



CRYPTO BLOCKCHAIN INDUSTRIES

Société anonyme (private limited company) with a capital of 24,458,750 euros
Registered office : 38 rue de Berri – Paris 75008 – France
RCS Paris 894283126

SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2022

6-MONTH FINANCIAL PERIOD

ENDED SEPTEMBER 30, 2022

INCOME STATEMENT

(000's of €)		September 30, 2022	September 30, 2021
Revenue	Note 2.22	2 395,5	446,8
Other income	Note 2.22	-	-
Cost of goods sold		(32,5)	0,8
GROSS MARGIN		2 363,0	447,6
Research and development expenses	Note 16	(538,9)	(164,3)
Marketing and selling expenses	Note 17	(667,0)	-
General and administrative expenses	Note 18	(569,3)	(148,4)
Other operating income (expense)	Note 17	-	-
CURRENT OPERATING INCOME (LOSS)		587,8	134,9
Restructuring costs			
Other income (expense)	Note 18	(1 243,0)	-
OPERATING INCOME (LOSS)		(655,2)	134,9
Cost of debt	Note 20	(94,4)	-
Other financial income (expense)	Note 20	57,0	-
Income tax	Note 21	-	-
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		(692,6)	134,9
Net income (loss) from discontinued operations	Note 22	-	-
NET INCOME (LOSS) FOR THE YEAR		(692,6)	134,9
Group share		(694,7)	96,3
Minority interests		2,1	38,6
Basic earnings per share (in euro)	Note 2.28	(0,003)	0,005
Diluted earnings per share (in euro)	Note 2.28	(0,003)	0,005

BALANCE SHEET

ASSETS (000's of €)		September 30, 2022	March 31, 2022
Intangible assets	Note 3	11 540,7	11 014,5
Property, plant and equipment		13,3	11,8
Rights of use relating to leases	Note 4	2 104,7	2 236,2
Non-current financial assets	Note 5	8 144,9	8 144,9
Deferred tax assets	Note 21	-	-
Non-current assets		21 803,7	21 407,4
Inventories	Note 6	2 615,6	2 828,5
Trade receivables	Note 7	250,2	440,4
Other current assets	Note 8	449,8	-
Cash and cash equivalents	Note 9	582,7	2 647,2
Assets held for sale		-	-
Current assets		3 898,3	5 916,1
Total assets		25 702,0	27 323,5

EQUITY & LIABILITIES (000's of €)		September 30, 2022	March 31, 2022
Capital stock		24 458,8	24 258,8
Share premium		-	-
Consolidated reserves		(7 040,3)	(10 446,8)
Net income (loss) Group share		(694,7)	3 807,0
Shareholders' equity	Note 10	16 723,7	17 619,0
Minority interests		241,1	206,6
Provisions for non-current contingencies and losses	Note 11	-	0,0
Non-current financial liabilities	Note 12	4 767,6	4 573,4
Deferred tax liabilities		-	-
Long term lease liabilities	Note 13	1 894,6	2 015,6
Other non-current liabilities	Note 14	-	-
Non-current liabilities		6 662,3	6 589,0
Provisions for current contingencies and losses	Note 11	-	-
Current financial liabilities	Note 14	-	-
Short term lease liabilities	Note 13	240,1	236,5
Trade payables	Note 14	1 598,6	2 559,2
Other current liabilities	Note 14	236,2	113,2
Current liabilities		2 074,9	2 908,9
Total equity and liabilities		25 702,0	27 323,5

The following notes are an integral part of the Company's financial statements for the 6-month period ended September 30, 2022 with a balance sheet total of €25,702.0 and the income statement presenting a loss of €(694.7)K thousand.

CASH FLOW STATEMENT

(000'S of €)	September 30, 2022	March 31, 2022
Net cash (used)/generated in operating activities	(296,5)	1 341,5
of which continuing operations	(296,5)	1 341,5
Net cash (used)/generated in investing activities	(1 865,1)	(21 469,6)
of which continuing operations	(1 865,1)	(21 469,6)
of which intangible assets and fixed assets	(527,7)	(11 026,3)
Net cash provided (used in) by financing activities	97,1	22 738,3
of which continuing operations	97,1	22 738,3
of which interest paid	(0,5)	(0,5)
Other cash flows	-	-
Net change in cash and cash equivalent	(2 064,5)	2 610,2

STATEMENT OF CHANGE IN SHAREHOLDER'S EQUITY

(000's of €)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
Shareholders' equity March 31, 2022	242 587 500	24 258,8	981,0	-	(11 427,7)	3 807,0	17 619,1
Net income	-	-	-	-	-	(694,7)	(694,7)
Repayment of loan	2 000 000	200,0	2 300,0	-	-	-	2 500,0
March 30, 2022 net income transferred in reserves					3 807,0	(3 807,0)	-
Subsidiaries gap					(6,3)		(6,3)
Pay per share (IFRS 2)					66,8		66,8
Neutralization of treasury shares					(66,8)		(66,8)
Restatement IFRS 16	-	-	-	-	(2 109,5)	-	(2 109,5)
Repurchase of Atari Warrant	-	-	-	-	(583,1)	-	(583,1)
Currency translation adjustments / Others	-	-	-	-	(1,7)	-	(1,7)
					-		
Shareholders' equity September 30, 2022	244 587 500	24 458,8	3 281,0	-	(10 321,3)	(694,7)	16 723,8

BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

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

The financial year of the Company is from April 1, 2022 to March 31, 2023.

The present financial statements are presented as at September 30, 2022 for the entire Financial Year 2022-2023, i.e. April 1, 2022 to September 30, 2022.

The scope of consolidation (referred to as the "Group") includes CBI and two subsidiaries, OP Productions and Free Reign East, as indicated in Note 2.1 below.

The financial statements are presented in accordance with IFRS accounting principles.

COMPANY PRESENTATION

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

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

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

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

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

CBI: Strategy and development of a connected and open virtual world

The core of the business is currently focused on the development of AlphaVerse, a well-designed and feature-rich digital virtual world. AlphaVerse is organized around a central place, the "Hub", which connects many worlds in the field of games and entertainment. AlphaVerse is an open and versatile Web3.0 online platform that offers gaming and interaction experiences, as well as content creation and sharing. AlphaVerse operates on the traditional side with payments in traditional currencies, and on the blockchain side with major cryptocurrencies as well as the Crystal token, AlphaVerse's cryptocurrency. 600 million units of the Crystal token have been created on the blockchain with first private sales already completed for US\$ 1.8 million on a valuation basis of US\$ 50.0 million for all Crystal tokens (i.e. US\$ 0.083 per Crystal token).

Some universes are developed by CBI for its own account, others are developed by CBI in association with partners, and others by third parties with a view to being linked to AlphaVerse through the Hub. The Hub was first opened in September 2022 for a test phase, which generated a lot of positive and rewarding feedback. After an initial development phase during which priority was given to video games, music and the associative world, all of which are major fields with large international communities, the following universes are currently being developed:

- **MetaCoaster:** a blockchain-based theme park simulation game. Users will be able to play solo to hone their skills or participate in global park building competitions and win cryptos.

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- **United At Home // Beat AlphaVerse:** a universe dedicated to electronic music and philanthropy developed for and with the famous DJ and music producer David Guetta, in particular to deploy his charity program "United at Home" in the metaverse.
- **HorYou AlphaVerse:** a metaverse dedicated to social good, sustainability and the fight against climate change. Built in partnership with the Horyou social network and the Horyou Foundation.
- **Qtopia AlphaVerse:** a social metaverse for the LGBTQ community and its allies to connect to each other and to trusted brands. In Qtopia, users can participate in activities, events and mini-games while giving back to charities important to the community.
- **Artech AlphaVerse:** those nostalgic for the digital works of the 90s will find their place in Artech. Artech is a metaverse entirely dedicated to digital art and artists, where we create a whole digital art ecosystem with artists, galleries, events and exhibitions through the use of NFT and blockchain technology.
- **Chi Modu AlphaVerse:** this metaverse provides a virtual space dedicated to the life and work of Chi Modu, a legendary photographer, where emerging artists can find the inspiration and resources to pursue their dreams while giving back to the community.
- **Xave World:** Xave AlphaVerse immerses the user in an ever-expanding and evolving open virtual world, where music fans discover a new world filled with music, incredible shows, festivals and events. This metaverse is being acquired by CBI, for \$1 million paid mainly in CBI shares and an earn out clause.
- **Chain Games:** Chain Games is a blockchain-integrated gaming network that offers decentralized skill games, Skill-Based and Play-to-Earn contests, allowing players to earn crypto-currencies for their efforts.
- **Rave Age:** Rave Age is dedicated to the rave and electronic music community, its history, key figures and the latest industry news. Visitors to the Rave Age AlphaVerse will be able to watch videos, collect NFTs and share experiences and content related to rave culture and electronic music. Users will be able to organize artistic events, such as festivals, concerts and exhibitions around the rave culture and electronic music community.
- **Apex Islands:** Apex AlphaVerse is a digital animal sanctuary powered by the metaverse where the public can purchase digital artworks (NFTs) based on powerful animals, both living and extinct. This world is owned, developed and operated by Very Rare, LLC.
- **Football:** This world is currently being conceived and designed in association with football clubs. This work is still preliminary and contract negotiations are not final. The official announcement can only be made in due course, once CBI has formalized these partnerships contractually.

In addition to AlphaVerse, CBI invests and shares its expertise in various projects related to blockchain technology. In particular, CBI has invested in four companies: two premium video games that are being adapted to incorporate blockchain technologies (OP Productions, LLC and Free Reign East, LLC), a transportation marketplace company developing a blockchain-based solution (National Carrier Exchange), and a talent management agency (Blockchain Artists Agency) that works with celebrities from all walks of life to develop their image on blockchain, notably through NFTs and community animation tools.

The corporate purpose of CBI, in accordance with Article 2 of the bylaws, is, in France or abroad, directly or indirectly:

- The creation and marketing of digital assets, in particular on the blockchain;
- The design, production, publishing and distribution of all multimedia and audiovisual products and works, in particular for entertainment purposes, in any form whatsoever and in particular in the form of software, data processing or content - interactive or not - on any medium and through any current or future means of communication;

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- The acquisition of all companies, entities, businesses or other having an activity in the blockchain or likely to evolve in whole or in part in this field whatever the type of activity named;
- The production of all kinds of activities, leisure, sports, audiovisual or other;
- The creation, acquisition, exploitation and management of intellectual and industrial property rights or other real or personal rights, especially by way of assignment, licensing, patents, trademarks or other rights of use;
- The purchase, sale, supply and more generally the distribution of all products and services related to the above-mentioned purpose;
- The acquisition, the search for partnerships and the acquisition of shareholdings, in whatever form and in particular by way of creation, issue, subscription, contribution, in any activity directly or indirectly related to the above object or to the products and themes developed by the Company;

and, more generally, any transactions whatsoever relating directly or indirectly to the above purpose or to any similar or related purposes likely to facilitate the Company's development.

NOTES TO THE CONSOLIDATED FINANCIALS STATEMENTS

NOTE 1 – HIGHLIGHTS OF THE PERIOD

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

The year 2022-2023 will be marked by the opening of the metaverse and the implementation of increased functionality.

The highlights of the period are as follows:

1. Change of listing compartment : On 3 August 2022 CBI was able to transfer its shares from the E1 listing group (private placement) to E2 (public offering) on the Euronext Growth Paris market.

2. Partnership with Chain Games : On 26 July 2022, CBI entered into a partnership agreement with Chain Games, publisher of the Skill-Based and Play-to-Earn game, for the creation of dedicated spaces for its games and the development of content in the AlphaVerse with a licence fee of US\$ 2 million to CBI.

CBI and Chain Games entered into a series of agreements, pursuant to which:

- (i) the Company sold to Chain Games the right to own a space in the Hub, for an amount of US\$2 million paid by Chain Games in CHAIN tokens
- (ii) the Company and Chain Games have agreed to share future revenues generated in this Hub space
- (iii) Chain Games has agreed to develop a separate world, with the Company entitled to receive a portion of the revenues generated by such separate world
- (iv) the Company has retained Chain Games as its strategic advisor for the next 5 years in exchange for CBI shares and CRYS tokens

3. Amendment to the liquidity contract with TSAF : 200,000 in cash was withdrawn from the liquidity contract at TSAF on 5 September 2022.

4. Opening of the AlphaVerse : On 21 September 2022, CBI opened the central part (the Hub) of its AlphaVerse metaverse to the first players from its community.

5. Repayment of the 2,000,000 CBI share loan : On 29 July 2022, the Company entered into an amendment to the loan agreement granted on 21 April 2022 by Ker Ventures SARL to prepay the loan of 2,000,000 CBI shares.

6. Loan agreement for 5,000,000 CBI shares : On 29 July 2022, the Company entered into a loan agreement for 5 million CBI shares with its main shareholders, Ker Ventures, SARL. The loan is short-term, valued at EUR 5 million and bears interest at 2% per annum. It is a regulated agreement. This loan agreement has not yet been implemented and will be implemented as and when required by the Company.

7. Conflict between Ukraine and Russia : Crypto Blockchain Industries (CBI) is not exposed to the situation in Russia and Ukraine. CBI has no suppliers, customers, employees, affiliates or financial ties to Russia and Ukraine.

NOTE 2 – ACCOUNTING RULES AND METHODS

2.1. General Principles

The Company's financial statements have been prepared in accordance with IFRS (standards and interpretations) as adopted in the European Union and mandatory from April 1, 2022, with the exception of the new rules and interpretations, whose application is not mandatory for the 2022-2023 financial year and whose impact on the financial statements would be immaterial.

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

Methods and basis for the consolidation

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

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

Company	Fiscal Year End	Country	% control		% interest	
			30/09/2022	31/03/2022	30/09/2022	31/03/2022
Active subsidiaries						
OP Productions, LLC	Dec 31	United States	77,27	77,27	77,27	77,27
Free Reign East, LLC	Dec 31	United States	77,27	77,27	77,27	77,27

2.2. Change in accounting methods

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

2.3. Foreign currency transactions

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

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

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	September 30, 2022		March 31, 2022		September 30, 2021	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
USD	0,9748	0,9904	1,1085	1,1010	1,1579	1,1920

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

None.

2.5. Use of estimates

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

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

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

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

2.6. Intangible fixed assets

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

Concessions

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

Licenses

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

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

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

Development costs of applications

See Note 2.20.

Other intangible fixed assets

Other intangible assets include identifiable intangible assets arising from acquisitions (e.g. brands) and software acquired for internal use (e.g. accounting software). With the exception of brands, these fixed assets

are amortized under "General and Administrative Expenses" or "Research and Development Expenses" on a straight-line basis over a period that cannot exceed their estimated useful lives (between one and four years).

2.7. Tangible fixed assets

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

The estimated useful lives of fixed assets are as follows:

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

2.8. Rights of use relating to leases

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

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

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

2.9. Impairment test

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

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

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

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

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

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

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

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

2.10. Non-Current Financial Assets

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

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

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

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

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

As of September 30, 2022, CBI is pending the transfer of 1,000 shares of Cornucopias Technology PTE. LTD. These shares will be valued on the day of the transfer at a symbolic €1, unless CBI has valuation information established by a third party and based on forecast elements. As the transfer is in progress, CBI has not recorded the holding of these shares in its accounts, but only as an off-balance sheet commitment.

2.11. Inventories

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

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

The following costs have been established:

- CRY5: Cost of production charged by developers was Euro 600, corresponding to time spent to create such tokens. This is Euro 0.01 for every 10,000 CRY5 sold.
- LIGHTS: Cost of production charged by developers was closer to Euro 1,800 as the contract was more complex to write to create the 18 billion LIGHTS tokens. This is Euro 0.001 for every 10,000 LIGHTS sold.
- Standard NFTs: Cost of production depends on the production value, the quality of the assets, the number of items in the collection. These costs are estimated at Euro 0.01 cent by Standard NFT, consisting of cost of production charged by developers.

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

Movements in provisions for inventory impairment are included in the line item "Other operating income and expenses" insofar as they cover changes over several accounting periods.

Details of inventories are provided in note 6 below

2.12. Trade accounts receivable

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

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

2.13. Crypto-currencies and related transactions

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

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

The portfolio is evaluated for each crypto-currency, on the basis of different volume-weighted average prices in order to reflect the value of each crypto-currency. If the value of the crypto-currency exceeds its

aggregate cost value, no unearned income is recognized. If the value of the crypto-currency is lower than its aggregate cost value, a depreciation is recorded as part of the income statement.

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

2.14. Cash and cash equivalents

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

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

2.15. Share-based payments

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

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

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

2.16. Provisions

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

2.17. Provisions for retirement and similar benefits

The amount of the provision is Euro 2K as at September 30, 2022 and is not significant.

2.18. Financial liabilities and instruments

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

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

Bond debts and other borrowings

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

Shareholder's loan

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

Financial lease debt

See Note 2.8.

Trade accounts payable

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

2.19. Revenue recognition – revenue from ordinary activities

Revenue from games

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

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

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

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

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

Sales are recorded as revenue.

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

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

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

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

Sales are recorded as revenue (Other Income).

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

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

Revenue from brand licensing

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

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

Revenue from game licensing alphaverse and others

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

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

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

2.20. Research and development expenses

Gross value

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

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

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

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

The Company does not directly receive research tax credits.

Depreciation for R&D expenses

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

The balance is allocated as follows:

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

2.21. Marketing and sales expenses

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

2.22. Current operating income and operating income

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

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

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

2.23. Financial income and expenses

Cost of debt

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

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

Other financial incomes and expenses

“Other Financial Income and Expenses” include the following items:

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

2.24. Taxes

The Company records tax expenses per applicable regulations.

2.25. Earnings per share par action

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

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

The number of shares taken into account is the number of shares at the date of the present Document and as of September 30, 2022.

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

NOTE 3 – INTANGIBLE FIXED ASSETS

At September 30, 2022, intangible fixed assets are broken down as follows:

(000's of €)	March 31, 2022	Acquisitions / Depreciation	Disposals / Reversals	September 30, 2022
Software	1 794,2	449,0	-	2 243,2
Other intangible assets	9 220,3	77,2	-	9 297,5
Total gross value	11 014,5	526,2	-	11 540,7
Total amortization	-	-	-	-
Total net value	11 014,5	526,2	-	11 540,7

NOTE 4 – RIGHTS OF USE RELATING TO LEASES

At September 30, this amount has been estimated using IFRS 16.

NOTE 5 – FINANCIAL INSTRUMENTS

5.1. Non-Current Financial Assets

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

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

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

Financial assets measures at amortized costs

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

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

This category comprises debt and equity instruments.

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

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

Financial assets at fair value through profit and loss

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

Financial assets measured at amortized cost

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

- deposits and guarantees;

trade receivables, with a maturity over one year, recognized using the effective interest rate method.

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(000's of €)	March 31, 2022	Increases	Decreases	Currency impact	September 30, 2022
Investments in subs. and associates	-	-	-	-	-
Receivables from subs. and associates	-	-	-	-	-
Accrued interest on receivables	-	-	-	-	-
NCX	8 069,9	-	-	-	8 069,9
Deposits	75,0	-	-	-	75,0
Other fixed assets	-	-	-	-	-
Total gross value	8 144,9	-	-	-	8 144,9
Provisions	-	-	-	-	-
Total net value	8 144,9	-	-	-	8 144,9

(000's of €)	March 31, 2022	Increases	Decreases	Currency impact	September 30, 2022
Investments in subs. and associates	-	-	-	-	-
Receivables from subs. and associates	-	-	-	-	-
Accrued interest on receivables	-	-	-	-	-
NCX	-	-	-	-	-
Deposits	-	-	-	-	-
Other fixed assets	-	-	-	-	-
Total provisions	-	-	-	-	-

5.2. Balance sheet information

Financial instruments consist of assets, derivatives and liabilities.

The following table presents these assets and their maturity dates:

As at September 30, 2022 (000's of €)	Net Value	Schedule		
		Less than 1 year	Between 1 & 5 years	More than 5 years
IFRS 16 Restatement	2 104,7	2 104,7	-	-
Financial assets	8 144,9	8 144,9	-	-
FINANCIAL ASSETS	10 249,6	10 249,6	-	-
Shareholders' loan	4 767,6	150,0	4 617,6	-
Lease liabilities	2 134,7	240,1	1 894,6	-
Trade payables	1 598,6	1 598,6	-	-
Other current liabilities	236,2	236,2	-	-
FINANCIAL LIABILITIES	8 737,2	2 224,9	6 512,3	-

The shareholder's loan has a maturity of five (5) years, is repayable in fine and bears interest at the legal rate, except for a portion of current liabilities for €150.0 K.

The application of IFRS 16 (Restatement of Leases) results in the recognition of a of €2,134.7 K accounting liability (of which €1,894.6K being classified as long- term liability, the balance being classified as short-term liability).

NOTE 6 – INVENTORIES

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Token	# Tokens	Market Price/Token US\$	Market Value US\$	Market Value Euro	Gross Value Euro	Accrual Euro	Accrual on reserves Euro	Net Value Euro
	A	B	A*B	C = A*B	D	E = C - D (if < 0)		D-E
ETH	124,85	\$1332.5000	\$166.359,10	170.659,73 €	488.265,73 €	-317.606,00 €		170.659,73 €
USDT	51.050,73	\$1.0000	\$51.050,73	52.370,47 €	45.530,24 €	6.840,23 €		52.370,47 €
BTC	26,98	\$19416,6800	\$523.862,03	537.404,62 €	1.160.681,88 €	-623.277,26 €		537.404,62 €
USDC	261.952,00	\$1.0000	\$261.952,00	268.723,84 €	195.655,30 €	73.068,54 €		268.723,84 €
CHAIN GAMES	54.095.429,00	\$0,0253	\$1.370.778,17	1.406.214,78 €	1.970.055,16 €	-563.840,38 €		1.406.214,78 €
BNB	0,51	\$202.2900	\$143,69	147,40 €	84,15 €	63,25 €		147,40 €
WEH	0,98	\$1332.5000	\$1.309,57	1.343,42 €	2.336,15 €	-992,73 €		1.343,42 €
MATIC	567,36	\$0,7732	\$438,68	450,02 €	349,59 €	100,43 €		450,02 €
COPY	4.800.001,00	\$0,0129	\$62.064,01	63.688,46 €	62.872,02 €	796,44 €		63.688,46 €
ATRI	30.326.486,00	\$0,0036	\$110.600,71	113.459,89 €	696.542,39 €	0,00 €	-583.082,50 €	113.459,89 €
CRYS	493.760.000,00	\$0,0833	\$41.145.020,80	42.208.679,52 €	493,76 €	0,00 €		493,76 €
LIGHTS	6.520.000.000,00	\$0,0025	\$16.300.000,00	16.721.378,74 €	652,00 €	0,00 €		652,00 €
TOTAL			\$59.993.579,48	61.544.500,91 €	4.623.518,37 €	-1.424.847,48 €	-583.082,50 €	2.615.588,40 €

The table above shows the status of the token inventory at the end of the period.

NOTE 7 – TRADE RECEIVABLES

The item "Trade receivables", after deducting sales returns and other future trade discounts, if any, is € 250.2K as at September 30, 2022. As of September 30, 2022, the balance of trade receivables corresponds to receivables older than 6 months pending collection.

(000's of €)	September 30, 2022	March 31, 2022
Trade receivables	250,2	440,4
Provisions for impairment in value	-	-
Trade receivables net value	250,2	440,4

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

NOTE 8 – OTHER CURRENT ASSETS

Other current assets break down as follows:

(000's of €)	September 30, 2022	March 31, 2022
Inventories	2.615,6	2.828,5
Trade receivables	250,2	440,4
Current financial assets	-	-
Difference of change	2,5	-
Others	447,3	-
Other current assets	3.315,6	3.268,9

NOTE 9 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents shown in the cash flow statement include (i) cash (cash on hand and demand deposits) of €582.7K 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.

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(000's of €)	September 30, 2022	March 31, 2022
Cash and cash equivalents	582,7	2 647,2
Short-term investments	-	-
Cash and cash equivalents	582,7	2 647,2

NOTE 10 – SHAREHOLDER'S EQUITY

10.1. Capital

Common shares

As of September 30, 2022, the Company's subscribed and fully paid-up capital amounted to €24,458,750 divided into 244,587,500 shares with a par value of €0.10. The number of voting rights attached to the Company's shares is 244,587,500.

Evolution of the share count during the financial year

March 31, 2022	242 587 500
24/09/2021 Shares loan refund	2 000 000
September 30, 2022	244 587 500

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

	Shares		Voting Rights	
	#	%	#	%
Ker Ventures, SARL	224 392 425	91,74%	224 392 425	91,74%
Ker Ventures, LLC	205 999	0,08%	205 999	0,08%
Total F. Chesnais	224 598 424	91,83%	224 598 424	91,83%
Self-control shares	2 136 500	0,87%	2 136 500	0,87%
Other shareholders	17 852 576	7,30%	17 852 576	7,30%
Total	244 587 500	100,00%	244 587 500	100,00%

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

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

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

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

Dividends

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

10.2. Treasury shares

SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2022

As of September 30, 2022, the Company held 2,136,500 of its own shares, of which 1,750,000 were held in treasury shares and the balance through the TSAF liquidity contract.

10.3. CBI SA stock option plan

At September 30, 2022, the Company has no stock-option plan.

10.4. Other dilutive instruments

As of September 30, 2022, there were no dilutive instruments in terms of capital.

The Company had issued a warrant to Atari, entitling the latter to acquire 5% of CBI's capital at par value, i.e., EUR 0.10 per share. This warrant was repurchased and cancelled under the terms of the agreement with Atari dated March 29, 2022.

As of September 30, 2022, the acquisition cost of this warrant amounted to €10,716.9K. This amount has been charged to the Group's equity in accordance with IFRS.

At September 30, 2022, an additional depreciation of the ATRI tokens was recognized in the accounts of CBI for an amount of €583K. This impairment corresponds to the additional purchase price of the warrant. It has been reclassified as performed for the year ended September 30, 2022.

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

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

In accordance with IFRS 2 (Share-based Payment), the shares attributable to Chain Games (note 1.2) have been restated. The treatment applied is as follows:

- 1) Debit of the expense account against the equity accounts for the value of the service pro rata temporis (66.8K euros at 30/09/2022)
- 2) Neutralization of treasury shares used for payment
- 3) Cancellation of the remaining treasury shares in the change in equity

NOTE 12 – DEBT

12.1. Debt analysis by type

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

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

The debt bears interest at a fixed interest rate.

NOTE 13 – LEASE LIABILITIES – CURRENT AND NON-CURRENT

See Note 5.

NOTE 14 – OTHER CURRENT AND NON NON-CURRENT LIABILITIES

The analysis is set forth in Section 5.2 above.

NOTE 15 – SEGMENT INFORMATION

Operating segment are defined as a component of an entity:

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

SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2022

CBI operates in one single operating segment (blockchain).

The Company's business is currently viewed globally, within a single operating segment representing its cash generating unit (CGU). The management indicators monitored regularly by the chief operating decision maker ("CODM") are revenues, current operating income and net income.

NOTE 16 – CURRENT OPERATING EXPENSES

For purposes of comparison with other industry players, the Company presents its consolidated income statement by function.

Research and development expenses

Research and development expenses are analyzed as follows:

(in 000's of €)	September 30, 2022	September 30, 2021
Capitalized R&D	(538,9)	(164,3)
Depreciation	-	-
Other R&D expenditures*	-	-
Total R&D expenditures	(538,9)	(164,3)

Marketing and sales expenses

Marketing and sales expenses were 667 K€ during the first 6 months.

General and administrative expenses

General and administrative expenses for the period were 569,3K€ compared to 148,4K€ for the prior year.

As at September 30, 2022, the amount of other operating income and expenses was nil during the period.

NOTE 18 – OTHER INCOME AND EXPENSES

As of September 30, 2022, other income and expenses amounted to -1,243€. This loss corresponds to the change in token impairment at the half-year closing date.

There was no token impairment as of September 30, 2021.

As of September 30, 2022, this provision has been recorded under "Other operating income and expenses", which gives a better financial interpretation of the movements in this provision, which includes multi-year variations and reflects both short-term and long-term market movements.

As of September 30, 2022, a provision for the impairment of tokens in the amount of €0.1 million had been recorded under "Cost of sales" and this change has no impact on the comparability of the interim financial statements.

NOTE 19 – NET FINANCIAL INCOME (EXPENSE)

As of September 30, 2022, the net financial result for the period is (37.4) K€. This loss corresponds to the sale of treasury shares under the liquidity contract managed by TSAF, the Company managing the contract, the restatement of the lease under IFRS 16, and interest on the partners' current account.

NOTE 20 – INCOME TAX

20.1. Analysis of the tax charge

The Group has not recorded any tax expenses for the period ended September 30, 2022.

20.2. Analysis of deferred taxes

The Company has no deferred tax for the period ended September 30, 2022.

NOTE 21 – DISCONTINUED OPERATIONS

21.1. Net income from discontinued operations

The Group has not recorded any net income from related party transactions for the period ended September 30, 2022.

21.2. Assets and liabilities held for sale

At September 30, 2022, there are no assets or liabilities held for sale.

NOTE 22 – OFF-BALANCE SHEET COMMITMENTS

22.1. Commitments given

At September 30, 2022, there are no commitments given.

22.2. Commitments received

As of September 30, 2022, CBI is pending the transfer of 1,000 shares of Cornucopias Trechnology PTE. LTD. As the transfer of the shares is in progress, CBI has recognized an off-balance sheet commitment receivable. These shares are valued at a symbolic €1, pending further information.

NOTE 23 – MARKET RISK MANAGEMENT

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

23.1. Foreign exchange risks

For foreign exchange risks related to the financing of subsidiaries, they are concentrated at parent Company level and, where appropriate, specific hedges are put in place according to the financing strategies envisaged. At September 30, 2022, the Company had not implemented a currency hedging policy on all of these amounts.

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

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

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

23.2. Interest rate risks

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

23.3. Credit risks

SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2022

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.

23.4. Inflation risk

The Company has decided to draw the public's attention to the risk of inflation. The accelerating rise in the price of energy and certain raw materials has led to inflation reaching 5.6% at the end of September 2022 (source: INSEE) in the Euro zone. The main expense items of the Company impacted by this risk are payroll and the cost of external service providers. The Company should be able to pass on these cost increases in the pricing of its services. The Company's exposure to this risk is therefore moderate.

23.5. Risk related to deposits on exchange platforms

The Company has decided to draw the public's attention to the risk of bankruptcy of exchange platforms. It has become apparent that the solvency of certain platforms is very low or non-existent, as illustrated by the bankruptcy of the FTX platform. The Company does not make any significant deposits of cryptos on exchange platforms owned by third parties, so the Company's exposure to this risk is low at the balance sheet date.

NOTE 24 – PROVISIONS AND CONTINGENT LIABILITIES

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

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

NOTE 25 – RELATED-PARTY TRANSACTIONS

On July 29, 2022, the Company entered into an amendment to the loan agreement granted on April 21, 2022 by Ker Ventures SARL in order to prepay the loan of 2,000,000 CBI shares.

On July 29, 2022, the Company entered into a loan agreement for 5 million CBI shares with its main shareholder, Ker Ventures, SARL. The loan is short-term, valued at 5 million euros and bears interest at 2% per annum. It is a regulated agreement. This loan will be put in place at a later date, as and when the Company's needs arise.

NOTE 26– EXECUTIVE COMPENSATION AND BENEFITS

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

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

COMPENSATION FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR FY 2022-2023

Annual fixed compensation

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

Variable compensation / Options

The Board of Directors has decided, in accordance with the recommendation of the Nomination and Remuneration Committee, to allocate to the management team a deferred interest pool of 20% for each investment, generated by the Company with a minimum rate of return of 10%. Mr. Frédéric Chesnais is allocated 40% of this pool, the remainder being allocated to the investment team and the Board of Directors. Members of this management team are selected from time to time by the Compensation and Nominating Committee. The allocation among the members of this management team is decided by the Board of Directors, upon recommendation of the Compensation and Nomination Committee. No payments have been decided or made in respect of the 2021-2022 financial year.

The Board of Directors has also decided, on the recommendation of the Compensation and Nominating Committee, to allocate a discretionary annual bonus that may represent (barring exceptional circumstances) between 0% and 100% of the annual fixed compensation paid, incorporating the following elements: level of revenues, EBITDA margin, cash generated, share price performance, growth in recurring net earnings per share, which allows all other income statement items to be taken into account, as well as various objective criteria related to the business, in addition to the return on investment allocated under the previous paragraph. No bonus has been decided or paid for the 2021-2022 financial year.

In addition, under the delegation of authority granted by the General Meeting, the Board of Directors reserves the right to grant stock options under a stock option plan.

In addition, it was planned to pay Mr. Frédéric Chesnais a fixed bonus of EUR 250,000 (increased to take into account the costs corresponding to social security, pension plan and/or social security contributions in the same proportions as those indicated above for his monthly remuneration, i.e. a total cost of EUR 420,000), in the event of the listing of the Company's shares. 420,000, in the event of the Company's shares being listed at the end of 2021. This bonus has been paid during the years 2022-2023.

Finally, in the event of the creation of a crypto-currency by the Company, fifteen percent (15%) will be reserved for the compensation of the management team, including eight percent (8%) for the Chief Executive Officer. These allocations will be made as creations are made.

Compensation due to directorships

See following paragraphs

Compensation for directors

Annual fixed compensation

There is no fixed compensation

Compensation due to directorships

The directors receive compensation for their mandate (formerly "directors' fees"). The maximum amount of compensation to be allocated among the Directors is voted by the General Meeting of Shareholders, on the proposal of the Board of Directors, on the basis of the recommendations of the Nomination and Compensation Committee, taking into account the interests of the Company.

For the fiscal years ending March 31, 2023 and March 31, 2024, the Board of Directors has set, subject to approval by the General Meeting deliberating on the financial statements for the fiscal year ending March 31, 2023, a compensation of 137,500 Euro for each director per fiscal year, i.e. a total of 275,000 Euro for the period in question. It is agreed that this sum must be used by the directors to acquire shares in the Company and to hold them over the long term. Mr. Frédéric Chesnais is not eligible for this compensation but for a fixed sum of 25,000 euros.

Finally, in the event of the creation of a crypto-currency by the Company, five percent (5.0%) will be reserved for the compensation of the directors, including two percent (2.0%) for the Chairman of the Board and one and a half percent (1.5%) for each director. In addition, 5.0% of the deferred interest pool is allocated to the directors in the same proportion. No payment was decided or made for the 2021-2022 fiscal year.

50,000 for each Director (excluding Frédéric Chesnais) in the event of the Company's shares being listed, this bonus will be paid in the 2022-2023 financial year.

Compensation for non-executive corporate officers

None.

Workforce for fiscal year 2022-2023

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As of September 30, 2022, the Company had an average of six employees, the others being consultants or external service providers.

NOTE 27 – SUBSEQUENT EVENTS

The subsequent events are as follows:

1. Proposed acquisition of Xave World : Upon completion of the acquisition of Xave world, a music-centric metaverse, will become part of AlphaVerse. Xave world will offer a wide range of features and experiences: communities, NFT marketplace, concerts, recordings and a dedicated cryptocurrency. With this acquisition, CBI continues to strengthen its footprint in the music space. The purchase price is €1.0 million: €0.1 million in cash and €0.9 million paid in CBI shares to be issued, valued at €1.0 for each CBI share. The acquisition is expected to be completed by 31 March 2023.

2. Risk factors : The Company has decided to draw the public's attention to the inflationary risk and will detail the exposure and management of this risk in its Half Yearly Financial Report 2022-2023. The Company's exposure to this risk is medium.

3. Change of registered office address : Since November 1, 2022, the Company's registered office is located at 38 rue de Berri - 75008 Paris.

AUDITORS REPORT ON THE ANNUAL FINANCIAL STATEMENTS
