



CRYPTO BLOCKCHAIN INDUSTRIES

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Société anonyme (private limited company) with capital of 37 000 euros

Registered office: 164 boulevard Haussmann – Paris 75008 – France

RCS Paris 894283126

**SEMI-ANNUAL CONSOLIDATED PROFORMA FINANCIAL
STATEMENTS
FIRST HALF OF THE 2020/2021 FINANCIAL YEAR
*(SIX MONTHS ENDED SEPTEMBER 30, 2020)***

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CONSOLIDATED INCOME STATEMENT

(000's of euros)		September 30, 2020	September 30, 2019
Revenue		293.0	436.5
Cost of goods sold		-	-
GROSS MARGIN		293.0	436.5
Research and development expenses		(48.0)	(37.9)
Marketing and selling expenses		(89.5)	(224.1)
General and administrative expenses		(1.6)	(4.0)
Other operating income (expense)		-	-
CURRENT OPERATING INCOME (LOSS)		153.9	170.4
Restructuring costs		-	-
Other income (expense)		-	-
OPERATING INCOME (LOSS)		153.9	170.4
Cost of debt		-	-
Other financial income (expense)		-	-
Income tax		-	-
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		153.9	170.4
Net income (loss) from discontinued operations		-	-
NET INCOME (LOSS) FOR THE YEAR		153.9	170.4
Group share		77.6	98.4
Minority interests		76.3	72.1
Basic earnings per share (in euros)		0.004	0.005
Diluted earnings per share (in euros)		0.004	0.005

The notes are an integral part of the semi-annual financial statements.

CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30,2020

CONSOLIDATED BALANCE SHEET

ASSETS (000's of euros)	September 30, 2020	September 30 2019
IP Rights	854.1	918.4
LT Receivables / Goodwill	3,561.5	91.8
Non-current assets	4,415.7	1,010.2
Deferred Expenses	-	6.2
Investments	25,937.0	-
Cash and cash equivalents	574.6	24.6
Current assets	26,511.7	30.8
Total assets	30,927.3	1,041.0
EQUITY & LIABILITIES (000's of euros)	September 30, 2020	September 30 2019
Capital stock	18,037.0	0.8
Retained Earnings	5,414.4	321.4
Net income (loss) Group share	57.4	82.1
Shareholders' equity	23,508.8	404.4
Minority interests	277.7	310.7
Total equity	23,786.5	715.0
Shareholders' Loan	6,837.7	-
Non-current financial liabilities	212.3	228.3
Non-current liabilities	7,050.0	228.3
Deferred Revenue	-	-
Distribution Fees	90.8	97.6
Current liabilities	90.8	97.6
Total equity and liabilities	30,927.3	1,041.0

The notes are an integral part of the semi-annual financial statements.

TABLE OF CONSOLIDATED CASH FLOWS

(000's of euros)	September 30, 2020	September 30, 2019
Net cash (used)/generated in operating activities	70.8	95.7
of which continuing operations	-	-
Net cash (used)/generated in investing activities	(30 281.6)	-
of which continuing operations	(30 281.6)	-
of which intangible assets and fixed assets	-	-
Net cash provided (used in) by financing activities	30 799.7	(76.1)
of which continuing operations	30 836.7	(76.1)
of which dividends paid	(37.0)	-
Other cash flows	(18.0)	2.5
	-	-
Net change in cash and cash equivalent	571.0	22.1
Cash Beginning of Period	3.7	2.5
Net change in cash and cash equivalent	571.0	22.1
Cash End of Period	574.6	24.6

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

The change in consolidated shareholders' equity is as follows:

Equity as at March 31, 2020 (000's of euros)	368.6
Net income, Group Share	57.4
Capital increase	23,000.0
Distribution of dividends	(74.1)
Financial assets valued at fair value through other comprehensive income	-
Currency fluctuations	89.3
Consolidation	67.6
Equity as at September 30, 2020 (000's of euros)	23,508.8

The consolidated subsidiaries are not included in the table above.

NOTE 1 – BASIS OF PREPARATION OF THE SEMI-ANNUAL REPORT

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

These proforma financial statements have been prepared so as to illustrate the impact that the following transactions would have had on the balance sheet and income statement of the Company as at September 30, 2020 and September 30, 2019 if they had been implemented as follows:

- The contribution in kind of operating companies OP Productions, LLC and Free Reign East, LLC as at April 1, 2018. The present proforma financial statements do reflect the activities of these 2 companies from April 1, 2018 to March 31, 2020;
- The contribution in kind of cash, ATARI shares and ATARI tokens ATARI and the investment in National Carrier Exchange, LLC as at September 30, 2020;
- All the new shares are deemed issued on September 30, 2020.

The contribution in kind is subject to the conditions precedent of (i) the effective transfer of the assets to the Company by Ker Ventures, EURL, the contributing company, and of (ii) its approval by the shareholders of the Company and the issuance of the new Company shares. The completion of such conditions precedent is pending as of the date of the present proforma financial report.

The proforma restatements are as follows: (i) inclusion as at April 1, 2018 of the results and operations of operating companies OP Productions, LLC and Free Reign East, LLC, even if the Company shares compensating such contribution are deemed to be issued on September 30, 2020; and (ii) proforma completion as at September 30, 2020 of the contribution in kind of the other assets, thereby assuming that the conditions precedent set forth above have been met at that date.

1.1 PRINCIPLES APPLIED TO THE SEMI-ANNUAL FINANCIAL STATEMENTS

Preparation of the Financial Statements

The Group’s condensed consolidated financial statements at September 30, 2020 have been prepared:

- in accordance with IAS/IFRS and their interpretations as adopted by the European Union. These standards are available on the European Commission website: http://ec.europa.eu/finance/company-reporting/index_fr.htm;
- in accordance with IFRS as published by the IASB;
- applying the same principles and accounting methods as those applied as of March 31, 2019, except for standards, amendments, and interpretations which applied for the first time to financial years beginning after April 1, 2019.

1.2 METHODS AND SCOPE OF CONSOLIDATION

Full 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.

Basis for Consolidation

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

Name	Type of Company	Country	% held
<i>Crypto-Blockchain Industries, SA</i>	<i>SA</i>	<i>France</i>	<i>Parent</i>
<i>OP Productions, LLC</i>	<i>Limited Liability Company</i>	<i>USA</i>	<i>50.00%</i>
<i>Free Reign East, LLC</i>	<i>Limited Liability Company</i>	<i>USA</i>	<i>50.00%</i>

1.3 APPLICATION OF THE GOING CONCERN PRINCIPLE

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future payments.

1.4 USE OF ESTIMATES

Preparing the consolidated financial statements in accordance with the rules of IFRS requires the Group 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 are always inherent uncertainty in achieving objectives, the operating budget and the financing plan, and the non-realization of assumptions may have an impact on the valuation of the Group's assets and liabilities.

1.5 EARNINGS PER SHARE

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

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

Diluted earnings per share are calculated by dividing the restated Group share of net income by the weighted average number of common shares in circulation plus all potential dilutive common shares. Potential dilutive common shares, if any, include stock options or warrants, free shares, bonds convertible into shares and bonds repayable by shares issued by the Group.

NOTE 2 – HIGHLIGHTS OF THE PERIOD

Highlights of the first half of the 2020/2021 financial year are:

- The Capital Increase as described below;
- A continued investment in existing applications;
- A significant increase in the valuation of the Atari shares held by the Group and the arrival of a new shareholder (the Wade Trust) at Atari.

Description of the Capital Increase

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 loan does not bear interest.

CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2020

(000's of euros)	Capital Increase
Cash	537.2
Atari Shares	2,624.0
Crypto-currencies	11,405.0
Investments in companies	11,908.1
Investments in consolidated entities	3,363.5
Total contribution	29,837.7
Issuance of shares	18,000.0
Consolidation premium	5,000.0
Shareholders' Loan	6,837.7
Total compensation	29,837.7

NOTE 3 – INTANGIBLE FIXED ASSETS

As of September 30, 2020, intangible fixed assets break down as follows:

All the games are fully amortized.

The Intellectual Property Rights correspond to the acquisition price paid for one of the games.

At each closing, the Group assesses the future economic benefits it will receive from this asset by using the principles set out in IAS 36—Impairment of Assets. These assets are valued according to a minimum budget. If a deviation from this budget is noted, and depending of how significant this deviation is, the depreciation/amortization plan is accelerated or the asset is depreciated/amortized in full.

Gross value (000's of euros)	Games	IP Rights	Total
September 30, 2019	4,571.8	918.4	5,490.2
Acquisitions	-	-	-
Disposals / Retirements	-	-	-
Translation adjustments	(319.8)	-	(319.8)
September 30, 2020	4,252.0	854.1	5,106.1
Amortization & provisions (000's of euros)	Games	IP Rights	Total
September 30, 2019	(4,571.8)	-	(4,571.8)
Amortization / Provisions	-	-	-
Disposals / Retirements	-	-	-
Translation adjustments	s	-	-
September 30, 2020	(4,252.0)	-	(4,252.0)
Net value (000's of euros)	Games	IP Rights	Total
September 30, 2019	-	918.4	918.4
September 30, 2020	-	854.1	854.1

NOTE 4 – FINANCIAL INSTRUMENTS

4.1. NON-CURRENT FINANCIAL ASSETS

There are no non-current financial assets at September 30, 2020.

ASSETS (000's of euros)	September 30, 2020	September 30, 2019
Financial assets measured at fair value	-	-
Financial assets measured at fair value through profit & loss	-	-
Financial assets measured at amortized cost	-	-
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 Group 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 Group and the cash flow characteristics of the financial instruments.

Financial assets measured at amortized cost

Financial assets are measured at amortized cost when they are not designated as FVTPL, when they are held in order to collect the contractual cash flows, and their cash flows are solely payments of principal and interest ("SPPI" criterion).

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 Group 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 AT FAIR VALUE THROUGH OCI

None

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

None

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.

4.2. BALANCE SHEET INFORMATION

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

Financial instruments are presented under different headings on the balance sheet (non-current financial assets, trade accounts receivable, trade accounts payable, financial debts, etc.).

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 September 30, 2020 (000's in euros)	Net Value	Schedule		
		Less than 1 year	Between 1 & 5 years	More than 5 years
Stock	-	-	-	-
Trade accounts receivables	-	-	-	-
Current tax liability	-	-	-	-
Other current assets	25,937.0	25,937.0	-	-
Cash and cash equivalent	574.6	574.6	-	-
FINANCIAL ASSETS	26,511.7	26,511.7	-	-
Lease liabilities	-	-	-	-
Shareholders' loan	6,837.7	-	6,837.7	-
Notes Payable	212.3	-	212.3	-
Current tax liabilities	-	-	-	-
Trade payables	-	-	-	-
Other current liabilities	90.8	90.8	-	-
FINANCIAL LIABILITIES	7,140.8	90.8	7,050.0	-

NOTE 5 – INVENTORIES

As of September 30, 2020 and as of September 30, 2019, the Group has no inventory.

NOTE 6 – TRADE RECEIVABLES

The item "Trade accounts receivable", after deducting sales returns and other future trade discounts, is -0- as at September 30, 2020.

CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2020

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 7 – OTHER CURRENT ASSETS

Other current assets break down as follows:

(000's of euros)	September 30, 2020	September 30, 2019
Receivables from employees	-	-
Prepaid and recoverable taxes	-	-
Current financial assets	-	-
Prepaid expenses	-	6.2
Other assets	25,937.0	-
Other current assets	25,937.0	6.2

Prepaid expenses correspond to operating expenses related to the following year.

The Other Assets correspond to crypto-currencies and assets as follows:

(000's of euros)	Other Assets
Atari Shares	2,624.0
Crypto-currencies	11,405.0
Investments in companies	11,908.1
Other assets	25,937.0

NOTE 8 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents shown in the consolidated cash flow statement include (i) cash (cash on hand and demand deposits) of €575 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 euros)	September 30, 2020	September 30, 2019
Cash (Cash on hand and demand deposits)	574.6	24.6
Cash equivalents (Highly liquid, short-term investments)	-	-
Cash and cash equivalents	574.6	24.6

NOTE 9 – SHAREHOLDERS' EQUITY

9.1 OVERVIEW

CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2020

At the date of this Document and as at September 30, 2020, the Company's subscribed and fully paid-up capital totals is €18,037,000 divided into 18,037,000 shares with a par value of €1.0. The number of voting rights assigned to the Company's shares is 18,037,000.

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

Ownership	September 30, 2020 (Proforma)					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, EURL	18,000,000	99.79%	18,000,000	99.79%	18,000,000	99.79%
Ker Ventures, LLC	36,999	0.21%	36,999	0.21%	36,999	0.21%
Frédéric Chesnais	1	n/s	1	n/s	1	n/s
Public	0	0.00%	0	0.00%	0	0.00%
Total	18,037,000	100.00%	18,037,000	100.00%	18,037,000	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 CBI are not listed.

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.

The table below shows the changes in equity over the period ended September 30, 2020:

Equity as at March 31, 2020 (000's of euros)	368.6
Net income, Group Share	57.4
Capital increase	23,000.0
Distribution of dividends	(74.1)
Financial assets valued at fair value through other comprehensive income	-
Currency fluctuations	89.3
Consolidation	67.6
Equity as at September 30, 2020 (000's of euros)	23,508.8

Description of the Capital Increase

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 loan does not bear interest.

(000's of euros)	Capital Increase
Cash	537.2
Atari Shares	2,624.0
Crypto-currencies	11,405.0
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Investments in consolidated entities	3,363.5
Total contribution	29,837.7
Issuance of shares	18,000.0
Consolidation premium	5,000.0
Shareholders' Loan	6,837.7
Total compensation	29,837.7

9.2 TREASURY SHARES

At September 30, 2020, the Company has no treasury shares.

9.3. CBI SA STOCK OPTION PLAN

At September 30, 2020, the Company has no stock-option plan.

NOTE 10 – DEBT

The Group has no financial debt.

NOTE 11 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities break down as follows:

(000's of euros)	September 30, 2020	September 30, 2019
Shareholders' loan	6,837.7	-
Other non-current liabilities	212.3	228.3
Other non-current liabilities	7,050.0	228.3
Trade payables	-	-
Tax liabilities	-	-
Other current liabilities	90.8	97.6
Other current liabilities	90.8	97.6

0

Other non-current liabilities represent a shareholders' loan of €6,838. This loan does not bear interest.

Other current liabilities represent some notes payable.

NOTE 12 – REVENUE FROM ORDINARY ACTIVITIES & SEGMENT INFORMATION

IFRS 8 defines an operating segment 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 representative of its cash-generating unit (CGU). Performance indicators regularly tracked by the chief operating decision maker ('CODM') are the Group's revenue, EBIT and consolidated net income.

NOTE 13 – OTHER OPERATING INCOME AND EXPENSES

Not applicable.

NOTE 14 – OPERATING EXPENSES BY NATURE

For the purposes of comparison with other companies in the sector, CBI presents its consolidated income statement by function.

Research and development expenses

Research and development expenses amount to €48 for FY2020, compared with €38 for the previous financial year. This increase, net of the amounts capitalized as intangible assets in development, highlights the slight increase of production and the mobilization of resources for the development of the business lines for the years to come.

Research and development expenses are analyzed as follows:

(000's of euros)	September 30, 2020	September 30, 2019
R&D expenditures	48.0	37.9
R&D capitalized	-	-
Amortization	-	-
Research and development expenses	48.0	37.9

Marketing and sales expenses

Marketing and sales expenses totaled €90 in FY2020. In FY2019, they totaled €224. They are broadly in line with the level of revenue.

General and administrative expenses

General and administrative expenses are less than 5% of the revenue in both financial years.

NOTE 13 – NET FINANCIAL INCOME (EXPENSE)

Net financial income is negligible.

At September 30, 2020, the cost of debt is nil.

NOTE 14 – INCOME TAX

14.1. ANALYSIS OF THE TAX CHARGE

The subsidiaries are Limited Liability Companies (“LLCs”) that are tax transparent. Profits are taxed in the hands of the shareholders. CBI may therefore pay income taxes at applicable corporate rates in the future.

14.2. ANALYSIS OF DEFERRED TAX ASSETS

The Group has no deferred tax.

NOTE 15 – PROVISIONS FOR RISKS & CHARGES AND CONTINGENT LIABILITIES

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognized when the Group 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 Group’s financial position and profitability or that have had such an impact in the last 12 months.

NOTE 16 – OFF-BALANCE SHEET COMMITMENTS

16.1. COMMITMENTS GIVEN

At September 30, 2020, there are no commitments given.

At September 30, there are no commitments given.

16.2. COMMITMENTS RECEIVED

At September 30, 2020, there are no commitments received.

At September 30, 2019, there are no commitments received.

NOTE 17 – RELATED-PARTY TRANSACTIONS

17.1. REGULATED AGREEMENTS

There is no regulated agreement.

17.2. 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 2019-2020

Annual fixed compensation

There was no compensation.

Variable compensation / Options

There was no compensation and there was no stock option granted.

Compensation due for directorships

There was no compensation.

COMPENSATION FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR FY 2020-2021

Annual fixed compensation

There is no fixed compensation.

Variable compensation / Options

The Board of Directors decided to allocate up a fixed bonus of 250,000 euros in the event of a listing of the shares of the Company.

Compensation due for directorships

There is no compensation.

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

Annual fixed compensation

There is a fixed monthly compensation of twenty five thousand euros.

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.

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.

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

COMPENSATION FOR DIRECTORS

Annual fixed compensation

There is no fixed compensation.

Compensation due for 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.

Each Director will be allocated a fixed bonus of 50,000 euros in the event of a listing of the shares of the Company.

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 twenty five thousand euros per year. In addition, each Director 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% of the pool of carried interest is split equally among the directors other than the CEO.

Compensation for non-executive corporate officers:

None.

NOTE 18 – SUBSEQUENT EVENTS

▪ **Continued impact of the Covid-19 pandemic:**

Faced with the ongoing current health crisis, the Group has taken the necessary measures to ensure the safety of its employees and the continuity of operations, despite the continued work from home arrangements that are still in effect as of the date of this document. The duration of this situation and its proportions are not predictable. Greatly varying consequences can be observed depending on the Group's different activities, with a negative impact expected for the licensing activities due to the delays with renewals of licensing agreements. A positive impact has been observed for video game revenue.

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

▪ **Investment in new projects:**

There is no new project.

11 STATUTORY AUDITORS' REPORT ON THE PROFORMA SEMI-ANNUAL FINANCIAL STATEMENTS



RSM Rhône-Alpes
2 bis, rue Tête d'Or
69006 LYON
T : +33 (0) 4 72 69 19 19

www.rsmfrance.fr

11 STATUTORY AUDITORS' REPORT ON THE PROFORMA SEMI-ANNUAL FINANCIAL STATEMENTS

Au président du Conseil d'administration,

En notre qualité de commissaire aux comptes titulaire de votre Société et en application du règlement (UE) n°2017/1129 complété par le règlement délégué (UE) n°2019/980, nous avons établi le présent rapport sur les informations pro forma consolidées de la société CRYPTO BLOCKCHAIN INDUSTRIES relatives aux exercices 2019 et 2020 inclus dans le présent document d'information établi à l'occasion de l'apport envisagé comme expliqué ci-dessous (les « Informations Financières Pro Forma »)

Ces Informations Financières Pro Forma consolidées ont été préparées aux seules fins d'illustrer l'effet que les opérations d'apports décrites à la note 1 - bases de préparation des notes annexes aux informations proforma consolidées - auraient pu avoir sur le bilan et le compte de résultat consolidées de la société CRYPTO BLOCKCHAIN INDUSTRIES au 30 septembre 2020 et au 30 septembre 2019 si ces opérations avaient été réalisées comme indiqué ci-dessous :

- L'apport des sociétés opérationnelles OP Productions, LLC et Free Reign East, LLC a été effectué sur une base proforma le 1er avril 2018. Les comptes proforma reflètent ainsi l'activité entière de ces deux sociétés sur la période du 1er avril 2019 au 30 septembre 2019 et sur la période du 1er avril 2020 au 30 septembre 2020;
- L'apport des disponibilités, des actions ATARI, des tokens ATARI et de l'investissement dans National Carrier Exchange, LLC a été effectué sur une base proforma au 30 septembre 2020, soit en fin de période.

De par la nature même des comptes proforma, ils décrivent une situation hypothétique et ne sont pas nécessairement représentatifs de la situation financière ou des performances qui auraient pu être constatées si l'opération était survenue à une date antérieure à celle de sa survenance réelle ou envisagée.

Ces Informations Financières Pro Forma consolidées ont été établies sous votre responsabilité en application des dispositions du règlement (UE) n° 2017/1129 et des recommandations ESMA relatives aux Informations Financières Pro Forma.

Il nous appartient, sur la base de nos travaux, d'exprimer une conclusion, dans les termes requis par l'annexe 20, section 3, du règlement délégué (UE) n°2019/980, sur le caractère adéquat de l'établissement des Informations Financières Pro Forma consolidées sur la base indiquée.

Nous avons mis en œuvre les diligences que nous avons estimées nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission. Ces travaux qui ne comportent pas d'examen des informations financières sous-jacentes à l'établissement des Informations Financières Pro Forma consolidées ont consisté principalement à vérifier que les bases à partir desquelles ces Informations Financières Pro Forma consolidées ont été



CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30,2020

établies concordent avec les documents sources, tels que décrits dans les notes explicatives aux Informations Financières Pro Forma consolidées, à examiner les éléments probants justifiant les retraitements pro forma et à nous entretenir avec la direction de la Société CRYPTO BLOCKCHAIN INDUSTRIES pour collecter les informations et les explications que nous avons estimé nécessaires. A notre avis:

- les Informations Financières Pro Forma consolidées ont été établies correctement sur la base indiquée ;
- cette base est conforme aux méthodes comptables appliquées par l'émetteur.

Ce rapport est émis aux seules fins de l'enregistrement du document d'information auprès d'Euronext et, le cas échéant, de l'offre au public de titres financiers de la Société en France et dans les autres pays de l'Union européenne dans lesquels un prospectus serait notifié, et ne peut être utilisé dans un autre contexte.

Le 7 Mai 2021

A handwritten signature in blue ink, appearing to read 'François de Bustamante'.

Pour RSM Rhône-Alpes
François de BUSTAMANTE
Expert-Comptable
Associé



CRYPTO BLOCKCHAIN INDUSTRIES

CRYPTO BLOCKCHAIN INDUSTRIES

Société anonyme (private limited company) with capital of 37 000 euros

Registered office: 164 boulevard Haussmann – Paris 75008 – France

RCS Paris 894283126

**SEMI-ANNUAL CONSOLIDATED PROFORMA FINANCIAL
STATEMENTS
FIRST HALF OF THE 2020/2021 FINANCIAL YEAR
(SIX MONTHS ENDED SEPTEMBER 30, 2020)**

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CONSOLIDATED INCOME STATEMENT

(000's of euros)	September 30, 2020	September 30, 2019
Revenue	293.0	436.5
Cost of goods sold	-	-
GROSS MARGIN	293.0	436.5
Research and development expenses	(48.0)	(37.9)
Marketing and selling expenses	(89.5)	(224.1)
General and administrative expenses	(1.6)	(4.0)
Other operating income (expense)	-	-
CURRENT OPERATING INCOME (LOSS)	153.9	170.4
Restructuring costs	-	-
Other income (expense)	-	-
OPERATING INCOME (LOSS)	153.9	170.4
Cost of debt	-	-
Other financial income (expense)	-	-
Income tax	-	-
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	153.9	170.4
Net income (loss) from discontinued operations	-	-
NET INCOME (LOSS) FOR THE YEAR	153.9	170.4
Group share	77.6	98.4
Minority interests	76.3	72.1
Basic earnings per share (in euros)	0.004	0.005
Diluted earnings per share (in euros)	0.004	0.005

The notes are an integral part of the semi-annual financial statements.

CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30,2020

CONSOLIDATED BALANCE SHEET

ASSETS (000's of euros)	September 30, 2020	September 30 2019
IP Rights	854.1	918.4
LT Receivables / Goodwill	3,561.5	91.8
Non-current assets	4,415.7	1,010.2
Deferred Expenses	-	6.2
Investments	25,937.0	-
Cash and cash equivalents	574.6	24.6
Current assets	26,511.7	30.8
Total assets	30,927.3	1,041.0
EQUITY & LIABILITIES (000's of euros)	September 30, 2020	September 30 2019
Capital stock	18,037.0	0.8
Retained Earnings	5,414.4	321.4
Net income (loss) Group share	57.4	82.1
Shareholders' equity	23,508.8	404.4
Minority interests	277.7	310.7
Total equity	23,786.5	715.0
Shareholders' Loan	6,837.7	-
Non-current financial liabilities	212.3	228.3
Non-current liabilities	7,050.0	228.3
Deferred Revenue	-	-
Distribution Fees	90.8	97.6
Current liabilities	90.8	97.6
Total equity and liabilities	30,927.3	1,041.0

The notes are an integral part of the semi-annual financial statements.

TABLE OF CONSOLIDATED CASH FLOWS

(000's of euros)	September 30, 2020	September 30, 2019
Net cash (used)/generated in operating activities	70.8	95.7
of which continuing operations	-	-
Net cash (used)/generated in investing activities	(30 281.6)	-
of which continuing operations	(30 281.6)	-
of which intangible assets and fixed assets	-	-
Net cash provided (used in) by financing activities	30 799.7	(76.1)
of which continuing operations	30 836.7	(76.1)
of which dividends paid	(37.0)	-
Other cash flows	(18.0)	2.5
	-	-
Net change in cash and cash equivalent	571.0	22.1
Cash Beginning of Period	3.7	2.5
Net change in cash and cash equivalent	571.0	22.1
Cash End of Period	574.6	24.6

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

The change in consolidated shareholders' equity is as follows:

Equity as at March 31, 2020 (000's of euros)	368.6
Net income, Group Share	57.4
Capital increase	23,000.0
Distribution of dividends	(74.1)
Financial assets valued at fair value through other comprehensive income	-
Currency fluctuations	89.3
Consolidation	67.6
Equity as at September 30, 2020 (000's of euros)	23,508.8

The consolidated subsidiaries are not included in the table above.

NOTE 1 – BASIS OF PREPARATION OF THE SEMI-ANNUAL REPORT

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

These proforma financial statements have been prepared so as to illustrate the impact that the following transactions would have had on the balance sheet and income statement of the Company as at September 30, 2020 and September 30, 2019 if they had been implemented as follows:

- The contribution in kind of operating companies OP Productions, LLC and Free Reign East, LLC as at April 1, 2018. The present proforma financial statements do reflect the activities of these 2 companies from April 1, 2018 to March 31, 2020;
- The contribution in kind of cash, ATARI shares and ATARI tokens ATARI and the investment in National Carrier Exchange, LLC as at September 30, 2020;
- All the new shares are deemed issued on September 30, 2020.

The contribution in kind is subject to the conditions precedent of (i) the effective transfer of the assets to the Company by Ker Ventures, EURL, the contributing company, and of (ii) its approval by the shareholders of the Company and the issuance of the new Company shares. The completion of such conditions precedent is pending as of the date of the present proforma financial report.

The proforma restatements are as follows: (i) inclusion as at April 1, 2018 of the results and operations of operating companies OP Productions, LLC and Free Reign East, LLC, even if the Company shares compensating such contribution are deemed to be issued on September 30, 2020; and (ii) proforma completion as at September 30, 2020 of the contribution in kind of the other assets, thereby assuming that the conditions precedent set forth above have been met at that date.

1.1 PRINCIPLES APPLIED TO THE SEMI-ANNUAL FINANCIAL STATEMENTS

Preparation of the Financial Statements

The Group’s condensed consolidated financial statements at September 30, 2020 have been prepared:

- in accordance with IAS/IFRS and their interpretations as adopted by the European Union. These standards are available on the European Commission website: http://ec.europa.eu/finance/company-reporting/index_fr.htm;
- in accordance with IFRS as published by the IASB;
- applying the same principles and accounting methods as those applied as of March 31, 2019, except for standards, amendments, and interpretations which applied for the first time to financial years beginning after April 1, 2019.

1.2 METHODS AND SCOPE OF CONSOLIDATION

Full 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.

Basis for Consolidation

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

Name	Type of Company	Country	% held
<i>Crypto-Blockchain Industries, SA</i>	<i>SA</i>	<i>France</i>	<i>Parent</i>
<i>OP Productions, LLC</i>	<i>Limited Liability Company</i>	<i>USA</i>	<i>50.00%</i>
<i>Free Reign East, LLC</i>	<i>Limited Liability Company</i>	<i>USA</i>	<i>50.00%</i>

1.3 APPLICATION OF THE GOING CONCERN PRINCIPLE

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future payments.

1.4 USE OF ESTIMATES

Preparing the consolidated financial statements in accordance with the rules of IFRS requires the Group 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 are always inherent uncertainty in achieving objectives, the operating budget and the financing plan, and the non-realization of assumptions may have an impact on the valuation of the Group's assets and liabilities.

1.5 EARNINGS PER SHARE

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

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

Diluted earnings per share are calculated by dividing the restated Group share of net income by the weighted average number of common shares in circulation plus all potential dilutive common shares. Potential dilutive common shares, if any, include stock options or warrants, free shares, bonds convertible into shares and bonds repayable by shares issued by the Group.

NOTE 2 – HIGHLIGHTS OF THE PERIOD

Highlights of the first half of the 2020/2021 financial year are:

- The Capital Increase as described below;
- A continued investment in existing applications;
- A significant increase in the valuation of the Atari shares held by the Group and the arrival of a new shareholder (the Wade Trust) at Atari.

Description of the Capital Increase

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 loan does not bear interest.

CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2020

(000's of euros)	Capital Increase
Cash	537.2
Atari Shares	2,624.0
Crypto-currencies	11,405.0
Investments in companies	11,908.1
Investments in consolidated entities	3,363.5
Total contribution	29,837.7
Issuance of shares	18,000.0
Consolidation premium	5,000.0
Shareholders' Loan	6,837.7
Total compensation	29,837.7

NOTE 3 – INTANGIBLE FIXED ASSETS

As of September 30, 2020, intangible fixed assets break down as follows:

All the games are fully amortized.

The Intellectual Property Rights correspond to the acquisition price paid for one of the games.

At each closing, the Group assesses the future economic benefits it will receive from this asset by using the principles set out in IAS 36—Impairment of Assets. These assets are valued according to a minimum budget. If a deviation from this budget is noted, and depending of how significant this deviation is, the depreciation/amortization plan is accelerated or the asset is depreciated/amortized in full.

Gross value (000's of euros)	Games	IP Rights	Total
September 30, 2019	4,571.8	918.4	5,490.2
Acquisitions	-	-	-
Disposals / Retirements	-	-	-
Translation adjustments	(319.8)	-	(319.8)
September 30, 2020	4,252.0	854.1	5,106.1
Amortization & provisions (000's of euros)	Games	IP Rights	Total
September 30, 2019	(4,571.8)	-	(4,571.8)
Amortization / Provisions	-	-	-
Disposals / Retirements	-	-	-
Translation adjustments	s	-	-
September 30, 2020	(4,252.0)	-	(4,252.0)
Net value (000's of euros)	Games	IP Rights	Total
September 30, 2019	-	918.4	918.4
September 30, 2020	-	854.1	854.1

NOTE 4 – FINANCIAL INSTRUMENTS

4.1. NON-CURRENT FINANCIAL ASSETS

There are no non-current financial assets at September 30, 2020.

ASSETS (000's of euros)	September 30, 2020	September 30, 2019
Financial assets measured at fair value	-	-
Financial assets measured at fair value through profit & loss	-	-
Financial assets measured at amortized cost	-	-
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 Group 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 Group and the cash flow characteristics of the financial instruments.

Financial assets measured at amortized cost

Financial assets are measured at amortized cost when they are not designated as FVTPL, when they are held in order to collect the contractual cash flows, and their cash flows are solely payments of principal and interest ("SPPI" criterion).

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 Group 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 AT FAIR VALUE THROUGH OCI

None

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

None

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.

4.2. BALANCE SHEET INFORMATION

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

Financial instruments are presented under different headings on the balance sheet (non-current financial assets, trade accounts receivable, trade accounts payable, financial debts, etc.).

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 September 30, 2020 (000's in euros)	Net Value	Schedule		
		Less than 1 year	Between 1 & 5 years	More than 5 years
Stock	-	-	-	-
Trade accounts receivables	-	-	-	-
Current tax liability	-	-	-	-
Other current assets	25,937.0	25,937.0	-	-
Cash and cash equivalent	574.6	574.6	-	-
FINANCIAL ASSETS	26,511.7	26,511.7	-	-
Lease liabilities	-	-	-	-
Shareholders' loan	6,837.7	-	6,837.7	-
Notes Payable	212.3	-	212.3	-
Current tax liabilities	-	-	-	-
Trade payables	-	-	-	-
Other current liabilities	90.8	90.8	-	-
FINANCIAL LIABILITIES	7,140.8	90.8	7,050.0	-

NOTE 5 – INVENTORIES

As of September 30, 2020 and as of September 30, 2019, the Group has no inventory.

NOTE 6 – TRADE RECEIVABLES

The item "Trade accounts receivable", after deducting sales returns and other future trade discounts, is -0- as at September 30, 2020.

CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2020

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 7 – OTHER CURRENT ASSETS

Other current assets break down as follows:

(000's of euros)	September 30, 2020	September 30, 2019
Receivables from employees	-	-
Prepaid and recoverable taxes	-	-
Current financial assets	-	-
Prepaid expenses	-	6.2
Other assets	25,937.0	-
Other current assets	25,937.0	6.2

Prepaid expenses correspond to operating expenses related to the following year.

The Other Assets correspond to crypto-currencies and assets as follows:

(000's of euros)	Other Assets
Atari Shares	2,624.0
Crypto-currencies	11,405.0
Investments in companies	11,908.1
Other assets	25,937.0

NOTE 8 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents shown in the consolidated cash flow statement include (i) cash (cash on hand and demand deposits) of €575 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 euros)	September 30, 2020	September 30, 2019
Cash (Cash on hand and demand deposits)	574.6	24.6
Cash equivalents (Highly liquid, short-term investments)	-	-
Cash and cash equivalents	574.6	24.6

NOTE 9 – SHAREHOLDERS' EQUITY

9.1 OVERVIEW

CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2020

At the date of this Document and as at September 30, 2020, the Company's subscribed and fully paid-up capital totals is €18,037,000 divided into 18,037,000 shares with a par value of €1.0. The number of voting rights assigned to the Company's shares is 18,037,000.

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

Ownership	September 30, 2020 (Proforma)					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, EURL	18,000,000	99.79%	18,000,000	99.79%	18,000,000	99.79%
Ker Ventures, LLC	36,999	0.21%	36,999	0.21%	36,999	0.21%
Frédéric Chesnais	1	n/s	1	n/s	1	n/s
Public	0	0.00%	0	0.00%	0	0.00%
Total	18,037,000	100.00%	18,037,000	100.00%	18,037,000	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 CBI are not listed.

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.

The table below shows the changes in equity over the period ended September 30, 2020:

Equity as at March 31, 2020 (000's of euros)	368.6
Net income, Group Share	57.4
Capital increase	23,000.0
Distribution of dividends	(74.1)
Financial assets valued at fair value through other comprehensive income	-
Currency fluctuations	89.3
Consolidation	67.6
Equity as at September 30, 2020 (000's of euros)	23,508.8

Description of the Capital Increase

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 loan does not bear interest.

(000's of euros)	Capital Increase
Cash	537.2
Atari Shares	2,624.0
Crypto-currencies	11,405.0
Investments in companies	11,908.1
Investments in consolidated entities	3,363.5
Total contribution	29,837.7
Issuance of shares	18,000.0
Consolidation premium	5,000.0
Shareholders' Loan	6,837.7
Total compensation	29,837.7

9.2 TREASURY SHARES

At September 30, 2020, the Company has no treasury shares.

9.3. CBI SA STOCK OPTION PLAN

At September 30, 2020, the Company has no stock-option plan.

NOTE 10 – DEBT

The Group has no financial debt.

NOTE 11 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities break down as follows:

(000's of euros)	September 30, 2020	September 30, 2019
Shareholders' loan	6,837.7	-
Other non-current liabilities	212.3	228.3
Other non-current liabilities	7,050.0	228.3
Trade payables	-	-
Tax liabilities	-	-
Other current liabilities	90.8	97.6
Other current liabilities	90.8	97.6

0

Other non-current liabilities represent a shareholders' loan of €6,838. This loan does not bear interest.

Other current liabilities represent some notes payable.

NOTE 12 – REVENUE FROM ORDINARY ACTIVITIES & SEGMENT INFORMATION

IFRS 8 defines an operating segment 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 representative of its cash-generating unit (CGU). Performance indicators regularly tracked by the chief operating decision maker ('CODM') are the Group's revenue, EBIT and consolidated net income.

NOTE 13 – OTHER OPERATING INCOME AND EXPENSES

Not applicable.

NOTE 14 – OPERATING EXPENSES BY NATURE

For the purposes of comparison with other companies in the sector, CBI presents its consolidated income statement by function.

Research and development expenses

Research and development expenses amount to €48 for FY2020, compared with €38 for the previous financial year. This increase, net of the amounts capitalized as intangible assets in development, highlights the slight increase of production and the mobilization of resources for the development of the business lines for the years to come.

Research and development expenses are analyzed as follows:

(000's of euros)	September 30, 2020	September 30, 2019
R&D expenditures	48.0	37.9
R&D capitalized	-	-
Amortization	-	-
Research and development expenses	48.0	37.9

Marketing and sales expenses

Marketing and sales expenses totaled €90 in FY2020. In FY2019, they totaled €224. They are broadly in line with the level of revenue.

General and administrative expenses

General and administrative expenses are less than 5% of the revenue in both financial years.

NOTE 13 – NET FINANCIAL INCOME (EXPENSE)

Net financial income is negligible.

At September 30, 2020, the cost of debt is nil.

NOTE 14 – INCOME TAX

14.1. ANALYSIS OF THE TAX CHARGE

The subsidiaries are Limited Liability Companies (“LLCs”) that are tax transparent. Profits are taxed in the hands of the shareholders. CBI may therefore pay income taxes at applicable corporate rates in the future.

14.2. ANALYSIS OF DEFERRED TAX ASSETS

The Group has no deferred tax.

NOTE 15 – PROVISIONS FOR RISKS & CHARGES AND CONTINGENT LIABILITIES

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognized when the Group 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 Group’s financial position and profitability or that have had such an impact in the last 12 months.

NOTE 16 – OFF-BALANCE SHEET COMMITMENTS

16.1. COMMITMENTS GIVEN

At September 30, 2020, there are no commitments given.

At September 30, there are no commitments given.

16.2. COMMITMENTS RECEIVED

At September 30, 2020, there are no commitments received.

At September 30, 2019, there are no commitments received.

NOTE 17 – RELATED-PARTY TRANSACTIONS

17.1. REGULATED AGREEMENTS

There is no regulated agreement.

17.2. 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 2019-2020

Annual fixed compensation

There was no compensation.

Variable compensation / Options

There was no compensation and there was no stock option granted.

Compensation due for directorships

There was no compensation.

COMPENSATION FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR FY 2020-2021

Annual fixed compensation

There is no fixed compensation.

Variable compensation / Options

The Board of Directors decided to allocate up a fixed bonus of 250,000 euros in the event of a listing of the shares of the Company.

Compensation due for directorships

There is no compensation.

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

Annual fixed compensation

There is a fixed monthly compensation of twenty five thousand euros.

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.

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.

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

COMPENSATION FOR DIRECTORS

Annual fixed compensation

There is no fixed compensation.

Compensation due for 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.

Each Director will be allocated a fixed bonus of 50,000 euros in the event of a listing of the shares of the Company.

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 twenty five thousand euros per year. In addition, each Director 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% of the pool of carried interest is split equally among the directors other than the CEO.

Compensation for non-executive corporate officers:

None.

NOTE 18 – SUBSEQUENT EVENTS

▪ **Continued impact of the Covid-19 pandemic:**

Faced with the ongoing current health crisis, the Group has taken the necessary measures to ensure the safety of its employees and the continuity of operations, despite the continued work from home arrangements that are still in effect as of the date of this document. The duration of this situation and its proportions are not predictable. Greatly varying consequences can be observed depending on the Group's different activities, with a negative impact expected for the licensing activities due to the delays with renewals of licensing agreements. A positive impact has been observed for video game revenue.

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

▪ **Investment in new projects:**

There is no new project.

11 STATUTORY AUDITORS' REPORT ON THE PROFORMA SEMI-ANNUAL FINANCIAL STATEMENTS



RSM Rhône-Alpes
2 bis, rue Tête d'Or
69006 LYON
T : +33 (0) 4 72 69 19 19

www.rsmfrance.fr

11 STATUTORY AUDITORS' REPORT ON THE PROFORMA SEMI-ANNUAL FINANCIAL STATEMENTS

Au président du Conseil d'administration,

En notre qualité de commissaire aux comptes titulaire de votre Société et en application du règlement (UE) n°2017/1129 complété par le règlement délégué (UE) n°2019/980, nous avons établi le présent rapport sur les informations pro forma consolidées de la société CRYPTO BLOCKCHAIN INDUSTRIES relatives aux exercices 2019 et 2020 inclus dans le présent document d'information établi à l'occasion de l'apport envisagé comme expliqué ci-dessous (les « Informations Financières Pro Forma »)

Ces Informations Financières Pro Forma consolidées ont été préparées aux seules fins d'illustrer l'effet que les opérations d'apports décrites à la note 1 - bases de préparation des notes annexes aux informations proforma consolidées - auraient pu avoir sur le bilan et le compte de résultat consolidées de la société CRYPTO BLOCKCHAIN INDUSTRIES au 30 septembre 2020 et au 30 septembre 2019 si ces opérations avaient été réalisées comme indiqué ci-dessous :

- L'apport des sociétés opérationnelles OP Productions, LLC et Free Reign East, LLC a été effectué sur une base proforma le 1er avril 2018. Les comptes proforma reflètent ainsi l'activité entière de ces deux sociétés sur la période du 1er avril 2019 au 30 septembre 2019 et sur la période du 1er avril 2020 au 30 septembre 2020;
- L'apport des disponibilités, des actions ATARI, des tokens ATARI et de l'investissement dans National Carrier Exchange, LLC a été effectué sur une base proforma au 30 septembre 2020, soit en fin de période.

De par la nature même des comptes proforma, ils décrivent une situation hypothétique et ne sont pas nécessairement représentatifs de la situation financière ou des performances qui auraient pu être constatées si l'opération était survenue à une date antérieure à celle de sa survenance réelle ou envisagée.

Ces Informations Financières Pro Forma consolidées ont été établies sous votre responsabilité en application des dispositions du règlement (UE) n° 2017/1129 et des recommandations ESMA relatives aux Informations Financières Pro Forma.

Il nous appartient, sur la base de nos travaux, d'exprimer une conclusion, dans les termes requis par l'annexe 20, section 3, du règlement délégué (UE) n°2019/980, sur le caractère adéquat de l'établissement des Informations Financières Pro Forma consolidées sur la base indiquée.

Nous avons mis en œuvre les diligences que nous avons estimées nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission. Ces travaux qui ne comportent pas d'examen des informations financières sous-jacentes à l'établissement des Informations Financières Pro Forma consolidées ont consisté principalement à vérifier que les bases à partir desquelles ces Informations Financières Pro Forma consolidées ont été



CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30,2020

établies concordent avec les documents sources, tels que décrits dans les notes explicatives aux Informations Financières Pro Forma consolidées, à examiner les éléments probants justifiant les retraitements pro forma et à nous entretenir avec la direction de la Société CRYPTO BLOCKCHAIN INDUSTRIES pour collecter les informations et les explications que nous avons estimé nécessaires. A notre avis:

- les Informations Financières Pro Forma consolidées ont été établies correctement sur la base indiquée ;
- cette base est conforme aux méthodes comptables appliquées par l'émetteur.

Ce rapport est émis aux seules fins de l'enregistrement du document d'information auprès d'Euronext et, le cas échéant, de l'offre au public de titres financiers de la Société en France et dans les autres pays de l'Union européenne dans lesquels un prospectus serait notifié, et ne peut être utilisé dans un autre contexte.

Le 7 Mai 2021

A handwritten signature in blue ink, appearing to read 'François de Bustamante'.

Pour RSM Rhône-Alpes
François de BUSTAMANTE
Expert-Comptable
Associé