develop an online persistent world operating on the blockchain, i.e. a "Metaverse" (as defined below). This Metaverse is called "AlphaVerse".

Such Metaverse will incorporate major brands, to attract more players by taking advantage of the awareness of such brands.

The Company has recently achieved major milestones:

Continued development of MetaCoaster universe

- MetaCoaster universe, a blockchain theme park simulation game for the AlphaVerse metaverse. MetaCoaster will be free to access in AlphaVerse, with various modes from solo to multiplayer, with a wide range of challenges and experiences enabling the community to acquire virtual plots, build and develop theme parks, and organize tournaments. Players will have full responsibility for managing their parks: the plots and décor can be adjusted (locations of roller coasters, rides, restaurants, etc.) and attractions be built or demolished.

Execution of licenses

- **United at Home**: License with the charity program founded by David Guetta.
- **Raverse collective**: new partnership with the Raverse collective for the development of the AlphaVerse metaverse and NFT sales on the blockchain. With a view to diversifying the content, these universes, focused on digital arts and rave music, will be able to use explicit content from the Raverse collective. In every AlphaVerse world, young artists will be able to create their own communities, sharing and selling their creation, as well as developing new projects.
- **Horyou:** joining forces along with Horyou Foundation to create a metaverse and token focused on humanitarian action and preserving the planet. Horyou, a global platform promoting a more humanistic approach to technology by bringing together stakeholders promoting social good, will develop with CBI a dedicated universe - Horyou AlphaVerse - within its metaverse and NFTs. The licensing partnership between CBI and Horyou includes selling dedicated NFTs for this new universe within AlphaVerse, through the creation of a token called "LIGHTS".

L'utilisation de licences tierces est toujours soumise à l'accord préalable du titulaire des droits.

Definition of a metaverse/ Overview of the experience

The "Metaverse" refers to a shared online world developed featuring various themed or branded environments. Users can interact freely within them, sharing in virtual experiences that combine social interaction with the best of online gaming. Metaverses are composed of a series of 2D or 3D virtual plots that link into a homogenous universe. They may include some sections, parts, levels and/or which are not developed on a blockchain platform.

The Metaverse will be composed of several sub-universes, some of which will be branded and others not. CBI intends to acquire a wide variety of licenses in order to offer an expansive and diverse experience for users.

Third-party operators will be able to run their own sections under agreements with the metaverse, i.e. through revenue share. Each universe will provide its own unique feel, style, and experience for users, creating a rich world for players to interact in.

Some of the activities and games will be developed and operated by the publisher, while others will be run by the users themselves through the use of in-game tools.

Overall, the goal of the metaverse is to:

- Offer users interactive experiences directly created by the metaverse. This will include non-playable characters and "Players vs. Environment" settings for players.
- Offer tools to players so they can create their own experiences. The community will create their own games and assets through the use of in-game builders, which they can later monetize and sell (with a revenue share to the publisher – such as User Generated Content). For example, a player can create his or her own collection of NFTs and sell them to the other players, with a % being taken by the publisher.

Timeline

CBI's goal is to launch a Beta version of the Metaverse in fiscal 2022/2023.

Sources of Revenue

The Company plans to derive its revenue through the following sources:

- Sale of Crystal Tokens
- Sale of virtual land NFTs
- Sale of infrastructure NFTs: This includes buildings, monuments, display galleries/museums, roads/bridges for use on within land parcels. There will be different types of buildings and vehicles. Roads, bridges, signage and equivalent items will also be made available.
- Sale of Avatars.
- Sale of consumables: this includes the following potions or digital consumable [weapons, ammo, food, drinks, gas, fuel for vehicles, etc..] that can be used for gameplay and for certain upgrades in the metaverse.
- Sale of cosmetics: this includes any type of digital wearable items (such as t-shirts or robes), customizable avatars, skins for avatars, digital pets, other assets.
- Sale of games inside the metaverse.

Additional licenses

The Company is in the process of negotiating additional brand licenses for the Metaverse, in many sectors such as music, in order to provide a broad experience to the players.

5. Rent for premises

The Company has entered into a lease agreement with respect to premises located at 68 bis rue Charles-Laffitte à Neuilly-sur-Seine (France) as from November 1, 2021, for a monthly lease of 25 000 euros. Mr. Frédéric Chesnais did abstain from voting as he is interested to this transaction since he has indirect ownership in the leased property.

6. Contribution in kind of September 2021

Ker Ventures contributed assets to the Company, in exchange for new shares being issued as well as a deferred payment recorded as a shareholder's loan. This asset contribution has been reviewed by Mr. Antoine Legoux, appointed on January 25, 2021 as Commissaire aux Apports by unanimous decision of the shareholders of the Company. The extraordinary meeting of shareholders of the Company has approved such contribution of assets and the issuance of the shares by Company on July 22, 2021.

Mr. Antoine Legoux delivered his report on May 12, 2021. In Section II.3 of such report, it was set forth that, in the event of a variation of more than 10% of the valuation of the listed assets, the shareholders would update the value of such listed assets by using a more recent reference.

In accordance with the provisions of such report, the valuation of the listed assets contributed (Atari shares, Atari tokens) has been updated given their intrinsic volatility. These listed assets have been valued on the basis of a six-month volume-weighted average, i.e. respectively euro 0,5582 per share for the 3,500,000 Atari shares and euro 0,311 per token for the 30,000,000 Atari Tokens, averages measured as at July 8, 2021.

There is no restriction on the use of cash available and of the assets of the Company, and the sale of the Atari tokens is partially restricted until March 31, 2022 so as not to add to the market volatility.

18,000,000 new shares were issued by the Company, for a nominal value of 18 million euros, together with a premium of 5 million euros, and a shareholder loan was entered into for the balance of 4.5 million euros. This shareholder loan has a 5-year term, is repayable in *fine*, and bears interest at the legal interest rate.

Such contribution was completed on September 24, 2021, as follows:

(000's of euros)	Capital Increase	US$
Cash	549.1	635.3
Atari Shares	1,953.0	2,259.6
Crypto-currencies	9,338.6	10,804.7
Investments in companies	12,171.6	14,082.6
Investments in companies	3,438.0	3,977.7
Total contribution	**27,450.2**	**31,759.9**
Issuance of shares	18,000.0	20,826.0
Consolidation premium	5,000.0	5,785.0
Shareholders' Loan	4,450.2	5,148.9
Total compensation	**27,450.2**	**31,759.9**

As a result, as at September 30, 2021, the share capital of the Company amounts to 18,037,000 euros, divided in 18,037,000 shares of 1 euro of nominal each.

7. Borrow of company shares

In October 2021, the Company borrowed 70,000 CBI shares from its main shareholders, Ker Ventures, SARL. The loan was short-term, valued at Euro 140K and bore interest at 2% per annum. This is a regulated agreement. This loan has been repaid in full by issuance of the same number of shares.

8. Split of nominal value and allocation of free shares

The extraordinary meeting of shareholders of December 29, 2021 decided the division of the nominal value of the Company by 10, bringing the nominal value of the shares from 1 euro to euro 0.10.

In January 2022, 1 free share was allocated for every 4 shares held.

As at March 31 2022, the Company's subscribed and fully paid-up capital totals is €24,258,750 divided into 242 587 500 shares with a par value of €0.10. The number of voting rights assigned to the Company's shares is 242 587 500.

Evolution of the shares count during the financial year

March 31, 2021		37,000
24/09/2021	Contribution in kind	18,000,000
12/10/2021	Private Placement	1,300,000
12/01/2022	Split of nominal value by 10	174,033,000
18/01/2022	Repayment of loan	700,000
27/01/2022	Allocation of free shares (1 for 4)	48,517,500
March 31, 2022		**242,587,500**

9. Repurchase and cancellation of the Atari warrant

CBI signed on March 29, 2022, a settlement with ATARI in which it was agreed as follows:

- Atari transferred back to CBI the warrant allowing Atari to acquire 5% of the capital of CBI at par value (0,1 euro per share), and such warrant was cancelled.
- CBI did pay $110,000 and did transfer to Atari the ownership of 3.5 million Atari shares held by CBI.
- CBI did not participate in the ongoing capital increase of Atari.
- Atari and CBI did mutually prohibit each other from acquiring securities issued by the other entity for a period of 5 years.
- The license granted by Atari to CBI allowing the latter to exploit certain Atari assets in the metaverse was terminated with immediate effect; the Atari NFTs already sold by CBI did remain in circulation.

The impact on the statutory financial statements is set forth in Note 10.4.

NOTE 2 – ACCOUNTING RULES AND METHODS

2.1. General Principles

The Company's financial statements have been prepared in accordance with IFRS (standards and interpretations) as adopted in the European Union and mandatory from April 1, 2021, with the exception of the new rules and interpretations, whose application is not mandatory for the 2021-2022 financial year and whose impact on the financial statements would be immaterial.

The Company's financial statements are presented in thousands of euros without any decimal or with one decimal, unless otherwise indicated. Figures rounded to the nearest thousand euros may in some situations lead to minor discrepancies in the totals and subtotals of the tables.

Methods and basis for the consolidation

All companies in which the Group exercises control, i.e. in which it has the power to govern their financial and operating policies in order to obtain benefits from their activities, are fully consolidated.

All of the consolidated companies are listed in the table below:

Company	Fiscal Year End	Country	% control		% interest	
			31/03/2022	31/03/2021	31/03/2022	31/03/2021
Active subsidiaries						
OP Productions, LLC	Dec 31	United States	77.3	77.3	77.3	77.3
Free Reign East, LLC	Dec 31	United States	77.3	77.3	77.3	77.3

2.2. Change in accounting methods

The company has adopted IFRS 16. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months. The impact has been taken into account only for the current financial year and beyond, as the lease was entered into during the financial year.

2.3. Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing on the transaction date. On the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates prevailing at the balance sheet date. All differences are recorded in profit or loss for the period, except for differences on foreign currency borrowings that constitute a hedge of the net investment in a foreign entity. These are directly charged to equity until the outflow of the net investment.

The exchange rates of the main currencies used by the Company are as follows:

	March 31, 2022		March 31, 2021	
	Closing rate	Average rate	Closing rate	Average rate
USD	1.1085	1.1010	1.1725	1.1675

2.4. Non-current assets held for sale & discontinued operations

None.

2.5. Use of estimates

The preparation of the individual financial statements in accordance with generally accepted accounting principles requires the Company to make a certain number of estimates and to adopt certain assumptions that it considers reasonable and realistic. These estimates and assumptions affect the amount of assets and liabilities, shareholders' equity, profits, and the amount of contingent assets and liabilities, as presented as of the balance sheet date.

Estimates may be revised if the circumstances on which they were based change, or as a result of new information. Actual results may differ from these estimates and assumptions.

The estimates and assumptions prepared on the basis of the information available as of the balance sheet date relate in particular to: valuations of non-current assets, recoverable amounts of deferred tax assets, provisions for risks.

There is still inherent uncertainty in the realization of the objectives, the operating budget and the financing plan, and the failure of these assumptions to materialize may affect the value of the Company's assets and liabilities.

2.6. Intangible fixed assets

Intangible fixed assets mainly include items such as acquired enterprise software and license rights, brands and development costs for applications.

Concessions

Agreements giving the right to CBI to receive a portion of future revenue or profits are accounted for as Concessions. This category includes, but is not limited to, joint-venture agreements with third-parties whereby CBI is in charge of creating, marketing and selling tokens in exchange for a portion of the revenue or profits.

Licenses

Licenses for the right to use intellectual property are recognized as intangible fixed assets from the date of signature of the contract when no significant obligation is expected from the lessor; the capitalized amount corresponds to the discounted sum of the annual minimum fees stipulated in the contract. Amounts paid above guaranteed minimums are expensed.

These licenses are amortized from their execution date using the highest rate of either the contractual rate applied to the units sold or the linear rate based on the life of the license. The amortization expense is recorded in "Cost of Sales."

The Company regularly checks the recoverable amount of the amounts capitalized and conducts an impairment test, as described in paragraph 2.9, as soon as indicators of impairment appear. An impairment is, if necessary, recorded under "Cost of Sales" if the game to which this license is attached has been marketed, and under "Research and Development Expenses" if not.

Development costs of applications

See Note 2.20.

Other intangible fixed assets

Other intangible assets include identifiable intangible assets arising from acquisitions (e.g. brands) and software acquired for internal use (e.g. accounting software). With the exception of brands, these fixed assets are amortized under "General and Administrative Expenses" or "Research and Development Expenses" on a straight-line basis over a period that cannot exceed their estimated useful lives (between one and four years).

2.7. Tangible fixed assets

Other intangible assets include identifiable intangible assets arising from acquisitions (e.g. brands) and software acquired for internal use (e.g. accounting software). With the exception of brands, these fixed assets are amortized under "General and Administrative Expenses" or "Research and Development Expenses" on a straight-line basis over a period that cannot exceed their estimated useful lives (between one and four years).

The estimated useful lives of fixed assets are as follows:

- Computer equipment: 1 to 3 years
- Furniture and fixtures and other equipments: 3 to 10 years

2.8. Rights of use relating to leases

When the Company is the lessee, leases (with the exception of short-term leases less than 12 months and leases of low value assets) are accounted under the IFRS 16 standard.

The corresponding liability towards the lessor is recognized on the balance sheet as a financial obligation. Payments under the lease are split between financial costs and the repayment of the lease obligation, so that a constant interest rate is obtained for the remaining amount due on the liability side of the balance sheet.

A right-of-use asset is amortized over the contractual period which was determined to calculate the corresponding lease liability.

2.9. Impairment test

The Company regularly performs impairment tests on its assets: goodwill, intangible fixed assets, and tangible fixed assets. For tangible fixed assets and intangible fixed assets with a fixed useful life, this impairment test is performed as soon as indicators of impairment are observable.

These tests consist of comparing the net book value of the assets with their recoverable value, which corresponds to the higher of either their fair value less sale costs or their value in use, estimated by the net present value of the future cash flows generated by their use.

When the fair value of an intangible fixed asset (excluding goodwill) or a tangible fixed asset is assessed during a financial year and the recoverable amount exceeds the book value of the asset, any impairment losses recorded in prior years are recognized in profit or loss.

For goodwill and other intangible fixed assets with an undetermined useful life and intangible fixed assets in progress, an impairment test is performed each time an indicator of impairment is observed.

When the selling price net of disposal costs cannot be determined reliably, the book value of the fixed assets is compared to the net present value of future cash flows excluding financial expenses but after tax.

The residual value results from the discounting to infinity of a normative cash flow determined based on the cash flow from the last year of the business plan to which a long-term growth rate has been applied. The rate used to discount cash flows corresponds to the Company's average cost of capital.

If the annual impairment test reveals a recoverable value that is lower than the net book value, an impairment is recognized to reduce the book value of the fixed assets or goodwill to their fair value.

Impairment losses recorded on goodwill are never recognized in profit or loss.

2.10. Non-Current Financial Assets

Financial assets consist of securities of non-consolidated companies, investments in related companies, derivative instruments not designated as hedges, deposits and loans, marketable securities, cash and cash equivalents, and trade receivables.

Financial assets are classified as "non-current", except for those due less than 12 months after the reporting date, which are classified as "current assets" or "cash & cash equivalents", as appropriate.

Financial assets held by the Company are classified based on the business model and its objectives:

- assets measured at amortized cost (financial assets held in order to collect the contractual cash flows),
- assets measured at fair value (financial assets held for resale and to collect the contractual cash flows).

The classification depends on the nature and objective of each financial asset and is determined when it is initially recognized.

2.11. Inventories

When inventories are recognized, they are valued according to the FIFO (first-in, first-out) method. Their gross value includes the purchase price and incidental purchase costs. Financial expenses are excluded from the value of inventories. A provision for impairment is recorded to reduce the value of inventories to their net realizable value when their probable market value is lower than their cost. This write-down is recorded under "Cost of sales" in the consolidated income statement.

Token	# Tokens	Market Price/Token US$	Market Value US$	Market Value Euro	Gross Value Euro	Accrual Euro	Net Value Euro
	A	B	A*B	C = A*B	D	E = C - D (IF < 0)	D-E
ETH	126.76	$3 282.3000	$416 049.83	€ 375 326.86	€ 492 355.39	-€ 117 028.53	€ 375 326.86
USDT	6 277.00	$1.0000	$6 277.00	€ 5 662.61	€ 5 340.62	€ -	€ 5 340.62
BTC	26.98	$45 528.0000	$1 228 345.44	€ 1 108 114.97	€ 1 160 681.88	-€ 52 566.91	€ 1 108 114.97
USDC	738 763.02	$1.0000	$738 763.02	€ 666 452.88	€ 652 443.70	€ -	€ 652 443.70
CHAIN GAMES	-	$0.2000	$0.00	€ -	€ -	€ -	€ -
BNB	1.00	$428.7600	$428.76	€ 386.79	€ 164.58	€ -	€ 164.58
WETH	0.59	$3 286.2700	$1 942.86	€ 1 752.69	€ 1 674.15	€ -	€ 1 674.15
MATIC	-	$1.6200	$0.00	€ -	€ -	€ -	€ -
CRYS	499 860 000.00	$0.0833	$41 653 333.80	€ 37 576 304.74	€ 499.86	€ -	€ 499.86
ATRI	326 489.00	$0.0250	$8 166.07	€ 7 366.78	€ 19 633.52	-€ 12 266.74	€ 7 366.78
LIGHTS	6 520 000 000.00	$0.0025	$16 300 000.00	€ 14 704 555.71	€ 652.00	€ -	€ 652.00
NFTs	-	$0.0000	$0.00	€ -	€ -	€ -	€ 19.80
ATRI (Contribution)	30 000 000.00	$0.0250	$750 353.40	€ 676 908.80	€ 676 908.80	€ -	€ 676 908.80
TOTAL			**$61 103 660.18**	**€ 55 122 832.82**	**€ 3 010 354.50**	**-€ 181 862.19**	**€ 2 828 512.00**

The cost of creation of one single NFT or token is low. It corresponds to the cost of minting of the collection (minimal on BSC or Polygon) and the time spent (usually 8 hours for any collection of NFT or a new token).

Costs charged by developers for the creation of the tokens and of the NFTs are allocated to inventory and expensed as the NFTs are sold. The balance is recorded as intangible assets and amortized over the useful life of the assets.

The following costs have been established:

- CRYS: Cost of production charged by developers was Euro 600, corresponding to time spent to create such tokens. This is Euro 0.01 for every 10,000 CRYS sold.
- LIGHTS: Cost of production charged by developers was closer to Euro 1,800 as the contract was more complex to write to create the 18 billion LIGHTS tokens. This is Euro 0.001 for every 10,000 LIGHTS sold.
- Standard NFTs: Cost of production depends on the production value, the quality of the assets, the number of items in the collection. These costs are estimated at Euro 0.01 cent by Standard NFT, consisting of cost of production charged by developers.

The cost of minting is paid separately to the network and expensed.

2.12. Trade accounts receivable

Trade accounts receivable are recorded at their fair value, which generally corresponds to their nominal value. Loans considered doubtful are subject to provisions for impairment determined according to their risk of non-recovery.

Accounting principles require accruing for expected credit losses on trade receivables. The Company has thus completed a review of its trade receivables based on an analysis of the country risk and the default probability of the counterparties. This review did not result in any material impact on the Company's financial position.

2.13. Crypto-currencies and related transactions

The tokens held by the Company are recorded as inventory, in accordance with the position of June 2019 of the IFRS IC.

The portfolio of tokens is recorded at cost, based on the acquisition price.

The portfolio is evaluated for each crypto-currency, on the basis of different volume-weighted average prices in order to reflect the value of each crypto-currency. If the value of the crypto-currency exceeds its aggregate cost value, no unearned income is recognized. If the value of the crypto-currency is lower than its aggregate cost value, a depreciation is recorded as part of the income statement.

There are no explicit or implicit obligations relating to the subscribers and holders of the tokens. Therefore, the amounts collected in connection with these services are recognized as other income.

2.14. Cash and cash equivalents

The cash and cash equivalents shown in the cash flow statement include cash (cash on hand and demand deposits) and cash equivalents (highly liquid, short-term investments which are easily convertible into a known amount of cash and which are subject to a negligible risk of change in value).

Investments with an original maturity of more than three months with no early exit option are excluded from cash and cash equivalents.

2.15. Share-based payments

The Company may make share-based payments, paid in equity instruments in the form of stock options or free share awards.

Share-based payments, paid in equity instruments, are measured at fair value at the award date (excluding non-market conditions). The recognized cumulative expense is based on the fair value at the award date and the estimated number of shares that will ultimately be vested (taking into account the effect of non-market vesting conditions). It is recorded, throughout the vesting period, in current operating profit with a direct contra entry in equity.

The fair value of stock options is determined using the Black-Scholes model. This model makes it possible to take into account the characteristics of the plan (exercise price, exercise period), market data at the time of allocation (risk-free rate, stock price, volatility, expected dividends) and a behavioral assumption for the beneficiaries.

2.16. Provisions

A provision is recorded when there is an obligation (legal or implicit) towards a third party, resulting from past events, the measurement of which can be reliably estimated and which will probably result in an outflow of resources in favor of this third party without at least equivalent compensation expected from it. If the amount or timing cannot be reliably estimated, then it is a contingent liability that is an off–balance sheet commitment.

2.17. Provisions for retirement and similar benefits

The amount of the provision is Euro 2K as at March 31, 2022 and is not significant.

2.18. Financial liabilities and instruments

Financial liabilities include bonds and other borrowings, finance lease debts, and trade accounts payable.

Financial liabilities are included in "non-current", except for those due less than 12 months after the closing date, which are classified as "current liabilities".

Bond debts and other borrowings

Bond and other interest-bearing borrowings are initially recognized at fair value of the consideration received, which is the cost, net of expenses directly attributable to the issuance of the debt. These financial liabilities are then measured at amortized cost using the effective interest method. This interest rate corresponds to the internal rate of return that makes it possible to discount the series of expected cash flows over the life of the loan.

Shareholder's loan

Such loans are initially recognized at fair value, which corresponds to their nominal value, and subsequently measured at amortized cost.

Financial lease debt

See Note 2.8.

Trade accounts payable

Trade accounts payable are initially recognized at fair value, which in most cases corresponds to their nominal value, and subsequently measured at amortized cost.

2.19. Revenue recognition – revenue from ordinary activities

Revenue from games

CBI accounts for its revenue from the sale of online games, and games on smartphones and tablets. The Company records its revenue by reporting to the relevant month the revenue reported by distributors or agents for the same period.

For each contract entered into, CBI examines the characteristics in order to determine whether it is appropriate to recognize the gross or net revenue of the services rendered by platforms:

- Liability in the thransaction
- Storage risk
- Freedom to determine the price
- Determination of the product's specifications
- Credit risk

On the basis of these criteria, all revenue is recognized as "Other Income".

Revenue from the sale of Crystal Tokens ("CRYS")

Sales are recorded as revenue.

Fluctuations between the date of invoice and the date of collection are recorded as financial income/expense.

Fluctuations between the date of collection and the date of closing are analyzed as part of the portfolio valuation at the end of the period.

Revenue from the sale of non-fungible tokens ("NFT")

The sale is recorded on the date of execution of the sale agreement.

Sales are recorded as revenue (Other Income).

Fluctuations between the date of invoice and the date of collection are recorded as financial income/expense.

Fluctuations between the date of collection and the date of closing are analyzed as part of the portfolio valuation at the end of the period.

Revenue from brand licensing

The revenue linked to brand licenses is spread over the term of the contract.

For brand licensing contracts, the non-refundable amounts received, or whose payment is guaranteed, are recognized over the duration of the license.

Revenue from game licensing alphaverse and others

The revenue corresponding to the guaranteed minimums earned by CBI for game license contracts relating to an intellectual property right of use such as the AlphaVerse is recognized at a point in time, i.e. at the time when the license is granted and when the client can use and receive the benefits of the license, as long as CBI does not have any material obligations as a counterpart.

This is done after assessing the recoverability of receivables, based on the client's intention and ability to pay, which is a necessary condition according to the IFRS 15 standard to recognize the amounts under revenue.

If there is a contingent obligation upon CBI, the revenue is deferred and recognized only when the obligation has been fulfilled.

2.20. Research and development expenses

Gross value

In accordance with IAS 38, an intangible fixed asset resulting from development (or the development phase of an internal project) must be recognized if, and only if, an entity can demonstrate all of the following:

1) That it is technically feasible to complete the intangible fixed asset for commissioning or sale.
2) That the Company intends to complete the intangible fixed asset and commission or sell it.
3) That the Company is able to commission the intangible fixed asset or sell it.
4) The way in which the intangible fixed asset will generate probable future economic benefits. The entity will demonstrate, among other things, that there is a market for the production resulting from the intangible fixed asset, or for the intangible fixed asset itself or, if it is to be used internally, that it is useful.
5) That the Company has adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset.
6) That the Company is able to reliably estimate the expenditures attributable to the intangible fixed asset during its development.

The Company recognizes a charge for development costs (internal or external studio development expenses) if it considers that the project does not meet all of the above criteria.

At the financial year-end, the residual net book value is compared with future sales projections to which the contract's conditions are applied. If those sales projections fall short, a provision for additional impairment is recognized as a result.

The Company does not directly receive research tax credits.

Depreciation for R&D expenses

A portion of the expenses invoiced by developers is allocated to the NFTs and recorded as inventory (See "Revenue Recognition").

The balance is allocated as follows:

1) 40% to the engine and backend systems, amortized as from the date of launch over 7 years (similar to the cycle of first-party consoles Xbox and Sony PlayStation);
2) 60% to the content and live operations, amortized as from the date of launch over 5 years.

2.21. Marketing and sales expenses

Advertising and user acquisition costs for mobile and online games are expensed as and when they are incurred and included in the "Marketing and Sales Expenses" item of the income statement.

2.22. Current operating income and operating income

Current operating income is comprised of gross margin less current operating expenses. Current operating expenses include research and development costs, marketing and sales expenses, general and administrative expenses, and share-based payment costs.

Operating income corresponds to current operating income after taking into account:

- Gains and losses on disposals of non-financial assets other than intellectual property rights;
- Restructuring costs;
- Impairment on goodwill or negative goodwill;
- Impact of litigation and other non-recurrent items.

2.23. Financial income and expenses

Cost of debt

Net financial debt consists of all current and non-current financial borrowings and debts, less cash and cash equivalents. The cost of net financial debt is comprised of expenses and income generated by the components of net financial debt during the period, including related net income from the interest rate and currency hedging. The net cost of debt notably includes the following items:

- Interest expense and income on net debt, consisting of bonds, the debt portion of hybrid instruments, other financial liabilities (including debt on finance leases) and cash and cash equivalents;
- Other fees paid to banks on financial transactions.

Other financial incomes and expenses

"Other Financial Income and Expenses" include the following items:

- Dividends received from shareholdings;
- The effect of discounting provisions;
- Capital gains and losses from the sale of financial assets;
- Foreign exchange net income.

2.24. Taxes

The Company records tax expenses per applicable regulations.

2.25. Earnings per share par action

The Company presents basic earnings per share and diluted earnings per share.

Earnings per share correspond to the Company's net income compared to the weighted average number of shares outstanding during the financial year, less treasury shares, if any.

The number of shares taken into account is the number of shares at the date of the present Document and as of March 31, 2022.

Diluted earnings per share are calculated by dividing the restated Company share of net income by the weighted average number of common shares in circulation plus all potential dilutive common shares.

NOTE 3 – INTANGIBLE FIXED ASSETS

At March 31,2022, intangible fixed assets are broken down as follows:

(000's of euros)	March 31, 2021	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2022
Software	-	1,794.2	-	1,794.2
Other intangible assets	-	9,220.3	-	9,220.3
Total gross value	**-**	**11,014.5**	**-**	**11,014.5**
Total amortization	**-**	**-**	**-**	**-**
Total net value	**-**	**11,014.5**	**-**	**11,014.5**

NOTE 4 – RIGHTS OF USE RELATING TO LEASES

At March 31 2022, this amount has been estimated using IFRS 16.

NOTE 5 – FINANCIAL INSTRUMENTS

5.1. Non-Current Financial Assets

Financial assets are initially measured at fair value plus any transaction costs directly related to the acquisition in the case of a financial asset not measured at fair value through profit or loss. Acquisition costs for financial assets measured at fair value through profit or loss are recognized in the profit and loss statement. The Company classifies its financial assets into the following three categories:

- amortized cost;
- fair value through other comprehensive income (FVTOCI);
- fair value through profit and loss.

The classification depends on the business model of the entity holding the asset defined by the Company and the cash flow characteristics of the financial instruments.

Financial assets measures at amortized costs

Financial assets are measured at amortized cost when they are not designated at fair value through profit or loss, are held for the purpose of collecting contractual cash flows, and give rise to cash flows corresponding solely to the repayment of principal and interest payments ("SPPI" criterion). Amortized cost can only be applied to debt instruments: loans, receivables, deposits, etc. In most cases, it corresponds to the nominal value less any impairment losses.

Financial assets measured at fair value through other comprehensive income (OCI)

This category comprises debt and equity instruments.

Debt instruments are measured at FVTOCI if they are not designated as FVTPL and if they are held in order to both collect the contractual cash flows and sell the financial asset and if their cash flows are solely payments of principal and interest ("SPPI" criterion). Interest received, exchange rate profit or loss and impairments are recognized in profit or loss. Other net profit or loss is recognized in OCI. Upon derecognition, all cumulative gains or losses are then recognized in net earnings.

Equity investments that are not held for trading can be measured at FVTOCI. The Company can make an irrevocable choice in that respect for each individual investment. Dividend income is then recognized in profit or loss unless it clearly corresponds to a partial repayment of the initial investment cost. Other profit or loss is recognized in OCI and never reclassified as profit or loss.

Financial assets at fair value through profit and loss

All assets not designated as measured at amortized cost or as fair value through OCI are measured at fair value through profit and loss. The net profit or loss, including interest or dividend income, is recognized as profit or loss.

Financial assets measured at amortized cost

Non-current financial assets measured at amortized cost are primarily made up of:

- deposits and guarantees;
- trade receivables, with a maturity over one year, recognized using the effective interest rate method.

(000's of euros)	March 31, 2021	Increases	Decreases	Currency impact	March 31, 2022
Investments in subs. and associates	-	-	-	-	-
Receivables from subs. and associates	-	-	-	-	-
Accrued interest on receivables	-	-	-	-	-
NCX	-	8,070.0	-	-	**8,070.0**
Deposits	-	75.0			**75.0**
Other fixed assets	-	-	-	-	-
Total gross value	-	**8,145.0**	-	-	**8,145.0**
Provisions	-	-	-	-	-
Total net value	-	**8,145.0**	-	-	**8,145.0**

(000's of euros)	March 31, 2021	Increases	Decreases	Currency impact	March 31, 2022
Investments in subs. and associates	-	-	-	-	-
Receivables from subs. and associates	-	-	-	-	-
Accrued interest on receivables	-	-	-	-	-
NCX	-	-	-	-	-
Deposits					
Other fixed assets	-	-	-	-	-
Total provisions	-	-	-	-	-

5.2. Balance sheet information

Financial instruments consist of assets, derivatives and liabilities.

The following table presents these assets and their maturity dates:

As at March 31, 2022 (000's in euros)	Net Value	Schedule		
		Less than 1 year	Between 1 & 5 years	More than 5 years
IFRS 16 Restatement	**2,236.2**	2,236.2	-	-
Financial assets	**8,144.9**	8,144.9	-	-
FINANCIAL ASSETS	**10,381.1**	**10,381.1**	-	-
Shareholders' loan	**4,573.4**	-	4,573.4	-
Lease liabilities	**2,252.1**	236.5	2,015.6	-
Trade payables	**2,559.2**	2,559.2	-	-
Other current liabilities	**113.2**	113.2	-	-
FINANCIAL LIABILITIES	**9,498.0**	**2,908.9**	**6,589.0**	-

The application of IFRS 16 (Restatement of Leases) results in the recognition of a of €2,252.1 K accounting liability (of which €2,015.6K being classified as long- term liability, the balance being classified as short-term liability).

The shareholder's loan has a maturity of five (5) years, is repayable *in fine*, and bears interest at the legal rate.

NOTE 6 – INVENTORIES

Token	# Tokens	Market Price/Token US$	Market Value US$	Market Value Euro	Gross Value Euro	Accrual Euro	Net Value Euro
	A	B	A*B	C = A*B	D	E = C - D (IF < 0)	D-E
ETH	126.76	$3 282.3000	$416 049.83	€ 375 326.86	€ 492 355.39	-€ 117 028.53	€ 375 326.86
USDT	6 277.00	$1.0000	$6 277.00	€ 5 662.61	€ 5 340.62	€ -	€ 5 340.62
BTC	26.98	$45 528.0000	$1 228 345.44	€ 1 108 114.97	€ 1 160 681.88	-€ 52 566.91	€ 1 108 114.97
USDC	738 763.02	$1.0000	$738 763.02	€ 666 452.88	€ 652 443.70	€ -	€ 652 443.70
CHAIN GAMES	-	$0.2000	$0.00	€ -	€ -	€ -	€ -
BNB	1.00	$428.7600	$428.76	€ 386.79	€ 164.58	€ -	€ 164.58
WETH	0.59	$3 286.2700	$1 942.86	€ 1 752.69	€ 1 674.15	€ -	€ 1 674.15
MATIC	-	$1.6200	$0.00	€ -	€ -	€ -	€ -
CRYS	499 860 000.00	$0.0833	$41 653 333.80	€ 37 576 304.74	€ 499.86	€ -	€ 499.86
ATRI	326 489.00	$0.0250	$8 166.07	€ 7 366.78	€ 19 633.52	-€ 12 266.74	€ 7 366.78
LIGHTS	6 520 000 000.00	$0.0025	$16 300 000.00	€ 14 704 555.71	€ 652.00	€ -	€ 652.00
NFTs	-	$0.0000	$0.00	€ -	€ -	€ -	€ 19.80
ATRI (Contribution)	30 000 000.00	$0.0250	$750 353.40	€ 676 908.80	€ 676 908.80	€ -	€ 676 908.80
TOTAL			**$61 103 660.18**	**€ 55 122 832.82**	**€ 3 010 354.50**	**-€ 181 862.19**	**€ 2 828 512.00**

The cost of creation of one single NFT or token is low. It corresponds to the cost of minting of the collection (minimal on BSC or Polygon) and the time spent (usually 8 hours for any collection of NFT or a new token).

Costs charged by developers for the creation of the tokens and of the NFTs are allocated to inventory and expensed as the NFTs are sold. The balance is recorded as intangible assets and amortized over the useful life of the assets.

The following costs have been established:

- CRYS: Cost of production charged by developers was Euro 600, corresponding to time spent to create such tokens. This is Euro 0.01 for every 10,000 CRYS sold.
- LIGHTS: Cost of production charged by developers was closer to Euro 1,800 as the contract was more complex to write to create the 18 billion LIGHTS tokens. This is Euro 0.001 for every 10,000 LIGHTS sold.
- Standard NFTs: Cost of production depends on the production value, the quality of the assets, the number of items in the collection. These costs are estimated at Euro 0.01 cent by Standard NFT, consisting of cost of production charged by developers.

The cost of minting is paid separately to the network and expensed.

NOTE 7 – TRADE RECEIVABLES

The item "Trade receivables", after deducting sales returns and other future trade discounts, if any, is € 440.4K as at March 31 2022. At March 31 2022, the balance of trade accounts receivable corresponds to receivables from distributors, collected with a term of 30 to 60 days.

(000's of euros)	**March 31, 2022**	March 31, 2021
Trade receivables	**440.4**	**-**
Provisions for impairment in value	**-**	-
Trade receivables net value	**440.4**	-

The limited number of clients allows for a regular review of trade receivables. When a payment delay is noted, an analysis is carried out based on the age of the receivable, the customer's financial situation, the negotiation of a payment plan, guarantees received and, if applicable, credit insurance, in order to determine the recoverable value. Any difference between the carrying amount and the recoverable amount is recognized in recurring operating income through an allocation to provisions. An impairment loss is considered definitive when the receivable is itself considered definitively irrecoverable and is then recognized as a loss.

NOTE 8 – OTHER CURRENT ASSETS

Other current assets break down as follows:

(000's of euros)	March 31, 2022	March 31, 2021
Inventories	2,828.5	-
Trade receivables	440.4	-
Current financial assets	-	-
Prepaid expenses	-	-
Other current assets	**3,268.9**	-

NOTE 9 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents shown in the cash flow statement include (i) cash (cash on hand and demand deposits) of €2647.2K and (ii) cash equivalents (highly liquid, short-term investments which are easily convertible into a known amount of cash and which are subject to a negligible risk of change in value) measured at the market value on the balance sheet date.

(000's of ¤)	March 31, 2022	March 31, 2021
Cash and cash equivalents	2,647.2	37.0
Short-term investments	-	-
Cash and cash equivalents	**2,647.2**	37.0

NOTE 10 – SHAREHOLDER'S EQUITY

10.1. Capital

Common shares

At the general meeting on December 29,2021 a resolution for a 10 for 1 stock split of CBI shares effective January 10, 2022 was unanimously approved.

A second resolution at the general meeting on December 29, 2021 authorizing a free allocation of shares to all shareholders of 1 new share for every 4 shares held the effective date for the free allocation of shares is February 1, 2022 was unanimously approved.

Both resolutions were submitted to the Board of Directors for their approval on January 19, 2022.

On March 29, 2022, CBI entered into a buyback and cancellation of the warrant that allowed Atari to acquire 5% of CBI's share capital at a price of €0.1 per share, in exchange for the termination of the Atari license, payment of USD $100,000, €12,000 and transfer of 3,500,000 Atari shares held by CBI to Atari, upon completion of the transaction the warrants were cancelled.

As at March 31 2022, the Company's subscribed and fully paid-up capital totals is €24,258,750 divided into 242 587 500 shares with a par value of €0.10. The number of voting rights assigned to the Company's shares is 242 587 500.

Evolution of the share count during the financial year

March 31, 2021		37,000
24/09/2021	Contribution in kind	18,000,000
12/10/2021	Private Placement	1,300,000
12/01/2022	Split of nominal value by 10	174,033,000
18/01/2022	Repayment of loan	700,000
27/01/2022	Allocation of free shares (1 for 4)	48,517,500
March 31, 2022		**242,587,500**

At the date of this Document, the breakdown of shareholders with more than 2% of the capital and voting rights was as follows:

	Shares		Voting Rights	
	#	%	#	%
Ker Ventures, SARL	224,392,425	92.50%	224,392,425	0.09%
Ker Ventures, LLC	205,999	0.08%	205,999	4.18%
Total F. Chesnais	**224,598,424**	**92.58%**	224,598,424	**4.27%**
Other shareholders	17,989,076	7.42%	17,989,076	95.73%
Total	**242,587,500**	**100.00%**	242,587,500	**100.00%**

Registered shares may benefit from a double voting right if held for at least two years. At the date of this Document, no share is entitled to double voting rights.

There are no other shareholders who directly, indirectly or jointly own 2% or more of the Company's issued capital or voting rights.

The shares of the Company are listed on Euronext since October 26, 2021. The ticker is ALCBI.

Each share entitles the holder to one vote on each of the resolutions submitted to the shareholders. A double voting right is attached to all the existing paid-up shares held by the same shareholder for a minimum of two years, as well as to any shares subsequently acquired by the same shareholder by exercising the rights attached to these registered shares.

Dividends

The Board of Directors may propose the distribution of dividends to the Company's shareholders up to the full amount of the Company's profit and distributable reserves. These distributions are made as decided by the Company's shareholders during a General Meeting. The Company has not made dividend payments for the past three years.

10.2. Treasury shares

At March 31, 2022, the Company has 440,000 treasury shares.

10.3. CBI SA stock option plan

At March 31, 2022, the Company has no stock-option plan.

10.4. Other dilutive instruments

As at March 31, 2022, there is no dilutive instrument in terms of capital.

The Company had issued a warrant to the benefit of Atari, enabling Atari to purchase 5% of the share capital of CBI at par value, i.e. €0.10 per share. This warrant has been repurchased and cancelled pursuant to the agreement entered into on March 29, 2022 with Atari.

The cost of acquisition of this warrant is as follows:

Atari Warrant	(000's of euros)
Cash	(12.0)
Cash	(90.2)
Atari Shares	(1,953.0)
Depreciation Tokens	(8,661.7)
Total	**(10,716.9)**

This cost of acquisition has been recorded as financial and non-recurring expenses.

NOTE 11 – PROVISIONS FOR CONTINGENCIES AND LOSSES – CURRENT / NON-CURRENT

In the normal course of business, the Company may be involved in a number of legal, arbitral, administrative, and tax proceedings.

At March 31, 2022, there is no such proceeding, and there is no provision for contingencies or losses.

NOTE 12 – DEBT

12.1. Debt analysis by type

There is a shareholder's loan asset forth in Section 5.2 above.

12.2. Debt analysis by interest rate (fixed – floating)

The debt bears interest at a fixed interest rate.

NOTE 13 – LEASE LIABILITIES – CURRENT AND NON-CURRENT

See Note 5.

NOTE 14 – OTHER CURRENT AND NON NON-CURRENT LIABILITIES

The analysis is set forth in Section 5.2 above.

NOTE 15 – SEGMENT INFORMATION

Operating segment are defined as a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available

CBI operates in one single operating segment (blockchain).

CBI's business is understood to be fully contained within a single operating segment.

NOTE 16 – CURRENT OPERATING EXPENSES

Research and development expenses

Research and development expenses are analyzed as follows:

(in 000's of ¤)	March 31, 2022	March 31, 2021
Capitalized R&D	(538.5)	-
Depreciation	-	-
Other R&D expenditures*	-	-
Total R&D expenditures	**(538.5)**	-

Marketing and sales expenses

Marketing and sales expenses were 562.5 K€ during the first year.

General and administrative expenses

General and administrative expenses for the period were 749.6 K€ compared to 5.0 K€ for the prior year.

As at March 31, 2022, the amount of other operating income and expenses was nil during the period.

NOTE 18 – OTHER INCOME AND EXPENSES

At March 31, 2022, Other income and expenses were nil during the period.

NOTE 19 – NET FINANCIAL INCOME (EPXENSE)

At March 31,2022, Net financial income was €2,044.7K during the period. This profit corresponds to the sale of company shares by TSAF, the company managing the liquidity contract.

NOTE 20 – INCOME TAX

20.1. Analysis of the tax charge

The Group has not recorded any tax expenses for the period ended March 31, 2022.

20.2. Analysis of deferred taxes

The Company has no deferred tax.

NOTE 21 – DISCONTINUED OPERATIONS

21.1. Net income from discontinued operations

The Group has not recorded any net income from related party transactions for the period ended March 31, 2022.

21.2. Assets and liabilities held for sale

At March 31, 2022, there are no assets or liabilities held for sale.

NOTE 22 – OFF-BALANCE SHEET COMMITMENTS

22.1. Commitments given

At March 31 2022, there are no commitments given.

22.2. Commitments received

At March 31, 2022, there are no commitments received.

NOTE 23 – MARKET RISK MANAGEMENT

The holding Company is responsible for risk management according to the context of the financial markets and the procedures established by management. Foreign exchange transactions are carried out according to local laws and access to the financial markets. Subsidiaries may enter into contracts directly with local banks under the supervision of the holding Company CBI SA and in accordance with the Company's procedures and policies.

23.1. Foreign exchange risks

For foreign exchange risks related to the financing of subsidiaries, they are concentrated at parent Company level and, where appropriate, specific hedges are put in place according to the financing strategies envisaged. At March 31, 2022, the Company had not implemented a currency hedging policy on all of these amounts.

Each of the main currency zones (euro, US dollar) is overall balanced between cash inflows and disbursements. For this reason, the Company has not implemented a currency hedging policy on its commercial operations.

Nevertheless, since the Company's financial statements are presented in Euro, the assets, liabilities, income, and expenses that are initially recorded in currencies other than the Euro must be translated into Euro at the applicable exchange rate before they are included in the Company's financial statements. If the Euro appreciates against any other currency, the value in Euro of the Company's assets, liabilities, income and expenses initially denominated in another currency will decrease. The opposite is true if the Euro depreciates. As a result, changes in the Euro's exchange rate may have an effect on the value in Euro of the Company's assets, liabilities, income and expenses outside the currency zone, even if their value remains unchanged in their original currency. The most significant foreign exchange risk relates to the revenue and profit of subsidiaries that initially record their transactions in US$ and to the Company's intangible assets denominated in US$.

An unfavorable change in the euro/dollar exchange rate would not have a significant impact on the overall currency position.

23.2. Interest rate risks

The Company does not have a dynamic management policy for its interest rate risk.

23.3. Credit risks

The Company considers that, given the quality of the counterparties, the counterparty risk on sales is limited. Moreover, the business risk management procedures have ensured there is no excessive concentration of credit risk.

NOTE 24 – PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the Company has a present (legal or constructive) obligation to a third party that is likely to cause an outflow of resources in favor of such third party, without at least equivalent compensation expected from it and when a reliable estimate of the amount can be made. The share of a provision for less than one year is recorded as current, with the balance classed as non-current.

Apart from the contingencies referred to in this document, and for which provisions have been recorded, to the Company's best knowledge no proceedings have been brought by a government, and there are no judicial or arbitral proceedings, including any ongoing proceedings or threat of action that could have a significant impact on the Company's financial position and profitability or that have had such an impact in the last 12 months.

NOTE 25 – RELATED-PARTY TRANSACTIONS

The Company has entered into a lease agreement with respect to premises located at 68 bis rue Charles-Laffitte à Neuilly-sur-Seine (France) as from November 1, 2021, for a monthly lease of 25 000 euros excluding VAT. Mr. Frédéric Chesnais did abstain from voting as he is interested to this transaction since he has indirect ownership in the leased property.

In April 2022, the Company borrowed 2 million CBI shares from its main shareholders, Ker Ventures, SARL. The loan is short-term, valued at Euro 3.2 million and bears interest at 2% per annum. This is a regulated agreement.

NOTE 26– EXECUTIVE COMPENSATION AND BENEFITS

CBI's corporate officers are its directors, and the Chief Executive Officer is the only director to have an executive position.

The General Shareholders' Meeting approves the principles and criteria for determining, distributing and allocating the fixed and variable components of the overall compensation package and benefits of any kind to be awarded to the Company's executive officers in accordance with Article L.225-37-2 of the French commercial code.

COMPENSATION FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR FY 2021-2022

Annual fixed compensation

There is a fixed monthly compensation which is equivalent to a monthly salary of twenty-five thousand (25.000) euros. However, as Mr. Frédéric Chesnais is treated as a consultant, the Company pays him the full cost that would be borne by the Company if he were an employee, and Mr. Frédéric Chesnais pays himself any social protection, retirement plan and/or social contributions. The gross amount thus paid by the Company amounts to forty-two thousand (42.000) euros, and such amount is paid either to Mr. Frédéric Chesnais and/or to an entity Mr. Frédéric Chesnais controls, depending on Mr. Frédéric Chesnais's location and/or the place of work.

Variable compensation / Options

The Board of Directors decided, as recommended by the Nomination and Compensation Committee, to allocate to the management team a pool of carried interest for each investment, equal to 20% of the return on investment generated by the Company after an annual hurdle rate of 10%. Mr. Frédéric Chesnais is allocated 40% of such pool, the balance of the pool being allocated to the investment team and the board. The individual members of that management team are selected from time to time by the Compensation and Nomination Committee. The allocation among the members of such management team is decided by the Board of Directors, upon recommendation of Compensation and Nomination Committee.

The Board of Directors also decided, as recommended by the Nomination and Compensation Committee, to allocate an annual discretionary bonus which could represent (except in exceptional circumstances) between 0% and 100% of the annual fixed compensation paid, incorporating the following elements: level of revenue, EBITDA margin, cash generation, share price performance, growth in recurring net earnings per share, which makes it possible to take into account all the other elements on the income statement, as well as various objective criteria related to the activity, in addition to the return on investment allocated under the prior paragraph.

In addition, under the delegation of authority granted by the General Meeting, the Board of Directors reserves the right to award stock options as part of an option plan.

In addition, in the event of a listing of the shares of the Company and unless such bonus has already been paid during a prior year, Mr. Frédéric Chesnais will be allocated a fixed bonus of 250,000 euros, to be grossed up for any social protection, retirement plan and/or social contributions in the same proportions as the ones indicated above for his monthly compensation, i.e. amounting to a total cost of 420,000 euros. This bonus will be paid during the year 2022-2023.

In the event of a creation of a crypto currency by the Company, fifteen per cent (15%) will be set aside for compensation of the Management team, of which eight per cent (8%) for the Chief Executive Officer.

Compensation due to directorships

See following paragraphs.

Compensation for directors

Annual fixed compensation

There is no fixed compensation

Compensation due to directorships

The directors receive compensation for their office (previously "directors' fees"). The maximum budget for the compensation to be distributed between the directors is voted on by the General Shareholders' Meeting, as proposed by the Board of Directors, based on recommendations from the Nomination and Compensation Committee, taking into account the Company's interests.

For FY 2021-2022 and the following years, the Board of Directors set, subject to approval by the General Meeting deliberating on the financial statements for the year ended March 31, 2022, the compensation for directorships to 25,000 euros per year.

In addition, each Director other than the Chief Executive Officer will be allocated a fixed bonus of 50,000 euros in the event of a listing of the shares of the Company, unless such bonus has already been paid during a prior year.

In addition, 5.0% of the pool of carried interest is split equally among the directors.

In the event of a creation of a crypto currency by the Company, five per cent (5.0%) will be set aside for compensation of the directors, of which two per cent (2.0%) for the Chairman of the Board and one and a half per cent (1.5%) for each director.

Compensation for non-executive corporate officers

None.

***

This compensation policy was approved at the General Shareholders' Meeting on January 6, 2021 and further approved on July 22, 2021.

Compensation of Alain Scémama, Legal Director

Mr. Alain Scémama joined the Company on December 1, 2021 and receives gross annual compensation of €100,000.

Workforce for fiscal year 2021-2022

As of March 31, 2022, the company had six employees

NOTE 27 – SUBSEQUENT EVENTS

The subsequent events are as follows:

Purchase of Xave World Music: CBI signs into an agreement to purchase Xave World Music focused metaverse on April 29 2022. Xave is , a blockchain-based technology company based in Barcelona and Argentina that has been developing a music metaverse. Completion is expected to occur during the financial year 2022-2023.

Borrow of Company shares: In April 2022, the Company borrowed 2 million CBI shares from its main shareholders, Ker Ventures, SARL. The loan is short-term, valued at Euro 3.2 million and bears interest at 2% per annum. This is a regulated agreement.

Metacoaster: the first play-to-earn game developed directly by CBI within AlphaVerse. It is a theme park management game with multiplayer and solo options. With MetaCoaster's play-to-earn and massively multiplayer modes, the roller coasters, flat rides and restaurants are NFTs. Sales are starting up with the plots of land and roller coasters, which will be followed by flat rides and restaurants. The decorative elements (seating, barriers, trees), related buildings (park entrances, ticket offices, etc.) and roads are classic objects.

Qtopia: the first metaverse dedicated to the LGBTQ community. It will provide an exclusive online space to promote LGBTQ culture and advocacy, coordinating different initiatives for this community, with a portion of the proceeds from sales donated to LGBTQ charities and organizations. This fully immersive universe will include houses and other virtual places for its users to meet and share, both in and beyond the virtual world.

Ukraine and Russia conflict: In the current context linked to the situation in Ukraine and the consequences of the sanctions imposed on Russia, the Group is monitoring the possible repercussions on its activities and its risks. To date, the exposure of the Group and its entities is almost non-existent on their activities and assets.

Apart from these events, no other significant event occurred between March 31, 2022 and the date on which the accounts were approved by the Board of Directors.

AUDITORS REPORT ON THE CONSOLIDATED STATEMENT

See next page.

CRYPTO BLOCKCHAIN INDUSTRIES
Head office : 164 BD HAUSSMANN 75008 Paris
Limited company with a capital of 24,258,750 euros

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of the company CRYPTO BLOCKCHAIN INDUSTRIES,

1. Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of CRYPTO BLOCKCHAIN INDUSTRIES for the year ended March 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at March 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules provided for by the French Commercial Code and by the French Code of ethics for statutory auditors, for the period from April 1st, 2021 to the date of issue of our report.

3. Observation

Without qualifying the opinion expressed above, we draw your attention to the following matter described in the preamble to the notes to the consolidated financial statements, which sets out the significant events of the year and in particular the fact that this is the first year of operation.

4. Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These assessments were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

5. Specific verifications

We have also performed, in accordance with professional standards applicable in France, the information pertaining to the Group presented in the management report of the board of directors.

We have no matters to report as to the fair presentation and the consistency with the consolidated financial statements of the information given in the management report of the Board of Directors and in the other documents on the financial position and the annual accounts addressed to shareholders.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

7. Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore :

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Done in Lyon and Paris, June 30th, 2022

The Statutory Auditors

RSM Rhône Alpes

A4 Partners

Member of Crowe Global

Francois de Bustamante

Associate

Marc Luccioni

Associate

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II. ANNUAL STATUTORY FINANCIAL STATEMENTS

12-MONTH FINANCIAL PERIOD ENDED MARCH 31, 2022

INCOME STATEMENT

(K¤)		March 31, 2022	March 31, 2021
Revenue	*Note 2.16*	**83.9**	-
Other income	*Note 2.16*	**3,981.4**	-
Reversals of provisions and depreciation, transfers of expenses	*Note 2.13*	**-**	-
Operating revenue		**4,065.3**	-
Purchase of goods		**(1.3)**	
Other purchases and expenses	*Note 16*	**(2,286.4)**	(5.0)
Taxes		**(11.7)**	-
Payroll expenses	*Note 16*	**(83.6)**	-
Other expenses	*Note 16*	**-**	-
Depreciation, amortization and provisions	*Note 2.13*	**(2.5)**	-
Operating expenses		**(2,385.5)**	(5.0)
Operating income		**1,679.8**	(5.0)
Financial income	*Note 19*	**2,165.1**	-
Financial expense	*Note 19*	**(8,960.6)**	-
Net Financial income and expense		**(6,795.5)**	-
Current income before taxes		**(5,115.7)**	(5.0)
Non-recurring income	*Note 19*	**0.2**	-
Non-recurring expenses	*Note 19*	**(2,055.3)**	-
Non-recurring income and expense		**(2,055.1)**	-
Income Tax	*Note 20*	-	-
Net income (loss) for the Year		**(7,170.8)**	(5.0)

BALANCE SHEET

ASSETS (K¤)		31 mars 2022 Gross	Amt/Dep	Net	March 31, 2021
Intangible assets	*Note 3*	**5,916.7**	**-**	**5,916.7**	-
Property, plant and equipment	*Note 3*	**12.3**	**(0.5)**	**11.8**	-
Financial assets	*Note 5*	**12,952.9**	**-**	**12,952.9**	-
Total fixed assets		**18,881.9**	**(0.5)**	**18,881.4**	-
	Note 7	**445.9**	**-**	**445.9**	-
Other receivables	*Note 8*	**-**	**-**	**-**	-
Treasury shares	*Note 10.2*	**435.3**	**-**	**435.3**	-
Cash and cash equivalents	*Note 9*	**5,447.9**		**5,447.9**	37.0
Total current assets		**6,329.1**	**-**	**6,329.1**	37.0
Accruals		**-**	**-**	**-**	-
Total assets		**25,211.0**	**(0.5)**	**25,210.5**	37.0

EQUITY & LIABILITIES (K¤)		31 mars 2022	March 31, 2021
Capital stock		**24,258.8**	37.0
Share premium		**980.9**	-
Legal reserve		**-**	-
Retained earnings		**(5.0)**	-
Net income (loss) for the year		**(7,170.8)**	(5.0)
Equity	*Note 10*	**18,063.9**	32.0
Provisions for contingencies and losses	*Note 11*	**5.5**	-
Bond debt		**-**	-
Bank debt		**-**	-
Other financial liabilities	*Note 14*	**4,477.5**	-
Trade payables		**2,550.4**	5.0
Operating liabilities		**113.2**	-
Liabilities		**7,141.1**	5.0
Accruals		**-**	-
Total shareholders' equity and liabilities		**25,210.5**	37.0

The following notes are an integral part of the Company's financial statements for the 12month period ended on March 31, 2022 with a balance sheet total of 25,210.5 K€ and the income statement presenting a loss of (7,170.8) K€

n/a: not applicable

STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY

(000's of euros)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
Shareholders' equity March 31, 2021	**37,000**	**37.0**	**-**	**-**	**(5.0)**	**-**	**32.0**
Net income	-	-	-	-	-	(7,170.8)	(7,170.8)
Contribution in kind	18,000,000	18,000.0	5,000.0	-	-	-	23,000.0
Private Placement	1,300,000	1,300.0	1,300.0	-	-	-	2,600.0
Split of nominal value by 10	174,033,000	-	-	-	-	-	-
Repayment of loan	700,000	70.0	70.0	-	-	-	140.0
Allocation of free shares (1 for 4)	48,517,500	4,851.8	(4,851.8)	-	-	-	-
Expenses	-	-	(537.3)	-	-	-	(537.3)
Shareholders' equity March 31, 2022	**242,587,500**	**24,258.8**	**981.0**	**-**	**(5.0)**	**(7,170.8)**	**18,063.9**

CRYPTO BLOCKCHAIN INDUSTRIES

BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

Crypto Blockchain Industries, SA ("CBI" or the "Company") is a French-law company.

The financial year of the Company is from April 1 to March 31.

The present financial statements are presented as at March 31, 2022 for the entire Financial Year 2022, i.e. April 1, 2021 to March 31, 2022. Since this is the first year of CBI, with the company listing in November 2021, CBI operating results for the fiscal year is based on 4 months of activity.

The annual financial statements are prepared and presented in accordance with Articles 832-2 and 833-2 of the French Commercial Code as well as the accounting regulations of the Accounting Standards Authority (ANC Regulation No. 2014-03 of June 5, 2014 updated for the various additional regulations on the date of the establishment of the said annual accounts).

COMPANY PRESENTATION

CBI is one of the very few companies offering a global investment approach, covering all domains of the Crypto Blockchain Industries, investing after careful selection in the portions of the value chain offering the best opportunities:

- Operating Businesses: CBI controls, alone or with partners, its own blockchain business (transportation, games)
- Investments: CBI invests in start-up companies; CBI also invests and assists existing companies in a digital transition to the blockchain space
- Intellectual Properties: CBI can invest into property rights (IPs), building its own portfolio of IPs
- Portfolio Management: CBI holds and manages a portfolio of crypto-currencies and tokens, and also owns highly liquid assets such as cash and listed shares in the videogame/blockchain space

CBI's investment strategy is to keep investing in ongoing businesses and start-up companies, as well as crypto-currencies and tokens.

CBI's permanent focus is to build the portfolio, maximize Return On Investment and operate on very low overhead, targeting the best opportunities in the industry. CBI uses financing techniques to leverage its resources, with a constant focus on securing guarantees in order to protect the downside.

The complementary nature of these business lines enables the optimization of synergies.

The corporate purpose of the Company CBI, in accordance with article 2 of its by-laws, in France or abroad, directly or indirectly, is:

- the design, production, publishing and distribution of all blockchain, multimedia and other services providing an interactive experience, of any nature whatsoever, in any form including software, data processing and content – either interactive or otherwise – for all media and by means of all present and future means of communication;
- the purchase, sale, supply and more generally distribution of all products and services related to the foregoing;
- the creation, acquisition, use and management of intellectual and industrial property rights or other in rem and in personam rights, including by means of assignment, licensing, patents, trademarks and other copyrights;
- the acquisition, the search for partnerships and the acquisition of interests in other firms, including the formation of new entities and the issuance, subscription or transfer of securities in any business directly or indirectly related to the foregoing or to the products and ideas developed by the Company;

NOTES TO THE STATUTORY FINANCIALS STATEMENTS

NOTE 1 – HIGHLIGHTS OF THE PERIOD

The year 2021-2022 has allowed the company to establish the basis for its development and to start its activity.

The highlights of the period are as follows:

1. Creation of the Crystal token (CRYS) and first sales

In September 2021, 600 million units of the Crystal (CRYS) token, the crypto-currency to be used in AlphaVerse, were created on the Binance Smart Chain.

The first sales of CRYS and NFTs occurred in November 2021.

2. Continued impact of the Covid-19 pandemic

In response to the current health crisis, the Company has taken the necessary measures to ensure the safety of its employees and the continuity of its operations, despite the continuation of work-at-home arrangements still in place as of the date of this document. The duration of this situation and its proportions are not predictable. The consequences vary considerably depending on the Company's various activities, with an expected negative impact on licensing activities due to delays in the renewal of license contracts. A positive impact has been observed for video game revenues.

The impact of Covid-19 is being closely monitored by the Company in order to take the necessary measures according to the situation.

3. Ukraine and Russia conflict

Crypto Blockchain Industries (CBI) is not exposed with the situation in Russia and Ukraine. CBI does not have any suppliers, clients, employees, affiliates or financial link with Russia and Ukraine.

CBI monitors the situation in a daily basis and will take all necessaries actions to minimize the risk.

4. Investments in new projects

One of the major goals of the Company is to develop an online persistent world operating on the blockchain, i.e. a "Metaverse" (as defined below). This Metaverse is called "AlphaVerse".

Such Metaverse will incorporate major brands, to attract more players by taking advantage of the awareness of such brands.

The Company has recently achieved major milestones:

<u>Continued development of MetaCoaster universe</u>

- MetaCoaster universe, a blockchain theme park simulation game for the AlphaVerse metaverse. MetaCoaster will be free to access in AlphaVerse, with various modes from solo to multiplayer, with a wide range of challenges and experiences enabling the community to acquire virtual plots, build and develop theme parks, and organize tournaments. Players will have full responsibility for managing their parks: the plots and décor can be adjusted (locations of roller coasters, rides, restaurants, etc.) and attractions be built or demolished.

<u>Execution of licenses</u>

- **United at Home:** License with the charity program founded by David Guetta.
- **Raverse collective:** new partnership with the Raverse collective for the development of the AlphaVerse metaverse and NFT sales on the blockchain. With a view to diversifying the content, these universes, focused on digital arts and rave music, will be able to use explicit content from the Raverse collective. In every AlphaVerse world, young artists will be able to create their own communities, sharing and selling their creation, as well as developing new projects.

- Horyou: joining forces along with Horyou Foundation to create a metaverse and token focused on humanitarian action and preserving the planet. Horyou, a global platform promoting a more humanistic approach to technology by bringing together stakeholders promoting social good, will develop with CBI a dedicated universe - Horyou AlphaVerse - within its metaverse and NFTs. The licensing partnership between CBI and Horyou includes selling dedicated NFTs for this new universe within AlphaVerse, through the creation of a token called "LIGHTS".

The use of third-party licenses is always subject to the prior consent of the rights holder.

Definition of a metaverse/ Overview of the experience

The "Metaverse" refers to a shared online world developed featuring various themed or branded environments. Users can interact freely within them, sharing in virtual experiences that combine social interaction with the best of online gaming. Metaverses are composed of a series of 2D or 3D virtual plots that link into a homogenous universe. They may include some sections, parts, levels and/or which are not developed on a blockchain platform.

The Metaverse will be composed of several sub-universes, some of which will be branded and others not. CBI intends to acquire a wide variety of licenses in order to offer an expansive and diverse experience for users.

Third-party operators will be able to run their own sections under agreements with the metaverse, i.e. through revenue share. Each universe will provide its own unique feel, style, and experience for users, creating a rich world for players to interact in.

Some of the activities and games will be developed and operated by the publisher, while others will be run by the users themselves through the use of in-game tools.

Overall, the goal of the metaverse is to:

- Offer users interactive experiences directly created by the metaverse. This will include non-playable characters and "Players vs. Environment" settings for players.
- Offer tools to players so they can create their own experiences. The community will create their own games and assets through the use of in-game builders, which they can later monetize and sell (with a revenue share to the publisher – such as User Generated Content). For example, a player can create his or her own collection of NFTs and sell them to the other players, with a % being taken by the publisher

Timeline

CBI's goal is to launch a beta version of the Metaverse in FY 2022/2023.

Sources of Revenue

The Company plans to derive its revenue through the following sources:

- Sale of Crystal Tokens.
- Sale of virtual land NFTs.
- Sale of infrastructure NFTs: This includes buildings, monuments, display galleries/museums, roads/bridges for use on within land parcels. There will be different types of buildings and vehicles. Roads, bridges, signage and equivalent items will also be made available.
- Sale of Avatars.
- Sale of consumables: this includes the following potions or digital consumable [weapons, ammo, food, drinks, gas, fuel for vehicles, etc..] that can be used for gameplay and for certain upgrades in the metaverse.
- Sale of cosmetics: this includes any type of digital wearable items (such as t-shirts or robes), customizable avatars, skins for avatars, digital pets, other assets.
- Sale of games inside the metaverse.

Additional licenses

The Company is in the process of negotiating additional brand licenses for the Metaverse, in many sectors such as music, in order to provide a broad experience to the players.

5. Rent for premises

The Company has entered into a lease agreement with respect to premises located at 68 bis rue Charles-Laffitte à Neuilly-sur-Seine (France) as from November 1, 2021, for a monthly lease of 25 000 euros. Mr. Frédéric Chesnais did abstain from voting as he is interested to this transaction since he has indirect ownership in the leased property.

6. Contribution in kind of September 2021

Ker Ventures contributed assets to the Company, in exchange for new shares being issued as well as a deferred payment recorded as a shareholder's loan. This asset contribution has been reviewed by Mr. Antoine Legoux, appointed on January 25, 2021 as Commissaire aux Apports by unanimous decision of the shareholders of the Company. The extraordinary meeting of shareholders of the Company has approved such contribution of assets and the issuance of the shares by Company on July 22, 2021.

Mr. Antoine Legoux delivered his report on May 12, 2021. In Section II.3 of such report, it was set forth that, in the event of a variation of more than 10% of the valuation of the listed assets, the shareholders would update the value of such listed assets by using a more recent reference.

In accordance with the provisions of such report, the valuation of the listed assets contributed (Atari shares, Atari tokens) has been updated given their intrinsic volatility. These listed assets have been valued on the basis of a six-month volume-weighted average, i.e. respectively euro 0,5582 per share for the 3,500,000 Atari shares and euro 0,311 per token for the 30,000,000 Atari Tokens, averages measured as at July 8, 2021.

There is no restriction on the use of cash available and of the assets of the Company, and the sale of the Atari tokens is partially restricted until March 31, 2022 so as not to add to the market volatility.

18,000,000 new shares were issued by the Company, for a nominal value of 18 million euros, together with a premium of 5 million euros, and a shareholder loan was entered into for the balance of 4.5 million euros. This shareholder loan has a 5-year term, is repayable in *fine*, and bears interest at the legal interest rate.

Such contribution was completed on September 24, 2021, as follows:

(000's of euros)	Capital Increase	US$
Cash	549.1	635.3
Atari Shares	1,953.0	2,259.6
Crypto-currencies	9,338.6	10,804.7
Investments in companies	12,171.6	14,082.6
Investments in companies	3,438.0	3,977.7
Total contribution	**27,450.2**	**31,759.9**
Issuance of shares	18,000.0	20,826.0
Consolidation premium	5,000.0	5,785.0
Shareholders' Loan	4,450.2	5,148.9
Total compensation	**27,450.2**	**31,759.9**

As a result, as at September 30, 2021, the share capital of the Company amounts to 18,037,000 euros, divided in 18,037,000 shares of 1 euro of nominal each.

7. Borrow of company shares

In October 2021, the Company borrowed 70,000 CBI shares from its main shareholders, Ker Ventures, SARL. The loan was short-term, valued at Euro 140K and bore interest at 2% per annum. This is a regulated agreement. This loan has been repaid in full by issuance of the same number of shares.

8. Split of nominal value and allocation of free shares

The extraordinary meeting of shareholders of December 29, 2021 decided the division of the nominal value of the Company by 10, bringing the nominal value of the shares from 1 euro to euro 0.10.

In January 2022, 1 free share was allocated for every 4 shares held.

As at March 31 2022, the Company's subscribed and fully paid-up capital totals is €24,258,750 divided into 242 587 500 shares with a par value of €0.10. The number of voting rights assigned to the Company's shares is 242 587 500.

Evolution of the shares count during the financial year

March 31, 2021		37,000
24/09/2021	Contribution in kind	18,000,000
12/10/2021	Private Placement	1,300,000
12/01/2022	Division of the nominal value by 10	174,033,000
18/01/2022	Repayment of loan	700,000
27/01/2022	Allocation of free shares (1 for 4)	48,517,500
March 31, 2022		**242,587,500**

9. Repurchase and cancellation of the Atari warrant

CBI signed on March 29, 2022, a settlement with ATARI in which it was agreed as follows:

- Atari transferred back to CBI the warrant allowing Atari to acquire 5% of the capital of CBI at par value (0,1 euro per share), and such warrant was cancelled.
- CBI did pay $110,000 and did transfer to Atari the ownership of 3.5 million Atari shares held by CBI.
- CBI did not participate in the ongoing capital increase of Atari.
- Atari and CBI did mutually prohibit each other from acquiring securities issued by the other entity for a period of 5 years.
- The license granted by Atari to CBI allowing the latter to exploit certain Atari assets in the metaverse was terminated with immediate effect; the Atari NFTs already sold by CBI did remain in circulation.

The impact on the statutory financial statements is set forth in Note 10.4.

NOTE 2 – ACCOUNTING RULES AND METHODS

2.1. General principles

Preparation of the Financials Statements

The annual financial statements are prepared and presented in accordance with Articles 832-2 and 833-2 of the French Commercial Code as well as the accounting regulations of the Accounting Standards Authority (ANC Regulation No. 2014-03 of June 5, 2014 updated for the various additional regulations on the date of the establishment of the said annual accounts). Specifically, they comply with the terms of Regulations 2016-07 and 2020-05 of the French Accounting Standards Authority, and particularly the principles of prudence, lawfulness, true and fair view, permanence of the methods from one period to another, and independence of reporting periods.

The Company's financial statements are presented in thousands of euros without any decimal or with one decimal, unless otherwise indicated. Figures rounded to the nearest thousand euros may in some situations lead to minor discrepancies in the totals and subtotals of the tables.

The list of subsidiaries is as follows:

Amounts in millions of euros	Capital stock	Shareholders' equity (excluding capital)	Ownership interest (%)	Carrying amount of securities held: Gross	Carrying amount of securities held: Net	Loans and avances outstanding	Revuenue for the last fiscal year	Profit (loss) for the last fiscal year	Notes
Subsidiairies (more than 50%-owned)									
OP Productions, LLC	-	31.4	77.3%	4,075.1	4,075.1	94.3	162.9	70.5	FY ended 31/12/2021
Free Reign East, LLC	-	0.1	77.3%	732.9	732.9	-	1.5	0.4	FY ended 31/12/2021

2.2. Change in accounting methods

The company has not adopted any new accounting method.

2.3. Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing on the transaction date. On the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates prevailing at the balance sheet date. All differences are recorded in profit or loss for the period.

The exchange rates of the main currencies used by the Company are as follows:

	March 31, 2022		March 31, 2021	
	Closing rate	**Average rate**	**Closing rate**	**Average rate**
USD	**1.1085**	**1.1010**	1.1725	1.1675

2.4. Use of estimates

The preparation of the individual financial statements in accordance with generally accepted accounting principles requires the Company to make a certain number of estimates and to adopt certain assumptions that it considers reasonable and realistic. These estimates and assumptions affect the amount of assets and liabilities, shareholders' equity, profits, and the amount of contingent assets and liabilities, as presented as of the balance sheet date.

Estimates may be revised if the circumstances on which they were based change, or as a result of new information. Actual results may differ from these estimates and assumptions.

The estimates and assumptions prepared on the basis of the information available as of the balance sheet date relate in particular to: valuations of non-current assets, recoverable amounts of deferred tax assets, provisions for risks.

There is still inherent uncertainty in the realization of the objectives, the operating budget and the financing plan, and the failure of these assumptions to materialize may affect the value of the Company's assets and liabilities.

Estimates are used to determine the provision for retirement (Note 2.14).

2.5. Intangible fixed assets

Intangible fixed assets mainly include items such as acquired enterprise software and license rights, brands and development costs for applications.

<u>Concessions</u>

Agreements giving the right to CBI to receive a portion of future revenue or profits are accounted for as Concessions. This category includes, but is not limited to, joint-venture agreements with third-parties whereby CBI is in charge of creating, marketing and selling tokens in exchange for a portion of the revenue or profits.

Licenses

Licenses for the right to use intellectual property are recognized as intangible fixed assets from the date of signature of the contract when no significant obligation is expected from the lessor; the capitalized amount corresponds to the discounted sum of the annual minimum fees stipulated in the contract. Amounts paid above guaranteed minimums are expensed.

These licenses are amortized from their execution date using the highest rate of either the contractual rate applied to the units sold or the linear rate based on the life of the license. The amortization expense is recorded in "Cost of Sales."

The Company regularly checks the recoverable amount of the amounts capitalized and conducts an impairment test as soon as indicators of impairment appear. An impairment is, if necessary, recorded under "Cost of Sales" if the game to which this license is attached has been marketed, and under "Research and Development Expenses" if not.

Development costs of application

See Note 2.17.

Other intangible fixed assets

Other intangible assets include identifiable intangible assets arising from acquisitions (e.g. brands) and software acquired for internal use (e.g. accounting software). With the exception of brands, these fixed assets are amortized under "General and Administrative Expenses" or "Research and Development Expenses" on a straight-line basis over a period that cannot exceed their estimated useful lives (between one and four years).

NCX

The intangible elements correspond to the valuation of CBI's right to receive a share of future revenues of the NCX token.

2.6. Tangible fixed assets

Tangible fixed assets are accounted for under the cost method at their acquisition value less depreciation and impairment. Depreciation is calculated using the straight-line method over the estimated useful life of the assets concerned. Improvements on rented property are depreciated over their estimated useful life or over the term of the lease if the latter is shorter. The term of the lease takes into account the possible renewal periods. Land is not depreciated.

The estimated useful lives of fixed assets are as follows:

- Computer equipment: 1 to 3 years
- Furniture and fixtures and other equipment: 3 to 10 years

2.7. Rights of use relating to leases

The Company has a lease liability of 25 K€ per month, under a 9-year lease with an effective date of November 1, 1021. The existing lease is recorded as operating expenses and is not restated.

2.8. Impairment test

The Company regularly performs impairment tests on its assets: intangible assets and property, plant and equipment. For property, plant and equipment and intangible assets with a finite useful life, impairment tests are carried out as soon as indicators of impairment are observable.

When the fair value of an intangible asset or property, plant and equipment is assessed during the year and the recoverable amount exceeds the carrying amount of the asset, any impairment losses recognized in previous years are reversed through the income statement.

When the selling price net of disposal costs cannot be reliably determined, the carrying amount of fixed assets is compared with the net present value of future cash flows, excluding interest expenses but after tax.

The terminal value is calculated by discounting to infinity a normative cash flow determined on the basis of the cash flow of the last year of the business plan to which a long-term growth rate has been applied. The rate used to discount the cash flows corresponds to the Company's average cost of capital.

If the annual impairment test reveals that the recoverable amount is lower than the net book value, an impairment loss is recognized to reduce the book value of the assets.

2.9. Financial assets

Financial assets are determined in accordance with applicable regulations.

Financial assets held by the Company are analyzed in relation to the business model and its objectives.

The classification depends on the nature and purpose of each financial asset, and is determined at the time of its initial recognition.

The list of subsidiaries is as follows:

Amounts in millions of euros	Capital stock	Shareholders' equity (excluding capital)	Ownership interest (%)	Carrying amount of securities held:		Loans and avances outstanding	Revuenue for the last fiscal year	Profit (loss) for the last fiscal year	Notes
				Gross	Net				
Subsidiairies (more than 50%-owned)									
OP Productions, LLC	-	**31.4**	77.3%	**4,075.1**	**4,075.1**	**94.3**	**162.9**	**70.5**	FY ended 31/12/2021
Free Reign East, LLC	-	**0.1**	77.3%	**732.9**	**732.9**	-	**1.5**	**0.4**	FY ended 31/12/2021

2.10. Trade accounts receivable

Trade accounts receivable are recorded at their fair value, which generally corresponds to their nominal value. Loans considered doubtful are subject to provisions for impairment determined according to their risk of non-recovery.

Accounting principles require accruing for expected credit losses on trade receivables. The Company has thus completed a review of its trade receivables based on an analysis of the country risk and the default probability of the counterparties. This review did not result in any material impact on the Company's financial position.

2.11. Cash and cash equivalents

The cash and cash equivalents shown in the cash flow statement include cash (cash on hand and demand deposits) and cash equivalents (highly liquid, short-term investments which are easily convertible into a known amount of cash and which are subject to a negligible risk of change in value).

Investments with an original maturity of more than three months with no early exit option are excluded from cash and cash equivalents.

In accordance with Regulation 2020-05 of the French Accounting Standard Authorities, the tokens held by the Company are recorded as "Cash Instruments and Tokens Held", under the section "Current Assets".

The portfolio of tokens is recorded at cost, based on the acquisition price.

The portfolio is evaluated for each crypto-currency, on the basis of different volume-weighted average prices in order to reflect the value of each crypto-currency. If the value of the crypto-currency exceeds its aggregate cost value, no unearned income is recognized. If the value of the crypto-currency is lower than its aggregate cost value, a depreciation is recorded as part of the income statement.

There are no explicit or implicit obligations relating to the subscribers and holders of the tokens. Therefore, the amounts collected in connection with these services are recognized as other income.

2.12. Share-based payments

The Company makes equity-settled share-based payments in the form of stock options or free share grants.

These payments are accounted for in accordance with applicable French regulations.

2.13. Provisions

A provision is recorded when there is an obligation (legal or implicit) towards a third party, resulting from past events, the measurement of which can be reliably estimated and which will probably result in an outflow of resources in favor of this third party without at least equivalent compensation expected from it. If the amount or timing cannot be reliably estimated, then it is a contingent liability that is an off–balance sheet commitment.

2.14. Provisions for retirement and similar benefits

The amount of provision is 2 K€ and is not significant given the recent nature of the company.

2.15. Financial liabilities and instruments

Financial liabilities include bonds and other borrowings, as well as operating liabilities.

Bonds and other borrowings

Bonds and other interest-bearing borrowings are accounted for in accordance with French accounting principles.

Shareholder loans

Interest-bearing shareholder loans are accounted for in accordance with French accounting principles.

Trade payables and related accounts

Trade accounts payable and related accounts are accounted for in accordance with French accounting principles.

2.16. Revenue recognition – revenue from ordinary activities

Revenue from the sale of Crystal Tokens

Sales are recorded as revenue.

Fluctuations between the date of invoice and the date of collection are recorded as financial income/expense.

Fluctuations between the date of collection and the date of closing are analyzed as part of the portfolio valuation at the end of the period.

Revenue from the sale of non-fungible tokens

The sale is recorded on the date of execution of the sale agreement.

Sales are recorded as revenue (Other Income).

Fluctuations between the date of invoice and the date of collection are recorded as financial income/expense.

Fluctuations between the date of collection and the date of closing are analyzed as part of the portfolio valuation at the end of the period.

Revenue from Game Licensing AlphaVerse and others

The revenue corresponding to the guaranteed minimums earned by CBI for game license contracts relating to an intellectual property right of use such as the AlphaVerse is recognized at a point in time, i.e. at the time when the license is granted and when the client can use and receive the benefits of the license, as long as CBI does not have any material obligations as a counterpart.

This is done after assessing the recoverability of receivables, based on the client's intention and ability to pay.

If there is a contingent obligation upon CBI, the revenue is deferred and recognized only when the obligation has been fulfilled.

2.17. Research and development expenses

Accounting for R&D Expenses / Gross Value

In accordance with French accounting standards (« PCG art 212-3 »), R&D expenses (including internal R&D expenses) are capitalized and recognized as intangible assets if an entity can demonstrate all of the following:

1. That it is technically feasible to complete the intangible fixed asset for commissioning or sale.
2. That the Company intends to complete the intangible fixed asset and commission or sell it.
3. That the Company is able to commission the intangible fixed asset or sell it.
4. The way in which the intangible fixed asset will generate probable future economic benefits. The entity will demonstrate, among other things, that there is a market for the production resulting from the intangible fixed asset, or for the intangible fixed asset itself or, if it is to be used internally, that it is useful.
5. That the Company has adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset.
6. That the Company is able to reliably estimate the expenditures attributable to the intangible fixed asset during its development.

The Company recognizes a charge for development costs (internal or external studio development expenses) if it considers that the project does not meet all of the above criteria.

At the financial year-end, the residual net book value is compared with future sales projections to which the contract's conditions are applied. If those sales projections fall short, a provision for additional impairment is recognized as a result.

The Company does not directly receive research tax credits.

Depreciation for R&D Expenses

Depreciation is allocated as follows:

1. 40% to the engine and backend systems, amortized as from the date of launch over 7 years (similar to the cycle of first-party consoles Xbox and Sony PlayStation);
2. 60% to the content and live operations, amortized as from the date of launch over 5 years.

2.18. Marketing and sales expenses

Advertising and user acquisition costs for mobile and online games are expensed as and when they are incurred and included in the "Marketing and Sales Expenses" item of the income statement.

2.19. Operating income

Le résultat d'exploitation est formé de la marge brute diminuée des frais de recherche et développement, des frais marketing et commerciaux et des frais généraux et administratifs.

2.20. Financial income and expenses

Cost of debt

Net financial debt consists of all current and non-current financial borrowings and debts, less cash and cash equivalents. The cost of net financial debt is comprised of expenses and income generated by the components of net financial debt during the period, including related net income from the interest rate and currency hedging. The net cost of debt notably includes the following items:

- Interest expense and income on net debt, consisting of bonds, the debt portion of hybrid instruments, other financial liabilities (including debt on finance leases) and cash and cash equivalents

- Other fees paid to banks on financial transactions

Other Financial Income and Expenses

"Other Financial Income and Expenses" include the following items:

- Dividends received from shareholdings;
- The effect of discounting provisions;
- Capital gains and losses from the sale of financial assets;
- Foreign exchange net income.

2.21. Taxes

The Company records tax expenses per applicable regulations.

2.22. Earnings per share

The Company reports earnings per share.

Earnings per share are calculated by dividing the Company's net income by the number of shares outstanding at the end of the fiscal year.

NOTE 3 – Intangible and tangible assets

At March 31,2022, intangible fixed assets correspond mainly to the investment in AlphaVerse (1,794.2 K€) and to the joint-venture agreement with NCX to distribute a new token (4,101.7 K€), as follows:

(000's of euros)	March 31, 2021	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2022
Software	-	1,794.2	-	**1,794.2**
Other intangible assets	-	4,122.5	-	**4,122.5**
Total gross value	-	5,916.7	-	5,916.7
Total amortization	-		-	-
Total net value	-	5,916.7	-	5,916.7

(000's of euros)	March 31, 2021	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2022
General fixtures and fittings	-	-	-	**-**
Office equipment and computers	-	12.3	-	**12.3**
Total gross value	-	12.3	-	12.3
Total amortization	-	(0.5)	-	(0.5)
Total net value	-	11.8	-	11.8

NOTE 4 – RIGHTS OF USE RELATING TO LEASES

The Company has a lease liability of 25 K€ per month, under a 9-year lease with an effective date of November 1, 2021. The existing lease is recorded as operating expenses and is not restated.

NOTE 5 – FINANCIAL INSTRUMENTS

5.1. Financial assets

(000's of euros)	March 31, 2021	Increases	Decreases	Currency impact	March 31, 2022
Investments in subs. and associates	-	-	-	-	-
Receivables from subs. and associates	-	-	-	-	-
Accrued interest on receivables	-	-	-	-	-
Atari	-	1,953.0	(1,953.0)	-	-
OPP / Free		4,807.9	-	-	**4,807.9**
NCX	-	8,070.0	-	-	**8,070.0**
Deposits	-	75.0	-	-	**75.0**
Other fixed assets	-	-	-	-	-
Total gross value	-	**14,905.9**	**(1,953.0)**	-	**12,952.9**
Provisions	-	-	-	-	-
Total net value	-	**14,905.9**	**(1,953.0)**	-	**12,952.9**

5.2. Balance sheet information

Financial instruments consist of financial assets, financial liabilities, and derivatives.

The following table presents the breakdown for current financial assets and financial liabilities according to the different balance sheet headings and their breakdown by maturity.

As at March 31, 2022 (000's in euros)	Net Value	Schedule		
		Less than 1 year	Between 1 & 5 years	More than 5 years
-	**445.9**	445.9	-	-
Other receivables		-	-	-
Treasury shares	**435.3**	435.3	-	-
Cash and cash equivalents	**5,447.9**	5,447.9	-	-
ASSETS	**445.9**	**445.9**	-	-
Provisions for contingencies and losses	**5.5**	5.5	-	-
Bond debt	-	-	-	-
Bank debt	-	-	-	-
Other financial liabilities	**4,477.5**	-	4,477.5	-
Trade payables	**2,550.4**	2,550.4	-	-
Operating liabilities	**113.2**	113.2	-	-
LIABILITIES	**7,146.6**	**2,669.1**	**4,477.5**	-

The shareholder's loan has a maturity of five (5) years, payable *in fine*, and bears interest at the legal rate.

NOTE 6 – STOCKS

As at March 31, 2022, the Company has no inventory.

NOTE 7 – TRADE RECEIVABLES

At March 31 2022, the balance of trade accounts receivable corresponds to receivables from distributors, collected with a term of 30 to 60 days, and amounts to € 445.9K.

(000's of euros)	March 31, 2022			March, 31 2021
	Gross	Impairment	Net	Net
External	445.9	-	445.9	-
Accrued	-	-	-	-
Total net value	**445.9**	-	**445.9**	-

Receivables considered doubtful are subject to provisions for impairment determined according to their risk of non-recovery. The limited number of customers enables the Company to regularly review trade receivables. When a payment delay is noted, an analysis is carried out, notably concerning the age of the receivable, the customer's financial position, the possibility of negotiating a payment plan, guarantees received and possibly credit insurance to determine the recoverable amount. Any difference between the book value and the recoverable value is recognized under current operating income via an allowance for provisions. Impairment is considered final when the receivable itself is considered to be permanently irrecoverable and is then recognized as a loss.

NOTE 8 – OTHER CURRENT ASSETS

Other current assets are nil.

NOTE 9 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company are set forth below:

(000's of euros)	March 31, 2022	March 31, 2021
Inventory of tokens and NFTs	678.1	-
Cash investments and crypto-currencies	2,150.4	-
Cash	2,619.4	37.0
Cash and cash equivalents	**5,447.9**	37.0

The inventory of tokens is recorded at cost, based on the purchase price. Each cryptocurrency is valued based on different volume-weighted average prices to reflect the value of each cryptocurrency and the overall portfolio. If the cost price of a cryptocurrency is less than its market value, no unearned revenue is recognized. If the cost price of a cryptocurrency is greater than its market value, an impairment loss is recognized in profit and loss. At March 31, 2022 the inventory was valued at 2,828.5 K€.

Token	# Tokens	Market Price/Token US$	Market Value US$	Market Value Euro	Gross Value Euro	Accrual Euro	Net Value Euro
	A	B	A*B	C = A*B	D	E = C - D (IF < 0)	D-E
ETH	126.76	$3 282.3000	$416 049.83	€ 375 326.86	€ 492 355.39	-€ 117 028.53	€ 375 326.86
USDT	6 277.00	$1.0000	$6 277.00	€ 5 662.61	€ 5 340.62	€ -	€ 5 340.62
BTC	26.98	$45 528.0000	$1 228 345.44	€ 1 108 114.97	€ 1 160 681.88	-€ 52 566.91	€ 1 108 114.97
USDC	738 763.02	$1.0000	$738 763.02	€ 666 452.88	€ 652 443.70	€ -	€ 652 443.70
CHAIN GAMES	-	$0.2000	$0.00	€ -	€ -	€ -	€ -
BNB	1.00	$428.7600	$428.76	€ 386.79	€ 164.58	€ -	€ 164.58
WETH	0.59	$3 286.2700	$1 942.86	€ 1 752.69	€ 1 674.15	€ -	€ 1 674.15
MATIC	-	$1.6200	$0.00	€ -	€ -	€ -	€ -
CRYS	499 860 000.00	$0.0833	$41 653 333.80	€ 37 576 304.74	€ 499.86	€ -	€ 499.86
ATRI	326 489.00	$0.0250	$8 166.07	€ 7 366.78	€ 19 633.52	-€ 12 266.74	€ 7 366.78
LIGHTS	6 520 000 000.00	$0.0025	$16 300 000.00	€ 14 704 555.71	€ 652.00	€ -	€ 652.00
NFTs	-	$0.0000	$0.00	€ -	€ -	€ -	€ 19.80
ATRI (Contribution)	30 000 000.00	$0.0250	$750 353.40	€ 676 908.80	€ 676 908.80	€ -	€ 676 908.80
TOTAL			$61 103 660.18	€ 55 122 832.82	€ 3 010 354.50	-€ 181 862.19	€ 2 828 512.00

The cost of creation of one single NFT or token is low. It corresponds to the cost of minting of the collection (minimal on BSC or Polygon) and the time spent (usually 8 hours for any collection of NFT or a new token).

Costs charged by developers for the creation of the tokens and of the NFTs are allocated to inventory and expensed as the NFTs are sold. The balance is recorded as intangible assets and amortized over the useful life of the assets.

The following costs have been established:

- CRYS: Cost of production charged by developers was Euro 600, corresponding to time spent to create such tokens. This is Euro 0.01 for every 10,000 CRYS sold.
- LIGHTS: Cost of production charged by developers was closer to Euro 1,800 as the contract was more complex to write to create the 18 billion LIGHTS tokens. This is Euro 0.001 for every 10,000 LIGHTS sold.

- Standard NFTs: Cost of production depends on the production value, the quality of the assets, the number of items in the collection. These costs are estimated at Euro 0.01 cent by Standard NFT, consisting of cost of production charged by developers.

The cost of minting is paid separately to the network and expensed.

NOTE 10 – SHAREHOLDERS' EQUITY

10.1. Capital social

Common shares

At the general meeting on December 29,2021 a resolution for a 10 for 1 stock split of CBI shares effective January 10, 2022 was unanimously approved.

A second resolution at the general meeting on December 29, 2021 authorizing a free allocation of shares to all shareholders of 1 new share for every 4 shares held the effective date for the free allocation of shares is February 1, 2022 was unanimously approved.

Both resolutions were submitted to the Board of Directors for their approval on January 19, 2022.

On March 29, 2022, CBI entered into a buyback and cancellation of the warrant that allowed Atari to acquire 5% of CBI's share capital at a price of €0.1 per share, in exchange for the termination of the Atari license, payment of USD $100,000, €12,000 and transfer of 3,500,000 Atari shares held by CBI to Atari, upon completion of the transaction the warrants were cancelled.

As at March 31 2022, the Company's subscribed and fully paid-up capital totals is €24,258,750 divided into 242 587 500 shares with a par value of €0.10. The number of voting rights assigned to the Company's shares is 242 587 500.

Evolution of the share count during the financial year

March 31, 2021		**37,000**
24/09/2021	Contribution in kind	18,000,000
12/10/2021	Private Placement	1,300,000
12/01/2022	Division of the nominal value by 10	174,033,000
18/01/2022	Repayment of loan	700,000
27/01/2022	Allocation of free shares (1 for 4)	48,517,500
March 31, 2022		**242,587,500**

At the date of this Document, the breakdown of shareholders with more than 2% of the capital and voting rights was as follows:

	Shares		Voting Rights	
	#	%	#	%
Ker Ventures, SARL	224,392,425	92.50%	224,392,425	0.09%
Ker Ventures, LLC	205,999	0.08%	205,999	4.18%
Total F. Chesnais	**224,598,424**	**92.58%**	224,598,424	**4.27%**
Other shareholders	17,989,076	7.42%	17,989,076	95.73%
Total	**242,587,500**	**100.00%**	242,587,500	**100.00%**

Registered shares may benefit from a double voting right if held for at least two years. At the date of this Document, no share is entitled to double voting rights.

There are no other shareholders who directly, indirectly or jointly own 2% or more of the Company's issued capital or voting rights.

The shares of the Company are listed on Euronext since October 26, 2021. The ticker is ALCBI.

Each share entitles the holder to one vote on each of the resolutions submitted to the shareholders. A double voting right is attached to all the existing paid-up shares held by the same shareholder for a minimum of two years, as well as to any shares subsequently acquired by the same shareholder by exercising the rights attached to these registered shares.

Dividends

The Board of Directors may propose the distribution of dividends to the Company's shareholders up to the full amount of the Company's profit and distributable reserves. These distributions are made as decided by the Company's shareholders during a General Meeting. The Company has not made dividend payments for the past three years.

10.2. Treasury shares

At March 31, 2021, the Company has 440,000 treasury shares. These shares are traded by TSAF in the context of a liquidity program.

10.3. CBI SA stock-options plan

At March 31, 2022, the Company has no stock-option plan.

10.4. Other dilutive instruments

As at March 31, 2022, there is no dilutive instrument in terms of capital.

The Company had issued a warrant to the benefit of Atari, enabling Atari to purchase 5% of the share capital of CBI at par value, i.e. €0.10 per share. This warrant has been repurchased and cancelled pursuant to the agreement entered into on March 29, 2022 with Atari.

The cost of acquisition of this warrant is as follows:

Atari Warrant	(000's of euros)
Cash	**(12.0)**
Cash	**(90.2)**
Atari Shares	**(1,953.0)**
Depreciation Tokens	**(8,661.7)**
Total	**(10,716.9)**

This cost of acquisition has been recorded as financial and non-recurring expenses.

NOTE 11 – PROVISIONS FOR CONTINGENCIES AND LOSSES – CURRENT / NON-CURRENT

In the normal course of business, the Company may be involved in a number of legal, arbitral, administrative, and tax proceedings.

At March 31, 2022, there is no such proceeding, and there is no provision for contingencies or losses.

NOTE 12 – DEBT

12.1. Debt analysis by type

There is a shareholder's loan asset forth in Section 5.2 above.

12.2. Debt analysis by interest rate (fixed – floating)

The debt bears interest at a fixed interest rate.

NOTE 13 – LEASE LIABILITIES – CURRENT AND NON-CURRENT

The Company has a lease liability of 25 K€ per month, under a 9-year lease with an effective date of November 1, 2021.

NOTE 14 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities are set forth in Section 5.2 above.

NOTE 15 – SEGMENT INFORMATION

Operating segment are defined as a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available

CBI operates in one single operating segment (blockchain).

CBI's business is understood to be fully contained within a single operating segment.

NOTE 16 – CURRENT OPERATING EXPENSES

Research and development expenses

Research and development expenses are analyzed as follows:

(000's of euros)	**March 31, 2022**	March 31, 2021
Capitalized R&D	**(538.5)**	-
Depreciation	**-**	-
Other R&D expenditures	**-**	-
Total R&D expenditures	**(538.5)**	-

Marketing and sales expenses

Marketing and sales expenses were 505.6 K€ during the first year.

General and administrative expenses

General and administrative expenses for the period were 768.0 K€ compared to 5.0 K€ for the prior year.

Additional information

(000's of euros)	March 31, 2022	March 31, 2021
Purchases not included in inventories	(19.4)	-
Rents (including services and maintenance charges)	(162.0)	-
Cleaning, maintenant and repairs	(8.9)	-
Insurance	(0.2)	-
Fees	(1,608.2)	(5.0)
Advertising, publications, public relations	(56.4)	-
Travel, assignements and entertainment	(87.3)	-
Postage and communications	(0.1)	-
Bank charges and securities fee	(8.5)	-
Other expenses	(335.4)	-
Total other purchases and expenses	**(2,286.4)**	(5.0)

(000's of euros)	March 31, 2022	March 31, 2021
Provisions for contingencies and losses	1.9	-
Provisions for the impairment of current assets	-	-
Total reversals	**1.9**	-
Depreciation and amortization:	-	-
- Intangible assets	-	-
- Tangible assets	(0.5)	-
Amortization of expenses attribuate to several periods	-	-
Provisions for contingencies and losses	-	-
Provisions for the impairment of current assets	-	-
Total depreciation and amortization	**(0.5)**	-

(000's of euros)	Amounts relating to affiliated companies	
	Gross	Net
ASSETS		
Equity investments and long-term investments	**12,877.9**	**12,877.9**
Receivables related to equity investments	-	-
Other financial assets	-	-
Receivables from current assets	-	-
LIABILITIES		
Other financial liabilities	**4,359.7**	**4,359.7**
Operating liabilities	-	-
OPERATING INCOME & EXPENSES		
Operating revenues	-	-
Operating expenses	-	-
FINANCIAL INCOME AND EXPENSES		
Financial income	**32.8**	**32.8**
Financial expenses	-	-

NOTE 17– OTHER OPERATING INCOME AND EXPENSES

At March 31, 2022, Other income and expenses were nil during the period.

NOTE 18 – OTHER INCOME AND EXPENSES

At March 31, 2022, Other income and expenses were nil during the period.

NOTE 19 – NET FINANCIAL INCOME (EPXENSE)

At March 31, 2022, Net financial income was (6,795.5) K€ during the period.

Financial income results from the sale of treasury shares. Financial charges are related to the repurchase of the Atari warrant.

(000's of euros)	March 31, 2022	March 31, 2021
Financial income		
- Foreign exchange gain	58.0	-
- Dividend	32.8	-
- Interests income	-	-
- Reversals of provisions and expense transfers	-	-
- Other financial income	0.1	-
- Proceeds from the sale of securities	2,074.2	-
Total financial income	**2,165.1**	-
Financial expenses		
- Foreign exchange losses	(85.6)	-
- Interests expense	(27.9)	-
- Depreciation, amortization and provisions	-	-
- Other financial expenses	(8,847.1)	-
Total financial expenses	**(8,960.6)**	-
Net financial income and expense	**(6,795.5)**	-

At March 31, 2022, Non-recurring income was (2,055.1) K€ during the period. Extraordinary expenses result from the purchase of the Atari warrant.

(000's of euros)	March 31, 2022	March 31, 2021
Non-recurring income		
- Operating activities	0.2	-
- Investing activities	-	-
- Amortization and provisions	-	-
Total non-recurring expenses	**0.2**	-
Non-recurring expenses		
- Operating activities	(102.3)	-
- Investing activities	(1,953.0)	-
- Amortization and provisions	-	-
Total non-recurring expenses	**(2,055.3)**	-
Non-recurring income and expense	**(2,055.1)**	-

NOTE 20 – INCOME TAX

The Company has no income tax payable for the period.

NOTE 21– OFF-BALANCE SHEET COMMITMENTS GIVEN

At March 31, 2022, there are no commitments given.

NOTE 22 – OFF-BALANCE SHEET COMMITMENTS RECEIVED

At March 31, 2022, there are no commitments received.

NOTE 23 – MARKET RISK MANAGEMENT

The holding Company is responsible for risk management according to the context of the financial markets and the procedures established by management. Foreign exchange transactions are carried out according to local laws and access to the financial markets. Subsidiaries may enter into contracts directly with local banks under the supervision of the holding Company CBI SA and in accordance with the Company's procedures and policies.

NOTE 24 – PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the Company has a present (legal or constructive) obligation to a third party that is likely to cause an outflow of resources in favor of such third party, without at least equivalent compensation expected from it and when a reliable estimate of the amount can be made. The share of a provision for less than one year is recorded as current, with the balance classed as non-current.

Apart from the contingencies referred to in this document, and for which provisions have been recorded, to the Company's best knowledge no proceedings have been brought by a government, and there are no judicial or arbitral proceedings, including any ongoing proceedings or threat of action that could have a significant impact on the Company's financial position and profitability or that have had such an impact in the last 12 months.

NOTE 25 – EXECUTIVE COMPENSATION AND BENEFITS

CBI's corporate officers are its directors, and the Chief Executive Officer is the only director to have an executive position.

The General Shareholders' Meeting approves the principles and criteria for determining, distributing and allocating the fixed and variable components of the overall compensation package and benefits of any kind to be awarded to the Company's executive officers in accordance with Article L.225-37-2 of the French commercial code.

COMPENSATION FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR FY 2021-2022

Annual fixed compensation

There is a fixed monthly compensation which is equivalent to a monthly salary of twenty-five thousand (25.000) euros. However, as Mr. Frédéric Chesnais is treated as a consultant, the Company pays him the full cost that would be borne by the Company if he were an employee, and Mr. Frédéric Chesnais pays himself any social protection, retirement plan and/or social contributions. The gross amount thus paid by the Company amounts to forty-two thousand (42.000) euros, and such amount is paid either to Mr. Frédéric Chesnais and/or to an entity Mr. Frédéric Chesnais controls, depending on Mr. Frédéric Chesnais's location and/or the place of work.

Variable compensation / Options

The Board of Directors decided, as recommended by the Nomination and Compensation Committee, to allocate to the management team a pool of carried interest for each investment, equal to 20% of the return on investment generated by the Company after an annual hurdle rate of 10%. Mr. Frédéric Chesnais is allocated 40% of such pool, the balance of the pool being allocated to the investment team and the board. The individual members of that management team are selected from time to time by the Compensation and Nomination Committee. The allocation among the members of such management team is decided by the Board of Directors, upon recommendation of Compensation and Nomination Committee.

The Board of Directors also decided, as recommended by the Nomination and Compensation Committee, to allocate an annual discretionary bonus which could represent (except in exceptional circumstances) between 0% and 100% of the annual fixed compensation paid, incorporating the following elements: level of revenue, EBITDA margin, cash generation, share price performance, growth in recurring net earnings per share, which makes it possible to take into account all the other elements on the income statement, as well as various objective criteria related to the activity, in addition to the return on investment allocated under the prior paragraph.

In addition, under the delegation of authority granted by the General Meeting, the Board of Directors reserves the right to award stock options as part of an option plan.

In addition, in the event of a listing of the shares of the Company and unless such bonus has already been paid during a prior year, Mr. Frédéric Chesnais will be allocated a fixed bonus of 250,000 euros, to be grossed up for any social protection, retirement plan and/or social contributions in the same proportions as the ones indicated above for his monthly compensation, i.e. amounting to a total cost of 420,000 euros. This bonus will be paid during the year 2022-2023.

In the event of a creation of a crypto currency by the Company, fifteen per cent (15%) will be set aside for compensation of the Management team, of which eight per cent (8%) for the Chief Executive Officer.

Compensation due to directorships

See following paragraphs

Compensation for directors

Annual fixed compensation

There is no fixed compensation

Compensation due to directorships

The directors receive compensation for their office (previously "directors' fees"). The maximum budget for the compensation to be distributed between the directors is voted on by the General Shareholders' Meeting, as proposed by the Board of Directors, based on recommendations from the Nomination and Compensation Committee, taking into account the Company's interests.

For FY 2021-2022 and the following years, the Board of Directors set, subject to approval by the General Meeting deliberating on the financial statements for the year ended March 31, 2022, the compensation for directorships to 25,000 euros per year.

In addition, each Director other than the Chief Executive Officer will be allocated a fixed bonus of 50,000 euros in the event of a listing of the shares of the Company, unless such bonus has already been paid during a prior year.

In addition, 5.0% of the pool of carried interest is split equally among the directors.

In the event of a creation of a crypto currency by the Company, five per cent (5.0%) will be set aside for compensation of the directors, of which two per cent (2.0%) for the Chairman of the Board and one and a half per cent (1.5%) for each director.

Compensation for non-executive corporate officers

None.

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This compensation policy was approved at the General Shareholders' Meeting on January 6, 2021 and further approved on July 22, 2021.

Compensation of Alain Scémama, Legal Director

Mr. Alain Scémama joined the Company on December 1, 2021 and receives gross annual compensation of €100,000.

Workforce for fiscal year 2021-2022

As of March 31, 2022, the company had six employees

NOTE 26 – SUBSEQUENT EVENTS

The subsequent events are as follows:

Purchase of Xave World Music: CBI signs into an agreement to purchase Xave World Music focused metaverse on April 29, 2022. Xave is a blockchain-based technology company based in Barcelona and Argentina that has been developing a music metaverse. Completion is expected to occur during the financial year 2022-2023.

Borrow of Company shares: In April 2022, the Company borrowed 2 million CBI shares from its main shareholders, Ker Ventures, SARL. The loan is short-term, valued at Euro 3.2 million and bears interest at 2% per annum. This is a regulated agreement.

Metacoaster: the first play-to-earn game developed directly by CBI within AlphaVerse. It is a theme park management game with multiplayer and solo options. With MetaCoaster's play-to-earn and massively multiplayer modes, the roller coasters, flat rides and restaurants are NFTs. Sales are starting up with the plots of land and roller coasters, which will be followed by flat rides and restaurants. The decorative elements (seating, barriers, trees), related buildings (park entrances, ticket offices, etc.) and roads are classic objects.

Qtopia: the first metaverse dedicated to the LGBTQ community. It will provide an exclusive online space to promote LGBTQ culture and advocacy, coordinating different initiatives for this community, with a portion of the proceeds from sales donated to LGBTQ charities and organizations. This fully immersive universe will include houses and other virtual places for its users to meet and share, both in and beyond the virtual world.

Ukraine and Russia conflict: In the current context linked to the situation in Ukraine and the consequences of the sanctions imposed on Russia, the Group is monitoring the possible repercussions on its activities and its risks. To date, the exposure of the Group and its entities is almost non-existent on their activities and assets.

Apart from these events, no other significant event occurred between March 31, 2022 and the date on which the accounts were approved by the Board of Directors.

NOTE 27 – STATUTORY AUDITORS'FEES

The fees for the financial years ended March 31, 2022 in respect of the statutory audit of the annual financial statements and the audit of the consolidated financial statements are listed below.

(000's of euros)	FY 2021-2022			
	RSM	%	Avvens	%
Statutory audit (certification, review of statutory and consolidated accounts)				
- CBI SA	**68.0**	100.0%	**57.0**	100.0%
- Fully-consolidated subsidiaries	**-**	0.0%	**-**	0.0%
Other services				
- CBI SA	**-**	0.0%	**-**	0.0%
- Fully-consolidated subsidiaries	**-**	0.0%	**-**	0.0%
TOTAL	**68.0**	100.0%	**57.0**	100.0%

AUDITORS REPORT ON THE ANNUAL FINANCIAL STATEMENTS

See next page.

CRYPTO BLOCKCHAIN INDUSTRIES
Head office : 164 BD HAUSSMANN 75008 Paris
Limited company with a capital of 24,258,750 euros

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

This is a translation into English of the statutory auditors' report on the financial statements of the French Company and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of the company CRYPTO BLOCKCHAIN INDUSTRIES,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of CRYPTO BLOCKCHAIN INDUSTRIES for the year ended March 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at March 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules provided for by the French Commercial Code and by the French Code of ethics for statutory auditors, for the period from April 1st, 2021 to the date of issue of our report.

Observation

Without qualifying the opinion expressed above, we draw your attention to the following matter described in the preamble to the notes to the financial statements, which sets out the significant events of the year and in particular the fact that this is the first year of operation.

Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These assessments were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of Board of Directors and in the other documents on the financial position and the annual accounts addressed to shareholders.

We certify the fairness and consistency with the financial statements of the information relating to the payment periods mentioned in Article D. 441-6 of the French Commercial Code.

Corporate Governance Disclosures presented in the management report

We attest to the existence, in the section of the management report of Board of Directors devoted to corporate governance of the information required by Article L. 225-37-4 of the French Commercial Code.

7.Statutory Auditors' Responsibilities for the Audit of the

Financial Statements

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

As specified in the Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

A more detailed description of our responsibilities as statutory auditors regarding the audit of the annual accounts is included in the appendix of this report and constitutes an integral part thereof.

Done in Lyon and Paris, June 30th, 2022

The

Statutory Auditors

RSM Rhône Alpes	**A4 Partners** Member of Crowe Global
Francois de Bustamante Associate	**Marc Luccioni** Associate

III. Special report of the statutory auditors on regulated agreements

FOR THE YEAR ENDED MARCH 31, 2022

See next page.

RSM

Crowe Avvens

CRYPTO BLOCKCHAIN INDUSTRIES

Head office : 164 BD HAUSSMANN 75008 Paris
Limited company with a capital of 24,258,750 euros

SPECIAL REPORT OF THE STATUTORY AUDITORS
ON REGULATED AGREEMENTS
For the year ended March 31, 2022

This is a translation into English of the statutory auditors' report on the financial statements of the French Company and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of the company CRYPTO BLOCKCHAIN INDUSTRIES,

In our capacity as statutory auditors of your company, we hereby present to you our report on regulated agreements.

It is our responsibility to report to you, on the basis of the information provided to us, the characteristics, the main terms and conditions and the reasons justifying the interest for the Company, of the agreements brought to our attention or which we may have identified in the course of our audit. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility to evaluate the advantages of entering into these agreements prior to their approval.

We performed the procedures that we considered necessary to comply with the professional guidance issued by the French National Auditing Body (Compagnie nationale des commissaires aux comptes) relating to this mission.

Those procedures consisted in verifying that the information provided to us was consistent with the source documents from which it was extracted.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING

<u>Agreements authorised and entered into during the last financial year</u>

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

1) Contribution in kind and shareholder loan agreement between Crypto Blockchain Industries (hereafter "CBI") and Ker Ventures E.U.R.L

Person concerned : Mr. Frédéric Chesnais, Chairman and CEO of CBI, and manager of KER VENTURES

Nature and purpose : Shareholder loan

Terms: Ker Ventures made a shareholder loan of 4 450 200 euros. 4,450,200. This shareholder loan has a term of 5 years, repayable at maturity, and bears interest at the legal rate. This loan was approved by the Board of Directors on July 21, 2021 and by the Combined Shareholders' Meeting on July 22, 2021.

2) Lease agreement between Crypto Blockchain Industries and the civil company FCP

Person concerned : Mr. Frédéric Chesnais, Chairman and Chief Executive Officer of CBI, and manager of FCP

Nature and purpose : Agreement concerning the lease of premises located at 68bis Rue Charles-Laffitte, 9220 Neuilly-sur-Seine, in favor of the Company.

Terms : Standard 3/6/9 lease, taking effect on November 1, 2021, for an amount of 25,000 euros per month.
The agreement was authorized by the Board of Directors on July 19, 2021, Mr. Frédéric Chesnais not having taken part in the vote.

3) Loan agreement between Crypto Blockchain Industries and Ker Ventures E.U.R.L

Person concerned : Mr. Frédéric Chesnais, Chairman and CEO of CBI, and manager of KER VENTURES

Nature and purpose : Share loan agreement signed on October 9, 2021.

Terms: Ker Ventures E.U.R.L granted a loan of one million shares to CBI in consideration of an annual interest rate of 2 %.
Ker Ventures E.U.R.L transferred 70,000 CBI shares (which represent 700,000 shares after the par value of the shares was divided by 10 from €1.0 to €0.10 by decision of the General Shareholders' Meeting of December 29, 2021).

The agreement was authorized by a decision of the Board of Directors on October 7, 2021, Mr. Frederic Chesnais not having taken part in the vote.

This loan was repaid in advance to Ker Ventures SARL. This repayment was approved by the Board of Directors on January 19, 2022, with Frederic Chesnais not taking part in the vote.

Done in Lyon and Paris, June 30th, 2022

The Statutory Auditors

RSM Rhône Alpes	**A4 Partners** Member of Crowe Global
Francois de Bustamante Associate	**Marc Luccioni** Associate