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CRYPTO BLOCKCHAIN INDUSTRIES

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

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RCS Paris 894283126

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED MARCH 31, 2021

CONSOLIDATED INCOME STATEMENT

(000's of euros)	March 31, 2021	March 31, 2020
Revenue	**493,6**	747,1
Cost of goods sold	**(1,3)**	-
GROSS MARGIN	**492,3**	747,1
Research and development expenses	**(102,6)**	(82,1)
Marketing and selling expenses	**(87,1)**	(348,1)
General and administrative expenses	**(3,2)**	(8,5)
Other operating income (expense)	**-**	-
CURRENT OPERATING INCOME (LOSS)	**299,4**	308,4
Restructuring costs	**-**	-
Other income (expense)	**-**	-
OPERATING INCOME (LOSS)	**299,4**	308,4
Cost of debt	**-**	-
Other financial income (expense)	**-**	-
Income tax	**-**	-
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	**299,4**	308,4
Net income (loss) from discontinued operations	-	-
NET INCOME (LOSS) FOR THE YEAR	**299,4**	308,4
Group share	**149,1**	151,9
Minority interests	**150,4**	156,5
Basic earnings per share (in euros)	**0,008**	0,008
Diluted earnings per share (in euros)	**0,008**	0,008

CONSOLIDATED BALANCE SHEET

ASSETS (000's of euros)	March 31, 2021	March 31, 2020
IP Rights	**852,9**	912,7
LT Receivables / Goodwill	**3 381,8**	91,3
Non-current assets	**4 234,7**	**1 004,0**
Deferred Expenses	**-**	29,8
Investments	**23 689,3**	-
Cash and cash equivalents	**603,3**	0,4
Current assets	**24 292,6**	**30,2**
Total assets	**28 527,3**	**1 034,2**

EQUITY & LIABILITIES (000's of euros)	March 31, 2021	March 31, 2020
Capital stock	**18 210,4**	0,8
Retained Earnings	**5 306,4**	215,9
Net income (loss) Group share	**149,1**	151,9
Shareholders' equity	**23 665,8**	**368,6**
Minority interests	**277,7**	310,7
Total equity	**23 943,5**	**679,3**
Shareholders' Loan	**4 583,8**	-
Non-current financial liabilities	**-**	226,9
Non-current liabilities	**4 583,8**	**226,9**
Deferred Revenue	**-**	30,9
Distribution Fees	**-**	97,0
Current liabilities	**-**	128,0
Total equity and liabilities	**28 527,3**	**1 034,2**

The following notes are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW

(000's of euros)	**March 31, 2021**	March 31, 2020
Net cash (used)/generated in operating activities	**53,8**	155,4
of which continuing operations	53,8	155,4
Net cash (used)/generated in investing activities	**(26 901,2)**	-
of which continuing operations	(26 901,2)	-
of which intangible assets and fixed assets	-	-
Net cash provided (used in) by financing activities	**27 450,2**	(159,0)
of which continuing operations	27 450,2	(159,0)
of which interest paid	-	-
Other cash flows	**-**	-
		-
Net change in cash and cash equivalent	**602,9**	(3,5)

Cash Beginning of Period	**0,4**	3,9
Net change in cash and cash equivalent	602,9	(3,5)
Cash End of Period	**603,3**	0,4

STATEMENT OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

Equity as at March 31, 2020 (000's of euros)	**368,6**
Net income, Group Share	149,1
Capital increase	23 000,0
Distribution of dividends	(82,9)
Financial assets valued at fair value through other comprehensive income	-
Currency fluctuations	231,1
Other variations	-
Equity as at March 31, 2021 (000's of euros)	**23 665,8**

BASIS OF PRESENTATION OF THE PROFORMA FINANCIAL STATEMENTS

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 March 31, 2021 and March 31, 2020 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, 2019. The present proforma financial statements do reflect the activities of these 2 companies from April 1, 2019 to March 31, 2021;
- The contribution in kind of cash, ATARI shares and ATARI tokens ATARI and the investment in National Carrier Exchange, LLC as at March 31, 2021, i.e. after the date of closing of the financial statements;
- All the new shares are deemed issued on March 31, 2021.

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 March 31, 2021; and (ii) proforma completion as at March 31, 2021 of the contribution in kind of the other assets, thereby assuming that the conditions precedent set forth above have been met at that date.

GROUP 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;
- and, more generally, any transactions with a purpose similar or related to the foregoing, or otherwise likely to benefit the Company.

NOTE 1 – HIGHLIGHTS OF THE PERIOD

The highlights of the period are, on a proforma basis:

1. Additional investments in National Carrier Exchange, LLC, a Company whose goal is to develop a market place for trucks and freight;
2. Pursuit of the operations of the games.

NOTE 2 – ACCOUNTING RULES AND METHODS

2.1. GENERAL PRINCIPLES

CBI’s consolidated financial statements have been prepared in accordance with IFRS (standards and interpretations) as adopted in the European Union and mandatory from April 1, 2020, with the exception of the new rules and interpretations, whose application is not mandatory for the 2020-2021 financial year.

The Group’s financial statements are presented in thousands of euros 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.

Preparation of the Financial Statements

The Group’s condensed consolidated financial statements at March 31, 2021 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, 2020, except for standards, amendments, and interpretations which applied for the first time to financial years beginning after April 1, 2020.

2.2. CHANGE IN ACCOUNTING METHODS

IFRS 16

On April 1, 2019, the Group applied for the first time IFRS 16 – Leases, which came into effect for financial years beginning after January 1, 2019. This has no impact for the Group.

2.3. METHODS AND BASIS FOR 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
Crypto-Blockchain Industries, SA	SA	*France*	*Parent*
OP Productions, LLC	Limited Liability Company	*USA*	*50.00%*
Free Reign East, LLC	Limited Liability Company	*USA*	*50.00%*

2.4. INTERNAL TRANSACTIONS

All transactions between the consolidated companies and the internal results of the consolidated entity are eliminated.

2.5. 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.

Foreign exchange differences resulting from the translation of net investments in foreign subsidiaries are recognized directly in equity.

2.6. CONVERSION OF THE INDIVIDUAL FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The operating currency of foreign affiliates is the local currency in effect.

Assets and liabilities of foreign subsidiaries are translated at the exchange rate recorded at the balance sheet date. The items in their income statement are translated at the average rate for the period. The resulting translation difference is recognized directly in shareholders' equity under "Translation differences," for the Group's share and under "Minority Interests" for the portion attributable to third parties. This difference impacts the result only when the Company is sold or removed from the basis for consolidation.

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

	March 31, 2021		March 31, 2020	
	Closing rate	Average rate	Closing rate	Average rate
USD	**1.1725**	**1.1675**	**1.0956**	**1.1113**

2.7. NON-CURRENT ASSETS HELD FOR SALE & DISCONTINUED OPERATIONS

None.

2.8. 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 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 Group's assets and liabilities.

2.9. OTHER INTANGIBLE FIXED ASSETS

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

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 Group regularly checks the recoverable amount of the amounts capitalized and conducts an impairment test, as described in paragraph 2.11, 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

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:

(a) That it is technically feasible to complete the intangible fixed asset for commissioning or sale.

(b) That it intends to complete the intangible fixed asset and commission or sell it.

(c) That it is able to commission the intangible fixed asset or sell it.

(d) 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.

(e) That there are adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset.

(f) That it is able to reliably estimate the expenditures attributable to the intangible fixed asset during its development.

The Group 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.

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).

2.10. 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

2.11. RIGHTS OF USE RELATING TO LEASES

When the Group is the lessee, leases (with the exception of short-term leases and leases of low value assets) are accounted for by recognizing a right-of-use asset in tangible fixed assets at the date when the leased asset is available for use.

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.

2.12. IMPAIRMENT TEST

The Group 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 systematically performed each year on the basis of the highest of the following values and each time an indicator of impairment is observed:

- Updated projection of future operating cash flows over four years and of a residual value
- Net selling price if there is an active market

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 Group’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.

2.13. 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.

In accordance with IFRS 9 – *Financial Instruments*, financial assets held by the Group 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.

Treasury shares held by the parent Company or one of its consolidated subsidiaries are presented as a deduction from consolidated shareholders’ equity at their acquisition value or their entry value in the consolidated balance sheet. Gains or losses realized on the sale of these shares are eliminated from the consolidated income statement and recognized in consolidated shareholders' equity.

2.14. INVENTORIES

When inventories are recognized, they are valued using the FIFO (first in, first out) method. Their gross value includes the purchase price plus incidental purchase costs. Financial expenses are excluded from the value of inventories. A provision for depreciation/amortization is recognized in order to reduce the value of inventories to their net realizable value when their probable market value is lower than their cost price. This depreciation/amortization is recorded under "Cost of Sales" in the consolidated income statement.

2.15. 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.

IFRS 9 requires accounting for expected credit losses on trade receivables. The Group 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 Group's financial position.

2.16. CASH AND CASH EQUIVALENTS

In accordance with IAS 7 — Statement of Cash Flows, the cash and cash equivalents shown in the consolidated 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.

2.17. SHARE-BASED PAYMENTS

The Group makes 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.

2.18. MINORITY INTERESTS

In the consolidated financial statements, under equity, non-controlling shareholdings must be presented separately from the interest of the parent Company's owners. Comprehensive net income must be attributed to the owners of the parent Company and to non-controlling interests, even if this results in a negative balance for non-controlling interests.

2.19. 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.

2.20. PROVISIONS FOR RETIREMENT AND SIMILAR BENEFITS

Defined Contribution Plans

In accordance with the laws and practices in force in each country, the Group's subsidiaries take on commitments related to pension plans, life and disability insurance plans, the coverage of active employees' medical expenses and other plans concerning social benefits. In the case of commitments taken on exclusively under a defined contribution plan, the Group recognizes the related expenses as and when the contributions are due.

The Group recognizes the contributions to be paid as an expense under operating costs, when they are incurred, depending on the beneficiaries of the plan.

Defined Benefit Plans

Estimates of the Group's defined retirement benefit obligations are calculated annually, in accordance with IAS 19R, using the projected unit credit method. This method takes into account, based on actuarial assumptions, the probable duration of the employee's future service, future compensation level, life expectancy, discount rate, and the personnel turnover rate.

The amount provisioned for retirement and similar obligations corresponds to the present value of the defined benefit obligation. The actuarial gains and losses resulting from the change in the value of the discounted defined benefit obligation include, on the one hand, the effects of the differences between the previous actuarial assumptions and the realized actuarial assumptions, and, on the other hand, the effects of changes in actuarial assumptions. Actuarial gains and losses are fully recognized in equity.

2.21. 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.

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.

2.22. 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 Group 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 transaction
- Freedom to determine the price
- Determination of the product’s specifications
- Credit risk

On the basis of these criteria, and in accordance with IFRS 15, all revenue is measured at the fair value of the consideration received or receivable, net of VAT and other taxes and net of distribution costs.

2.23. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses are capitalized in the balance sheet when the criteria provided for in IAS 38 are met:

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) That this intangible fixed asset can generate future economic benefits.
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.

Research and development expenses that do not meet these criteria are recognized as expenses in the year in which they are incurred.

The Group does not directly receive research tax credits.

2.24. 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 consolidated income statement.

2.25. 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

2.26. 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 consolidated 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 non-consolidated shareholdings
- The effect of discounting provisions
- Capital gains and losses from the sale of financial assets
- Foreign exchange net income

2.27. TAXES

The Group records tax expenses per applicable regulations.

2.28. 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.

Given the fact that this is a proforma analysis, the number of shares taken into account is the proforma number of shares at the date of the present Document and as of March 31, 2021.

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 3 – INTANGIBLE FIXED ASSETS

At March 31, 2021, intangible fixed assets break down as follows:

Gross value (000's of euros)	Games	IP Rights	Total
March 31, 2019	**4,431.0**	**890.1**	**5,321.1**
Acquisitions	-	-	-
Disposals / Retirements	-	-	-
Translation adjustments	112.9	22.7	135.5
March 31, 2020	**4,543.9**	**912.7**	**5,456.6**
Acquisitions	-	-	-
Disposals / Retirements	-	-	-
Translation adjustments	-	(59.9)	(59.9)
March 31, 2021	**4,543.9**	**852.8**	**5,396.7**

Amortization & provisions (000's of euros)	Games	IP Rights	Total
March 31, 2019	**(4,431.0)**	**-**	**(4,431.0)**
Amortization / Provisions	-	-	-
Disposals / Retirements	-	-	-
Translation adjustments	(112.9)	-	(112.9)
March 31, 2020	**(4,543.9)**	**-**	**(4,543.9)**
Amortization / Provisions	-	-	-
Disposals / Retirements	-	-	-
Translation adjustments	-	-	-
March 31, 2021	**(4,543.9)**	**-**	**(4,543.9)**

Net value (000's of euros)	Games	IP Rights	Total
March 31, 2019	**-**	**890.1**	**890.1**
March 31, 2020	**-**	**912.7**	**912.7**
March 31, 2021	**-**	**852.8**	**852.8**

All the games are fully amortized.

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

At each financial year-end, the Group assesses the future economic benefits it will receive from these assets 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 identified, and depending on how significant this deviation is, the amortization plan is accelerated, or the asset is impaired in full.

Licenses

Licenses are rights acquired from third-party publishers.

At the end of the financial year, the residual net book value is compared to the future sales prospects to which the terms of the contract are applied. If these sales prospects are not sufficient, a provision for additional impairment is recorded accordingly.

NOTE 4 – RIGHTS OF USE RELATING TO LEASES

This is not significant for the Group.

NOTE 5 – FINANCIAL INSTRUMENTS

5.1 NON-CURRENT FINANCIAL ASSETS

There are no non-current financial assets at March 31, 2021.

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.

5.2 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 March 31, 2021 (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	**23 689,3**	**23 689,3**	-	-
Cash and cash equivalent	**603,3**	**603,3**	-	-
FINANCIAL ASSETS	**24 292,6**	**24 292,6**	**-**	**-**
Lease liabilities	-	-	-	-
Shareholders' loan	**4 583,8**	-	**4 583,8**	-
Notes Payable	-	-	-	-
Current tax liabilities	-	-	-	-
Trade payables	-	-	-	-
Shareholders' loan	-	-	-	-
Other current liabilities	-	-	-	-
FINANCIAL LIABILITIES	**4 583,8**	**-**	**4 583,8**	**-**

The classification used for Other current assets is as set forth for non-financial instruments, with Financial assets and tokens measured at fair value through other comprehensive income (OCI).

NOTE 6 – INVENTORIES

At March 31, 2021, the Group has no inventory.

NOTE 7 – TRADE ACCOUNTS RECEIVABLE

At March 31, 2021, and March 31, 2020, the balance of trade accounts receivable corresponds to receivables from distributors, collected with a term of 30 to 60 days, in addition to receivables from online casino licenses.

The item "Trade accounts receivable", after deducting sales returns and other future trade discounts, is -0- as at March 31, 2021.

(000's of euros)	**March 31, 2021**	March 31, 2020
Trade receivables	-	-
Provisions for impairment in value	-	-
Trade receivables net value	**-**	-

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 break down as follows:

(000's of euros)	March 31, 2021	March 31, 2020
Receivables from employees	-	-
Prepaid and recoverable taxes	-	-
Current financial assets	-	-
Prepaid expenses	-	29.8
Investments	**23,689.3**	-
Other current assets	**23,689.3**	29.8

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

Investments do correspond to the holdings of Atari shares, tokens and investments in non-consolidated entities.

NOTE 9 – 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 €603.3 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)	March 31, 2021	March 31, 2020
Cash (Cash on hand and demand deposits)	**603.3**	0.4
Cash equivalents (Highly liquid, short-term investments)	**-**	-
Cash and cash equivalents	**603.3**	0.4

NOTE 10 – SHAREHOLDERS' EQUITY

10.1 CAPITAL

Common shares

At the date of this Document and as at March 31, 2021, 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. The 18,000,000 shares allocated to Ker Ventures, EURL represent the proforma issuance of shares, assuming full completion of the contribution of assets referred to above.

As at March 31, 2021 and as at the date of this Document, the breakdown of shareholders with more than 2% of the capital and voting rights was as follows:

Ownership	March 31, 2021 (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%**

n/s: not significant

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 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.

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 Group has not made dividend payments for the past three years.

10.2 TREASURY SHARES

At March 31, 2021 and as at March 31, 2020, the Company has no treasury shares.

10.3. CBI SA STOCK OPTION PLAN

At March 31, 2021 and as at March 31, 2020, the Company has no stock-option plan.

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

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

At March 31, 2021 and as at March 31, 2020, there is no such proceeding, and there is no provision for contingencies or losses.

NOTE 12 – DEBT

12.1 DEBT ANALYSIS BY TYPE

The Group has no financial debt.

12.2 DEBT ANALYSIS BY INTEREST RATE (FIXED – FLOATING)

This section is not applicable.

NOTE 13 – LEASE LIABILITIES - CURRENT AND NON-CURRENT

The Group has no lease liability.

NOTE 14 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities break down as follows:

(000's of euros)	**March 31, 2021**	March 31, 2020
Shareholders' loan	**4 583,8**	-
Other non-current liabilities	**-**	226,9
Other non-current liabilities	**4 583,8**	**226,9**
Trade payables	**-**	-
Tax liabilities	**-**	-
Other current liabilities	**-**	128,0
Other current liabilities	**-**	128,0

The shareholders' loan is proforma, assuming full completion of the contribution of assets referred to above.

NOTE 15 – 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 16 – CURRENT OPERATING EXPENSES

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 €102.6 for FY2021, compared with €82.1 for the previous financial year. This increase, net of the amounts capitalized as intangible assets in development, is consistent with the timeline of the releases of the games.

Research and development expenses are analyzed as follows:

(000's of euros)	March 31, 2021	March 31, 2020
R&D expenditures	**102.6**	82.1
R&D capitalized	**-**	-
Amortization	**-**	-
Research and development expens	**102.6**	82.1

Marketing and sales expenses

Marketing and sales expenses totaled €87.1 during FY2021. In FY2020, they totaled €348.1, the decrease of €261.0 reflects the deal and start-up costs which had been incurred in FY2020.

General and administrative expenses

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

NOTE 17– OTHER OPERATING INCOME AND EXPENSES

At March 31, 2021 and March 31, 2020, the amount of Other operating income and expenses is not significant.

NOTE 18 – OTHER INCOME AND EXPENSES

At March 31, 2021 and March 31, 2020, Other income and expenses are negligible.

NOTE 19 – NET FINANCIAL INCOME (EXPENSE)

At March 31, 2021 and March 31, 2020, Net financial income is negligible.

At March 31, 2021 and March 31, 2020, the cost of debt is nil.

NOTE 20 – INCOME TAX

20.1. ANALYSIS OF THE TAX CHARGE

The Group did not have any significant tax expense for the year ended March 31, 2021 and March 31, 2020.

20.2. ANALYSIS OF DEFERRED TAXES

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.

The Group has no deferred tax.

NOTE 21 – DISCONTINUED OPERATIONS

21.1. NET INCOME FROM DISCONTINUED OPERATIONS

For FY 2020-2021, there are no discontinued activities.

For FY 2019-2020, there were no discontinued activities.

21.2. ASSETS AND LIABILITIES HELD FOR SALE

At March 31, 2021, there are no assets or liabilities held for sale.

At March 31, 2020, there were no assets or liabilities held for sale.

NOTE 22 – OFF-BALANCE SHEET COMMITMENTS

22.1. COMMITMENTS GIVEN

At March 31, 2021, there are no commitments given.

At March 31, 2020, there were no commitments given.

22.2. COMMITMENTS RECEIVED

At March 31, 2021, there are no commitments received.

At March 31, 2020, there were 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 Group'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, 2021, the Group had not implemented a currency hedging policy on all of these amounts, as they relate to the long-term financing of the Group's US operations.

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

Nevertheless, since the Group's consolidated 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 Group's consolidated financial statements. If the Euro appreciates against any other currency, the value in Euro of the Group'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 Group'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 Group'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 Group 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

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 25 – RELATED-PARTY TRANSACTIONS

25.1 REGULATED AGREEMENTS

There is no regulated agreement.

25.2 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 2020-2021

Annual fixed compensation

There was no compensation for the financial year ended March 31, 2021.

Variable compensation / Options

There was no compensation and there was no stock option granted for the financial year ended March 31, 2021.

Compensation due for directorships

There was no compensation for the financial year ended March 31, 2021.

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

Annual fixed compensation for the financial year starting April 1, 2021

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 for the financial year starting April 1, 2021

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, 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.

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 FOR DIRECTORS

Annual fixed compensation for the financial year starting April 1, 2021

There is no fixed compensation.

Compensation due for directorships for the financial year starting April 1, 2021

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 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 for the financial year starting April 1, 2021

None.

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

NOTE 26 – SUBSEQUENT EVENTS

1. **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.

2. **Investment 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).

   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:

- As of June 7, 2021, Atari, one of the leading publishers of interactive entertainment and the creator of the videogame industry, has announced that it had granted the Company a long-term license to exploit the Atari brand and the portfolio of Atari games for the purpose of branding in the Metaverse. Being able to secure such a worldwide known license is very important for the future of the Metaverse.
- As of June 14, 2021, D-Cave (the family office of the Diesel Group) has granted the Company the rights to develop NFTs based on some brands owned directly by D-Cave.
- More licenses are under negotiation.

The use of third-party licenses is always subject to prior approval of the rights owner.

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. CBI has already acquired a license from Atari.

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 NPCs and PVE 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 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 Atari Virtual Word within 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 for use in the Atari Virtual Word within the metaverse.

- Sale of games inside the metaverse (excluding Atari games, as the Atari assets will be used for branding only).

Royalties / Duration of the Atari license

The duration of the license is over 7 years, with a royalty rate of 50%.

The initial term will be three years from the Effective Date ending on May 31, 2024 (the "Initial Term").

If Atari has received cumulative royalties of at least $1,000,000 by the end of the Initial Term, the license shall be automatically extended by 2 years. If by the end of the 2-year extended period, without taking into account the royalties paid during the Initial Term, Atari has received cumulative royalties of $2,000,000, the license shall be automatically extended by another 2 years.

CBI will be able to settle any shortfall through a cash payment in order to meet such threshold(s) and any such payment will not be recoupable against future royalties.

Atari also has an option to purchase 5% of the fully diluted equity of CBI at nominal value, once CBI has received financing of at least $1 million from third-parties.

License with D-Cave

The license is until December 31, 2023 and will be used for NFTs before the launch of the Metaverse, as well as for assets of the Metaverse at launch.

Additional licenses

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

3. 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.

4. 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 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 will approve 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 does not bear interest.

In the proforma financial statements as at March 31, 2021, it is assumed that such contribution was completed on March 31, 2021, at the closing of the financial year.

(000's of euros)	Capital Increase
Cash	549.1
Atari Shares	1,953.0
Crypto-currencies	9,338.6
Investments in companies	15,609.6
Goodwill	-
Total contribution	**27,450.2**
Issuance of shares (Nominal)	18,000.0
Premium	5,000.0
Shareholders' Loan	4,450.2
Total compensation	**27,450.2**

This contribution in kind is being submitted to the meeting of shareholders of the Company to be convened on July 22, 2021, and the proforma financial statements assume that such contribution is approved by the shareholders of the Company.

NOTE 27 – STATUTORY AUDITORS' FEES

Given the fact that the financial statements are prepared on a proforma basis, the fees for the financial years ended March 31, 2021 and March 31, 2020 in respect of the statutory audit of the annual financial statements and the audit of the consolidated financial statements are not listed below.

AUDITORS REPORT ON THE PROFORMA CONSOLIDATED 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 2020 et 2021 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 dans les notes « Basis of presentation of the proforma financial statements » et « Description of the Capital Increase » auraient pu avoir sur le bilan et le compte de résultat consolidés de la société CRYPTO BLOCKCHAIN INDUSTRIES au 31 mars 2021 et au 31 mars 2020 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 2019. Les comptes proforma reflètent l'activité entière de ces deux sociétés sur les périodes du 1er avril 2019 au 31 mars 2020 et du 1er avril 2020 au 31 mars 2021 ;
- 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 31 mars 2021, 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 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 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.

Fait à Lyon, le 23 juillet 2021

Le Commissaire aux Comptes

RSM Rhône-Alpes
Société de Commissariat aux Comptes
Membre de la Compagnie Régionale de Lyon

François de BUSTAMANTE
Associé