



Crypto Blockchain Industries

# Annual report 2022-2023

April 1<sup>st</sup>, 2022 - March 31, 2023

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# I. GROUP MANAGEMENT REPORT

## CONSOLIDATED FINANCIAL STATEMENTS 12-MONTH PERIOD ENDED MARCH 31, 2023

### BASIS OF PRESENTATION

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Crypto Blockchain Industries, SA ("CBI" or the "Company") is a company incorporated under the laws of France. The financial year runs from April 1<sup>st</sup>, 2022 to March 31, 2023.

The financial statements are presented as at March 31, 2023 for the entire 2023 fiscal year, from April 1<sup>st</sup>, 2022 to March 31, 2023.

The scope of consolidation (referred to as the "Group") comprises CBI and 2 subsidiaries, OP Productions and Free Reign East.

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

### COMPANY PRESENTATION

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CBI is one of the few companies offering a global investment approach covering all the main aspects of blockchain. CBI, after a meticulous review of projects, invests in those aspects of blockchain offering the best estimated opportunities:

- Operational activities: CBI controls, alone or in partnership, the business (transport, video games) ;
- Investments: CBI invests in start-ups; CBI also invests to help companies successfully transition to the blockchain world;
- Intellectual property rights: CBI can invest in intellectual property rights (IPs), or create its own portfolio;
- Portfolio management: CBI holds and manages crypto-currencies and tokens, and also holds liquid assets such as shares in listed blockchain and gaming companies.

CBI's strategy is to invest in operational activities and start-ups, as well as in crypto-currencies and tokens.

To offer greater flexibility and optimize the chances of commercial success, CBI also offers payment options in traditional currencies where technically feasible.

CBI's objective is to grow its portfolio of assets, optimize return on investment and operate with a limited level of fixed costs, focusing on the best opportunities in the industry. CBI uses leveraged financing techniques, while maintaining a priority on collateralization to minimize the level of risk.

The complementary nature of these activities also enables synergies to be created.

### CBI: Strategy and development for a connected, open virtual world

The company's core business is currently focused on the development of AlphaVerse, a beautifully designed, feature-rich digital virtual world. AlphaVerse is organized around a central place, the "Hub", which connects numerous universes 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 the major cryptocurrencies as well as the Crystal token (\$CRYS), AlphaVerse's cryptocurrency, and the \$FAV token, Football at AlphaVerse's cryptocurrency. 600 million units of the Crystal token have been created on the blockchain, with the 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). 11 billion units of the \$FAV token have been created: the tokens will enable microtransactions in the Football at AlphaVerse universe, participation in quests or mini-games, the purchase of NFTs, the running of referral programs, access to discounts on purchases, or the earning of FAV tokens linked to the creativity or commitment of users, in the manner of a loyalty card. CBI aims to list \$FAV in 2023.

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 for testing in September 2022, generating many positive and enriching feedbacks. After an initial development phase during which priority was given to video games, music and the associative world, all leading fields bringing together vast international communities, the universes currently under development are as follows:

- **MetaCoaster:** an amusement park simulation game on blockchain. Users will be able to play solo to hone their skills, or take part in global park-building competitions and win cryptos.
- **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 "United at Home" charity program 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 with each other and 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 art of the 90s will find their place in Artech. Artech is a metaverse entirely dedicated to digital art and artists, where we create an entire 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 legendary photographer Chi Modu, 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 open virtual world of constant expansion and evolution, where music fans discover a new world filled with music, incredible shows, festivals and events. This metaverse is currently being acquired by CBI, for \$1 million mainly paid in CBI shares and an earn-out clause.
- **Chain Games:** Chain Games is a blockchain-integrated gaming network offering decentralized skill games, Skill-Based and Play-to-Earn contests, allowing players to earn crypto-currencies as a reward for their efforts. This world will be developed and operated by Chain Games.
- **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 rave culture and the electronic music community.
- **Soccer at AlphaVerse:** Football at AlphaVerse is a world dedicated to soccer, in which visitors can move around the various emblematic locations of their favorite clubs and enjoy a variety of games and entertainment.

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 currently 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 targets celebrities from all walks of life to develop their image on blockchain, notably through NFTs and community animation tools.

In accordance with Article 2 of the Articles of Association, CBI's corporate purpose is, in France or abroad, directly or indirectly:

- The creation and marketing of digital assets, particularly on blockchain;
- The design, production, publishing and distribution of all multimedia and audiovisual products and works, in particular for leisure purposes, in any form whatsoever and in particular in the form of software, data processing or interactive or non-interactive content, on any medium and through any current or future means of communication;

- The acquisition of any company, entity, business or other undertaking that is active in blockchain or is likely to evolve in whole or in part in this field, regardless of the type of activity named ;
- Production of all kinds of leisure, sports, audiovisual and other activities;
- The creation, acquisition, operation and management of intellectual and industrial property rights or other real or personal rights, in particular 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;
- Acquiring, seeking partnerships with and acquiring interests in any form whatsoever, in particular by creation, issue, subscription or contribution, in any activity directly or indirectly related to the above-mentioned purpose or to the products and themes developed by the Company;

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

## HIGHLIGHTS OF THE YEAR

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Fiscal year 2022-2023 was marked by the opening of the metaverse, AlphaVerse, for the first user tests and the announcement of new universes, including one dedicated to soccer. On the financial front, the year was also marked by a capital increase by way of an offer carried out in February 2023.

Highlights of the period were as follows:

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

**2 Chain Games:** On July 26, 2022, CBI signed a partnership agreement with Chain Games, publisher of *Skill-Based and Play-to-Earn* games, for the creation of spaces dedicated to these games and the development of content in the AlphaVerse, with a license fee of US\$2 million for the benefit of CBI. CBI and Chain Games have entered into a series of agreements, under which :

- the Company sold Chain Games the right to own a space in the Hub, for US\$2 million paid by Chain Games in CHAIN tokens
- the Company and Chain Games have agreed to share future revenues generated in this area of the Hub
- Chain Games has agreed to develop a separate world, with the Company entitled to a share of the revenues generated by this separate world.
- the Company has retained Chain Games as its strategic advisor for the next 5 years, in exchange for CBI shares and CRYIS tokens

**3. Amendment to liquidity contract with TSAF:** On September 5, 2022, 200,000 euros in cash were withdrawn from the liquidity contract with TSAF.

**4 Opening of AlphaVerse:** On September 21, 2022, CBI opened the central part (the Hub) of its AlphaVerse metaverse in a test phase for the first players from its community.

**5. Repayment of the loan of 2 million CBI shares:** 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 million CBI shares by issuing and delivering an identical number of CBI shares.

**6 Loan agreement for 5 million 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. The loan will be taken out at a later date, as and when the Company's needs arise.

**7. Amendment to the July 29, 2022 loan Agreement:** On January 3, 2023, the Company entered into an amendment to the July 29, 2022 loan agreement with Ker Ventures SARL to extend the loan

agreement to Ker Ventures LLC and to include a current account agreement with the Company for a maximum amount of \$1 million.

**8. Change of registered office:** CBI changed its registered office during the year. Its new address is: 38 rue de Berri, 75008, Paris.

**9. Development of "Football at AlphaVerse":** CBI aims to accelerate AlphaVerse's growth, particularly in the world of digital worlds dedicated to soccer, which it is developing on behalf of leading clubs. Operated by CBI under revenue-sharing licenses granted by the clubs, these worlds are based on a Free-to-Play model. Each world reproduces the club's stadium in 3D, at the heart of a digital world dedicated to the club and packed with experiences and mini-games. Each seat in these digital stadiums is an NFT that offers real-life benefits. CBI offers these partner soccer clubs first-rate access to Web3, and aims to provide every fan with a unique online experience. Over the last few months, CBI has been in contact with numerous clubs in England, Italy, Spain, Brazil and Colombia, and many of them have expressed interest. CBI has begun signing contracts with soccer clubs, and plans to expand significantly in this area.

**10. 6 partnership agreements signed with various soccer clubs:** Six partnership agreements have been officially signed with soccer clubs as part of the development of Football at AlphaVerse. These clubs include Real Betis Balompié, São Paulo Football Club, Cardiff City Football Club, Spezia Calcio, Real Sociedad and Asociación Deportivo Cali. In order to enhance the experience of Football at AlphaVerse users, the Company has committed to creating a digital version of the world of these clubs. This initiative will enable fans and supporters around the world to meet, stay informed and enjoy unique experiences linked to their favorite clubs.

**11. Horyou AlphaVerse will donate 2% of its gross sales and join the "1% for the Planet" program.** 1% of sales will be allocated to the "1% for the Planet" program, and a further 1% will be donated to charitable programs and causes that are part of the Horyou AlphaVerse metaverse.

**12. Future Rave, the new label from David Guetta and Morten, is teaming up with AlphaVerse to develop a metaverse dedicated to the new musical genre created by the world-renowned DJ and music producer duo.** David Guetta and Morten will deploy their new Future Rave label in the metaverse. A new universe will be created within AlphaVerse, CBI's metaverse, to share, find new artists, create and exchange with the community. This project is brought to you by Blockchain Artists Agency (BAA), the talent management agency for blockchain.

**13. CBI advises the Cornucopias project, a multiplayer game based on blockchain:** Cornucopias is an innovative project based around a massively multiplayer online role-playing game and brings together a number of assets specific to blockchain: gaming, learning, creation and sharing. CBI is entitled to 0.5% of the COPI tokens issued by Cornucopias and will own 1.0% of the capital of Cornucopias Technology PTE. LTD, the company created to develop the Cornucopias metaverse.

**14. CBI has published its *whitepaper* and roadmap for its AlphaVerse digital universe:** The *whitepaper* details AlphaVerse's technology and vision. It also includes a roadmap outlining milestones and partnerships for the development and growth of the AlphaVerse ecosystem.

**15. Capital increase of 4,891,749.60 euros through the issue of ABSAs with preferential subscription rights:** in February 2023, CBI carried out a capital increase through the issue of ABSAs in order to accelerate its development in the world of soccer. The BSAs entitle their holders to subscribe to new CBI shares at a price of €1.40 no later than March 31, 2024.

**16. Application for PSAN (Prestataire de Services sur Actifs Numériques) approval:** in March 2023, CBI applied for PSAN (Prestataire de Services sur Actifs Numériques) approval from the Autorité des Marchés Financiers.

**17. 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.

## ACCOUNTING PRINCIPLES AND METHODS

### General principles

#### Preparation of financial statements

The consolidated financial statements have been prepared in accordance with IFRS (standards and interpretations) as adopted by the European Union and whose application is mandatory as of April 1<sup>er</sup> 2022, with the exception of new rules and interpretations whose application is not mandatory for the 2022-2023 financial year and whose impact on the financial statements would not be material.

The Group's financial statements are presented in thousands of euros to one decimal place, unless otherwise indicated. Rounding to the nearest thousand euros may, in some cases, result in immaterial discrepancies in the totals and subtotals of the tables.

#### Consolidation method

Companies controlled by the Group, i.e. those in which it has the power to make financial and operating decisions, are fully consolidated.

These companies are as follows:

Company	Fiscal Year End	Country	% control		% interest	
			31/03/2023	31/03/2022	31/03/2023	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

### Change in accounting method

The Company has not adopted any new accounting policies.

### Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing on the transaction date. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date. All differences are recorded in the income statement for the period, with the exception of differences on borrowings in foreign currencies which constitute a hedge of the net investment in a foreign entity. These are charged directly to equity until the net investment is disposed of.

The current exchange rates are as follows:

	March 31, 2023		March 31, 2022	
	Closing rate	Average rate	Closing rate	Average rate
USD	1,0875	1,0411	1,1085	1,1010

## ANALYSIS OF INCOME STATEMENT AT MARCH 31, 2023

(000's of €)		March 31, 2023	March 31, 2022
Revenue	Note 2.22	5 304,8	299,3
Other income	Note 2.22	-	3 981,4
Cost of goods sold		(4,5)	(487,1)
<b>GROSS MARGIN</b>		<b>5 300,3</b>	<b>3 793,6</b>
Research and development expenses	Note 16	(566,1)	(538,5)
Marketing and selling expenses	Note 17	(1 545,3)	(562,5)
General and administrative expenses	Note 18	(1 335,0)	(749,6)
Other operating income (expense)	Note 17	923,4	-
<b>CURRENT OPERATING INCOME (LOSS)</b>		<b>2 777,3</b>	<b>1 943,0</b>
Restructuring costs			
Other income (expense)	Note 18	(1 281,5)	-
<b>OPERATING INCOME (LOSS)</b>		<b>1 495,8</b>	<b>1 943,0</b>
Cost of debt	Note 20	(150,0)	(62,2)
Other financial income (expense)	Note 20	(58,8)	2 044,7
Income tax	Note 21	-	-
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</b>		<b>1 287,0</b>	<b>3 925,5</b>
Net income (loss) from discontinued operations	Note 22	-	-
<b>NET INCOME (LOSS) FOR THE YEAR</b>		<b>1 287,0</b>	<b>3 925,5</b>
Group share		1 271,5	3 807,0
Minority interests		15,5	118,5
Basic earnings per share (in euro)	Note 2.28	0,005	0,016
Diluted earnings per share (in euro)	Note 2.28	0,005	0,016

### Consolidated revenues

At March 31, 2023, CBI generated consolidated sales of €5,304.8K, mainly from the Chain Games license (\$2.0M), the soccer universe (\$1.2M) and the balance from contracts signed with Cornucopias.

Sales rose by 23.9% compared with the previous year, mainly as a result of stronger licensing activity and Cornucopias contracts.

### Consolidated operating income recurring

Gross margin amounted to 99.9% of sales for the period.

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

### Research and development costs

Research and development costs break down as follows:

(in 000's of €)	March 31, 2023	March 31, 2022
Capitalized R&D	(566,1)	(538,5)
Depreciation	-	-
Other R&D expenditures*	-	-
<b>Total R&amp;D expenditures</b>	<b>(566,1)</b>	<b>(538,5)</b>

Research and development costs were up 5.1% on the previous year. These costs include the operation of video games and the metaverse. Their evolution depends on the level of new functionalities developed. Classic video



games are fully amortized, and there is no additional depreciation. In the case of the metaverse, the value of the intellectual property rights is recorded as an asset on the balance sheet and has not been amortized as at March 31, 2023, as this amortization begins as soon as the metaverse is opened, scheduled for the 2023-2024 financial year.

#### **Marketing and sales expenses**

Consolidated sales and marketing expenses include advertising, mainly through the launch of online campaigns.

Marketing and sales expenses amounted to €1,545.3 K for the year ended, compared with €562.5 K for the previous year, a variation of 174.7%.

#### **General and administrative expenses**

Consolidated general and administrative expenses for the period mainly reflect management costs, as well as overheads related to the listing of the company's shares on the Euronext Growth market.

General and administrative expenses amounted to €1,335.0 K for the year ended, compared with €749.6 K for the previous year, representing a 78.1% variation.

#### **Consolidated operating income recurring**

Consolidated operating income before non-recurring items amounted to €2,777.3 K for the year ended, compared with €1,943.0 K for the previous year, an increase of 42.9%.

#### **Consolidated operating income**

In view of cryptocurrency price trends, particularly over the first half of the 2022-2023 financial year, a provision of €(1.3) million has been recognized to adjust the net valuation of the cryptocurrency portfolio, which thus stands at €2.4 million at the end of March 2023.

Consolidated operating income amounted to €1,495.8 K for the year ended December 31, 2022, compared with €1,943.0 K for the previous year, a decrease of 23.0% due to the temporary impairment of tokens mentioned above.

#### **Consolidated net income (Group share)**

Consolidated financial expenses reflect interest paid at the statutory rate on the Ker Ventures loan and IFRS 16 restatements, while consolidated financial income mainly reflects capital gains recorded by investment services provider TSAF under the liquidity contract on CBI shares. The 2021-2022 financial year was marked by significant capital gains.

Consolidated minority interests represent the amount attributable to the 22.73% owners of OP Productions, LLC and Free Reign East, LLC, and amounted to €15.5K for the period.

No corporate income tax is payable for the period.

Consolidated net profit (Group share) came to €1,271.5 K for the year ended, compared with a profit of €3,807.0 K for the previous year, a variation of -66.6%.

## BALANCE SHEET ANALYSIS AT MARCH 31, 2023

ASSETS (000's of €)	March 31, 2023	March 31, 2022
Intangible assets	13 164,9	11 014,5
Property, plant and equipment	15,1	11,8
Rights of use relating to leases	1 973,1	2 236,2
Non-current financial assets	9 107,5	8 144,9
Deferred tax assets	-	-
<b>Non-current assets</b>	<b>24 260,8</b>	<b>21 407,4</b>
Inventories	2 407,0	2 828,5
Trade receivables	935,7	440,4
Other current assets	301,8	-
Cash and cash equivalents	450,9	2 647,2
Assets held for sale	-	-
<b>Current assets</b>	<b>4 095,3</b>	<b>5 916,1</b>
<b>Total assets</b>	<b>28 356,1</b>	<b>27 323,5</b>

EQUITY & LIABILITIES (000's of €)	March 31, 2023	March 31, 2022
Capital stock	25 070,4	24 258,8
Consolidated reserves	(4 847,1)	(10 446,8)
Net income (loss) Group share	1 271,5	3 807,0
<b>Shareholders' equity</b>	<b>21 494,8</b>	<b>17 619,0</b>
Minority interests	211,4	206,6
Provisions for non-current contingencies and losses	-	0,0
Non-current financial liabilities	2 332,7	4 573,4
Deferred tax liabilities	-	-
Long term lease liabilities	1 771,9	2 015,6
Other non-current liabilities	-	-
<b>Non-current liabilities</b>	<b>4 104,6</b>	<b>6 589,0</b>
Provisions for current contingencies and losses	-	-
Current financial liabilities	-	-
Short term lease liabilities	243,6	236,5
Trade payables	2 285,6	2 559,2
Other current liabilities	15,9	113,2
<b>Current liabilities</b>	<b>2 545,2</b>	<b>2 908,9</b>
<b>Total equity and liabilities</b>	<b>28 356,1</b>	<b>27 323,5</b>

## Consolidated intangible assets

Amounts invested in the development of games and the metaverse are capitalized and amortized from the time they are put into service. In the case of the metaverse, the value of intellectual property rights is recorded as an asset on the balance sheet, and has not been amortized as at March 31, 2023. This amortization will begin when the metaverse is opened, scheduled for the 2023-2024 financial year.

## Consolidated financial assets

When listed, the portfolio of equities and financial instruments is valued on the basis of a six-month volume-weighted average price (V-WAP). Conventional valuation methods are applied for unlisted securities.

## Non-current financial assets

Financial assets comprise shares in non-consolidated companies, investments in associates, derivatives not qualifying as hedges, deposits and loans, marketable securities, positive cash balances and operating receivables.

Financial assets are classified as "non-current", except for those maturing in less than 12 months at the balance sheet date, which are classified as "current assets" or "cash equivalents" as appropriate.

Financial assets held by the Group are analysed according to the business model and its objectives:

- assets measured at amortized cost (financial assets held to collect contractual cash flows),
- assets measured at fair value: financial assets held for resale, with a view to receiving contractual cash flows.

Classification depends on the nature and purpose of each financial asset, and is determined at initial recognition.

The Company's subsidiaries and affiliates are listed below:

Amounts in millions of euros	Capital stock	Shareholders' equity (excluding capital)	Ownership interest (%)	Carrying amount of securities held:		Loans and avances outstanding	Revenue for the last fiscal year	Profit (loss) for the last fiscal year	Notes
				Gross	Net				
Subsidiaries (more than 50%-owned)									
OP Productions, LLC	-	31,4	77,3%	4 075,1	4 075,1	94,3	162,9	70,5	FY ended 31/12/2023
Free Reign East, LLC	-	0,1	77,3%	732,9	732,9	-	1,5	0,4	FY ended 31/12/2023

## Consolidated inventory of tokens and NFTs

The inventory of tokens is recognized at cost, based on the acquisition price. At the closing date of the accounting period, each crypto-currency is then valued on the basis of the closing price to take into account the value of each crypto-currency and the overall portfolio. If the cost price of a crypto-currency exceeds its market value, an impairment loss is recognized in the income statement. At March 31, 2023, inventory was valued at €2,407.0K. The impairment of the ATRI tokens was included in the overall price of the warrant repurchased in 2022.

Portfolio Valuation March 31, 2023								
Token	# Tokens	Market Price/Token US\$	Market Value US\$	Market Value Euro	Gross Value Euro	Accrual Euro	Net Value Euro	
	A	B	A*B	C = A*B	D	E = C - D (if < 0)	D-E	
ETH	124.81	\$1,822.00	\$227,405.50	€209,108.51	€488,224.56	-€279,116.05	€209,108.51	
USDT	52,863.13	\$1.00	\$52,863.13	€48,609.77	€47,306.75	€1,303.02	€48,609.77	
BTC	26.98	\$28,478.48	\$768,349.39	€706,528.18	€1,160,881.88	-€454,153.70	€706,528.18	
USDC	20,974.05	\$1.00	\$20,974.05	€19,286.48	€32,936.61	€52,223.09	€19,286.48	
CHAIN GAMES	54,095,429.00	\$0.03	\$1,361,581.95	€1,252,029.38	€1,970,055.16	-€718,025.78	€1,252,029.38	
BNB	0.51	\$317.04	\$161.34	€148.36	€84.09	€64.27	€148.36	
WEH	0.98	\$1,823.38	\$1,792.00	€1,647.82	€2,336.88	-€689.06	€1,647.82	
MATIC	567.20	\$1.12	\$634.81	€583.74	€349.46	€234.28	€583.74	
COPI	4,800,001.00	\$0.04	\$182,640.04	€167,944.86	€62,872.02	€105,072.84	€167,944.86	
ATRI	326,489.00	\$0.00	\$0.00	€0.00	€696,542.39	€0.00	€0.00	
CRYS	108,760,000.00	\$0.08	\$9,062,970.80	€8,333,766.25	€108.76	€0.00	€108.76	
UGHTS	6,520,000,000.00	\$0.00	\$16,300,000.00	€14,988,505.75	€652.00	€0.00	€652.00	
KTG	26,500,000.00	\$0.00	\$0.00	€0.00	€0.00	€0.00	€0.00	
<b>TOTAL</b>			\$27,979,375.02	€25,728,160.02	€4,396,278.35	-€1,293,087.10	-€696,542.39	€2,406,648.86

## Consolidated shareholders' equity

Consolidated shareholders' equity, Group share, amounted to €21,494.8 K for the year ended, compared with €17,619.0 K for the previous year.

Changes in shareholders' equity correspond to CBI's income for the period, as well as to exchange rate fluctuations over the year.

Changes in consolidated shareholders' equity can be analyzed as follows:

(000's of €)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
<b>Shareholders' equity as of March 31, 2022</b>	<b>242 587 500</b>	<b>24 258,8</b>	<b>980,9</b>	<b>-</b>	<b>(11 427,7)</b>	<b>3 807,0</b>	<b>17 619,0</b>
Net income	-	-	-	-	-	1 271,5	1 271,5
Repayment of loan	2 000 000	200,0	2 300,0	-	-	-	2 500,0
Capital increase	6 116 983,0	611,7	4 283,3				4 895,0
Expenses offset against additional paid-in capital			(446,3)				(446,3)
March 30, 2022 net income allocated to reserves					3 807,0	(3 807,0)	-
Restatement IFRS 132					(3 656,6)		(3 656,6)
Ajustement provision ATRI token	-	-	-	-	(696,5)	-	(696,5)
Currency translation adjustments / Others	-	-	-	-	8,9	-	8,9
<b>Shareholders' equity as of March 31, 2023</b>	<b>250 704 483</b>	<b>25 070,4</b>	<b>7 117,9</b>	<b>-</b>	<b>(11 965,0)</b>	<b>1 271,5</b>	<b>21 494,8</b>

### Net cash position

At the end of the period, net cash/(debt) is defined as cash and cash equivalents less loans, and calculated as follows:

(000's of €)	March 31, 2023	March 31, 2022
Cash and cash equivalents	450,9	2 647,2
Short-term investments	-	-
<b>Cash and cash equivalents</b>	<b>450,9</b>	<b>2 647,2</b>

### Common shares

At March 31, 2023, the Company's subscribed and fully paid-up capital amounted to €25,070,448.30, divided into 250,704,483 shares with a par value of €0.10 each. The number of voting rights attached to the Company's shares is 248,979,483, as treasury shares do not carry voting rights.

In addition, there are 6,107,799 share subscription warrants (BSA), with 3 BSA entitling their holders to purchase 1 new CBI share at a price of €1.40 by March 31, 2024 at the latest. If all these warrants are exercised, 2,035,933 new shares could be created. The number of CBI shares likely to be in circulation is thus 252,740,416. The table below shows the breakdown of these shares.

### Changes in the number of shares during the year

<b>March 31, 2022</b>	<b>242 587 500</b>
24/09/2021 Shares loan refund	2 000 000
09/02/2023 Capital increase	6 116 983
<b>March 31, 2023</b>	<b>250 704 483</b>

At the date of this document, the breakdown of shareholders holding more than 2% of the capital and voting rights is as follows:



	Number of Shares		Fully Diluted*	
	#	%	#	%
Ker Ventures, SARL	224 392 425	89,50%	224 392 425	88,78%
Ker Ventures, LLC	3 914 265	1,56%	5 150 354	2,04%
<b>Total F. Chesnais</b>	<b>228 306 690</b>	<b>91,07%</b>	<b>229 542 779</b>	<b>90,82%</b>
Treasury Shares	1 725 000	0,69%	1 725 000	0,68%
Free Float	20 672 793	8,25%	21 474 933	8,50%
<b>Total</b>	<b>250 704 483</b>	<b>100,00%</b>	<b>252 742 712</b>	<b>100,00%</b>

\*if all 6,107,799 outstanding warrants are exercised, 3 warrants entitle the holder to purchase 1 new CBI share at a unit purchase price of €1.40 until March 31, 2024.

Registered shares may carry double voting rights if they have been held for at least two years. As of the date of this document, no shares carry double voting rights.

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

The Company's shares have been listed on Euronext Growth Paris since October 26, 2021. The mnemonic is ALCBI.

Each share carries one vote for each resolution submitted to the shareholders. A double voting right is attached to all existing fully paid-up shares held by the same shareholder for at least two years, as well as to all shares subsequently acquired by the same shareholder through the exercise of 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 total amount of the Company's profit and distributable reserves. Such distributions are made as decided by the Company's shareholders at a general meeting. The Company has not paid any dividends in the last three years.

## RISK FACTORS

Investors are invited to consider all the information contained in this Document, including the risk factors specific to the Company and its subsidiaries ("the Group") described in this section, before deciding to acquire or subscribe for shares in the Company.

The Company has carried out a review of the risks that could have a material adverse effect on the Company and/or the Group, its business, its financial position, its results, its prospects or its ability to achieve its objectives. At the date of approval of this Document, the Company is not aware of any significant risks other than those presented in this section.

Investors' attention is however drawn to the fact that the list of risks and uncertainties described below is not exhaustive. Other risks or uncertainties that are unknown or that the Company does not consider likely, at the date of approval of this Document, to have a material adverse effect on the Group, its business, financial condition, results of operations or prospects, may exist or may become important factors that could have a material adverse effect on the Group, its business, financial condition, results of operations, development or prospects.

These risks are classified into 3 categories, with no hierarchy between them:

- Financial risks
- Risks relating to the Group's business and organization
- Legal risks

Within each category, the most significant risks as assessed by the Company are presented first, taking into account their negative impact on the Company and the Group, and the probability of their occurrence at the date of filing of the Document.

### Risk summary table

Type of risk	Degree of risk criticality
<b>Financial risks</b>	
Risks related to equity investments	high
Risks associated with new business sectors	high
Liquidity and going concern risks	low
Foreign exchange risk	moderate
Credit risk	low
Risks related to tax regulations	low
Inflation risks	moderate
Risks associated with deposits on <b>exchange</b> platforms	low
<b>Risks relating to the Group's business and organization</b>	
Risks associated with the blockchain business model	moderate
Risks associated with the lifespan and success of blockchain-based products	high
Risks associated with competition in the sector	high
Risks related to the departure of key personnel	high
Risks related to hiring needs	moderate
Risks relating to the Company's Board of Directors and potential conflicts of interest	moderate
Risks related to customer dependence	low
Risks associated with dependence on a limited number of games and delayed releases of key games	high
Risks associated with new technologies	high
Risks related to the Ukraine-Russia war	low
<b>Legal risks</b>	
Litigation risks	moderate
Risks relating to the Group's regulatory environment	moderate
Data security risks	low

Risk coverage measures	
Protection of intellectual property rights	high

## 1. Financial risks

### Risks related to equity investments

As part of its licensing activity, the Group may receive unlisted securities in return for a brand and/or game license. These securities are measured at fair value.

The Group rates these risks as **high**.

Given their lack of liquidity, these securities are more difficult to value and sell than listed shares. Their value is also more sensitive to significant and rapid variations, as these companies are generally start-ups operating in high-growth businesses, and are most often in the fund-raising phase. The risk of default or loss of value of these holdings is consequently higher, given their characteristics.

### Risks associated with new business sectors

The Group continues to expand into new activities, notably blockchain projects and crypto-currencies. Wherever possible, the Group seeks to expand via co-investments and partnerships in order to accelerate its acquisition of expertise and share the risks involved, but also via direct operations, i.e. businesses in which the Company is the operator, taking responsibility for operations, rather than being a passive investor.

Nevertheless, the Group assumes a higher level of risk, as it needs to acquire new skills and build strong positions in these new sectors, which could lead to greater losses in the early stages of an investment.

The Group has assessed these risks as **high**.

The development of these new sectors requires special analysis of revenue potential and the contractual risk assumed, and there is a risk that, during the start-up phase, these Group projections may not be as accurate as desired.

More generally, the realization of projects, their operating budgets and financing plans remain inherently uncertain, and the non-realization of these assumptions may have an impact on the value of certain Group assets and liabilities.

### Liquidity and going concern risks

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

The Group has assessed these risks as **low**.

The main reason for this is that, at the date of this document, the Company has no third-party debt and is fully funded. In addition, the Company has access to alternative sources of financing such as token pre-sales to fund game development.

### Foreign exchange risk

Risk management is carried out by the parent company according to the context of the financial markets and the procedures established by management. Foreign exchange transactions are carried out in accordance with local laws and access to financial markets. Subsidiaries may contract directly with local banks under the supervision of the parent company and in accordance with Group procedures and policy.

Currency risks relating to the financing of subsidiaries are centralized at the level of the parent company and, where necessary, specific hedges are put in place depending on the financing strategies envisaged. The Group has not set up a currency hedging policy for these amounts.

Each of the main currency zones (Euro, US Dollar) is broadly balanced between cash inflows and outflows. For this reason, the Group has not implemented a currency hedging policy for its commercial transactions.

The Group has assessed these risks as **moderate**.

The main reason for this is that the Company's income and expenditure are balanced by currency zone, i.e. income and expenditure in US dollars and roughly equivalent, and the same applies to the euro zone. In

addition, the Company does not speculate in crypto-currencies, i.e. the crypto-currencies collected are sold against *fiat* and/or *stable* coins.

In terms of exposure, an unfavorable change in the euro/dollar rate would not have a significant impact on the overall currency position.

#### Credit risk

The Group is essentially an investment company.

The Group has assessed these risks as **low**.

#### Risks related to tax regulations

The Group has assessed these risks as **low**.

The main reason is that the Company operates in stable countries, with tax regulations that are not subject to wide fluctuations or changes in a short space of time.

#### Inflation risks

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 an annual inflation rate of 6.9% in March 2023 (source: INSEE) in the Euro zone. The main expense items 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 Group has assessed these risks as **moderate**.

#### Risks associated with deposits on exchange platforms

The Company has decided to draw the public's attention to the risk of trading platforms going bankrupt. Indeed, it has become apparent that the solvency of certain platforms is very weak, or even non-existent, as illustrated by the bankruptcy of the FTX platform. The Company makes no significant deposits of cryptos on exchange platforms owned by third parties. The Group has assessed these risks as **low**.

## 2. Risks relating to the Group's business and organization

#### Risks associated with the blockchain business model

The blockchain business model is new, highly uncertain and will take many years to reach a stable situation.

The Group has assessed these risks as **moderate**, given the new nature of the business.

One aspect of the business model is very stable: the Company's model is to invest in games, both offline and online, and earn revenue by selling microtransactions and certain in-game assets, such as land, buildings and avatar customization.

The main factor of uncertainty is the fluctuation in the price of gaming assets, which can vary widely over short periods.

To mitigate this risk, the Company plans to set low selling prices for game assets.

#### Risks associated with the lifespan and success of blockchain-based products

The main risks intrinsic to the blockchain business concern the lifespan of a given blockchain game or application, and the evolution of technologies. Internally, the Company must be able to manage multiple projects in parallel. Furthermore, in a highly competitive market, the Company's financial position and prospects depend on its ability to successfully develop games or applications that can meet user expectations and achieve commercial success. The commercial success of applications depends on public reaction, which is not always predictable.

Over and above all the technical resources deployed to optimize the quality of each application launched, the Group seeks to protect itself against this risk by offering a balanced and diversified range of applications combining different economic sectors.

The Group has assessed these risks as **high given the** state of development of blockchain technology.

#### Competitive risks



Although competitive dynamics vary according to game product and platform, the global games market remains extremely competitive. The industry is growing at a steady pace and constantly evolving, creating threats and opportunities for established players and new entrants alike.

This remains true for blockchain-based games and blockchain-based applications.

Changes in technology, consumer habits and demographics are forcing companies to constantly reinvent themselves in order to remain relevant and secure their market position. What's more, blockchain is a new industry, with huge growth and innovation situations, which is both an opportunity and a risk.

Competition is widespread and includes big players like Facebook, Ubisoft, and investment funds like Andreessen Horowitz. Due to low barriers to entry, the competition also includes a myriad of small developers.

The Group has assessed these risks as **high**.

To mitigate this risk, the Company selects its investments and relies on existing games.

#### Risks associated with the departure of key personnel

In the event of the departure of key personnel, the Group could encounter difficulties in replacing them, and its activities could be slowed down as a result. Similarly, the Group's financial situation, results or ability to achieve its objectives could be affected.

The Group's success depends largely on the involvement and expertise of its management team, as well as the heads of the operating entities. However, the team has a wealth of expertise and, what's more, the Group's CEO, Frédéric Chesnais, is the Company's main shareholder. This basically eliminates the risk of a key executive leaving the Company.

The Group has assessed these risks as **high**, although it should be remembered that Frédéric Chesnais is the Company's main shareholder, with a substantial portion of his assets invested in the Company, and as such is less likely to resign.

The Group does not have a "key personnel" or "directors' and officers' liability" insurance policy. More generally, the Group has no specific insurance policy, and reassesses its current needs in the light of short-term business development.

#### Risks related to recruitment needs

The Group's success is largely due to the performance of its technical teams and their management. Like most of its competitors, the Group finds it difficult to recruit staff with specialized and experienced technical skills. The success of its growth strategy will depend on its ability to attract and retain talent.

The Group has assessed these risks as **moderate for the** following reasons: their operational impact is limited, and the current team has considerable expertise.

#### Risks relating to the Company's Board of Directors and potential conflicts of interest

The Chief Executive Officer or members of the Board of Directors may devote their time to other activities, which may lead to potential conflicts of interest in their determination of the time to be devoted to the Company's business, which could have a negative impact on the Company's ability to carry out its strategy.

Although Mr. Frédéric Chesnais has undertaken to devote a significant portion of his working time to the Company's business and to the performance of his duties as Chief Executive Officer, none of the Chief Executive Officers or members of the Board of Directors is required to devote all his time to the Company's business, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments.

The Company may also be involved in one or more businesses and/or companies that have direct relationships with entities that may be affiliated with members of the Board of Directors or the CEO. This may also give rise to potential conflicts of interest.

Consequently, the Group has assessed these risks as **moderate**.

#### Risks related to customer dependence

The customer base is highly diversified, consisting mainly of individual players. No player represents more than \$2,000 in actual revenues. As a result, the Company is not exposed to the risk of a major customer leaving, since

there are no major customers, and the risk of the number of players for a given game dropping to -0- in a matter of days is very limited.

Consequently, the Group has assessed these risks as **low**.

#### Risks associated with dependence on a limited number of games and delayed release of key games

Although the company pays particular attention to the quality of its games, it is nonetheless exposed to a risk of dependence due to the fact that it releases a small number of games, corresponding to a large proportion of its sales.

In addition, the Group's determination to give fresh impetus to its publishing plan depends in part on the release of a limited number of "key" franchises.

The Group mainly outsources its development projects to independent developers under contract, who may not be able to release the game on time or may have to suspend production. In addition, the Group may not be able to find suitable developers for certain games, or their skill level may be insufficient to achieve the quality necessary for a game's success. The developer may also encounter financial difficulties, change key team members, or any other difficulty that could lead to significant delays or the abandonment of a game.

Although the Group pays particular attention to the choice of its external developers and the rigor of their production processes, the risk of delayed or even cancelled game releases cannot be totally eliminated. The delayed release of major games, or their abandonment, could have a significant negative impact on the Group's financial situation. In order to reduce these risks, the Group strives to increase in-house technical expertise by hiring key personnel in the fields of technology, art and executive production, while applying strict criteria to the selection procedure for external development studios.

The Group has assessed these risks as **high**, given the importance of intellectual property and innovation in the Group's value chain.

#### Risks associated with new technologies

The Group's strategy, focused on crypto-currencies and blockchain-based applications, involves significant development of new applications. If the Group is unable to generate the sales and gross margins envisaged in the budget for these applications, the Group's financial position, sales and operating profit will suffer. For the Group's success, management believes that the Company must invest in as many carefully selected applications as possible, and succeed in monetizing them, while significantly increasing the number of users of the Group's applications. The Group's efforts to increase revenues from applications may not be successful, or even if they are, the time required to generate significant revenues may be longer than anticipated. The risks inherent in these applications are due to their changing nature. For this reason, it is difficult for the Group to forecast sales accurately. In addition, the direct nature of sales considerably increases competition; it also makes it more difficult to promote the Group's applications. Some of our competitors may have more resources to invest in the development and publication of these applications, making competition fiercer. This can also lead to a reduction in marketing opportunities, making it more difficult to coordinate marketing efforts.

Finally, price sensitivity is heightened due to the changing nature of the blockchain sector. The Group has assessed these risks as **high** given that its operational impact is more limited than for other risks.

#### Risks related to the Ukraine-Russia war

In the current context of the situation in Ukraine and the consequences of the sanctions imposed on Russia, CBI is monitoring possible repercussions on its activities and risks. To date, CBI's exposure is virtually non-existent on its activities and assets. The Group has assessed these risks as **low**.

### 3. Legal risks

#### Litigation risks

In the normal course of business, Group companies may become involved in a number of legal, arbitration, administrative and tax proceedings. In the event of claims made against the Group by one or more of its co-contractors, regulatory authorities and/or any other interested parties, such claims, whatever their basis, may adversely affect the Group's business, operating results and prospects. Disputes are handled by various Group departments, in collaboration with law firms.

The Company rates this risk as **moderate**, given that to the best of its knowledge, as of the date of this Document, there are no government lawsuits or legal or arbitration proceedings in progress.

### Risks relating to the Group's regulatory environment

The Group must comply with numerous national and international regulations, notably concerning financial market information, the content of applications and the protection of consumer rights. Failure to comply with these regulations can have a negative impact on sales and customer loyalty. The Group must also keep a close eye on changes in French and European regulations governing digital assets. Steps have been taken to obtain PSAN accreditation from the AMF in order to anticipate changes in its business.

The Group has assessed these risks as **moderate**, as it ensures that it complies with all applicable regulations. In particular, the Group relies on a team of external lawyers to keep the company up to date with regulations applicable in the European Union, its main area of activity.

### Data security risks

Legislation and regulations relating to the confidentiality and security of personal data are constantly evolving, and if the Group does not comply, or gives the impression that it does not comply, its business could suffer.

The Group is subject to the laws of France, the United States and other countries concerning the confidentiality and security of the personal data the Group collects from its users; these laws are constantly evolving and will remain so for some time. The US government, in particular the Federal Trade Commission and the Department of Commerce, has announced that it is currently examining the need for greater regulation of the collection of information on consumer behavior on the Internet, and the European Union has instituted the GDPR policy. Various governments and consumer groups are also calling for new regulations and changes in industry practices. If the Group fails to comply with laws and regulations relating to the confidentiality of personal data, or if its practices in this regard were to be deemed suspicious by consumers, even if these suspicions were unfounded, this could damage the Group's reputation, and operating income could suffer.

There is a risk that these laws may be interpreted and applied inconsistently from one state, country or region to another, and that such interpretation may not reflect current practices within the Company. The Company may have to incur additional expenses and modify its business practices in order to comply with these various obligations, for example data storage in certain states in the USA. Finally, if the Group were unable to adequately protect its users' confidential information, they could lose confidence in its services, which could adversely affect the Group's business.

The Group has assessed these risks as **low**, as the company mainly collects e-mail addresses.

## **4. Risk coverage measures**

### Protection of intellectual property rights

To minimize the risks described above, the Group uses procedures to formalize and obtain legal and technical approval for all stages in the production and marketing of its products. Specialized lawyers manage, supervise and acquire intellectual property rights for the Group. The Group also works with law firms recognized for their expertise in this field, and uses intellectual property monitoring services. The Group registers trademarks and copyrights for its products in the countries it deems necessary, mainly in Europe, the United States and other major countries.

The Group does not file patents for its applications and is not dependent on any particular patent.

The Group has assessed these risks as **high**.

## **POST-BALANCE SHEET EVENTS**

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Post-balance sheet events were as follows:

**Launch of the \$FAV token:** on June 8, 2023, the company announced the creation of \$FAV, a utility token for the "Football at AlphaVerse" universe dedicated to soccer, developed in collaboration with leading clubs. Real Betis Balompie, São Paulo FC and several other clubs are already partners to date. AlphaVerse universes are free-to-play, work with traditional bank cards, and tokens are an operating option. The \$FAV token will run on several channels, including BNB, Binance's blockchain, and soon Chiliz, a channel renowned for its ability to federate communities in the world of sports and entertainment.

**Partnership with Chiliz:** the company has signed an agreement to list the \$FAV token on the Chiliz exchange platform during 2023. The Chiliz exchange platform specializes in the listing of the Chiliz token (\$CHZ) and Socios tokens dedicated to soccer club fans, with over 40 partner clubs. Tokens from Manchester City, Barcelona FC, PSG, Galatasaray, Juventus and Inter Milan are already listed on the Chiliz exchange platform, making it an ideal partner for "Football at AlphaVerse".

**Amendment to the Xave SPA:** On May 15, 2023, CBI and Xave signed an amendment extending the final completion date of this acquisition to December 31, 2023.

**Creation of a CBI subsidiary in Malta and Liechtenstein:** CBI has taken steps to create two service subsidiaries in these countries to take advantage of local regulations.

Apart from these events, no other significant events occurred between March 31, 2023 and the date on which the financial statements were approved by the Board of Directors.



## COMPENSATION PACKAGES

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### Compensation of the Chairman and Chief Executive Officer for fiscal 2022-2023

#### Fixed annual remuneration

Frédéric Chesnais receives a fixed monthly remuneration of twenty-five thousand (25,000) euros. However, as Mr. Frédéric Chesnais is 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 is responsible for all social protection, pension schemes and/or social security contributions. The gross amount thus paid by the Company amounts to forty-two thousand (42,000) euros, and this amount is paid either to Mr. Frédéric Chesnais and/or to an entity that Mr. Frédéric Chesnais controls, depending on Mr. Frédéric Chesnais' location and/or place of work. A monthly salary of 2,100 euros gross is also paid in respect of his duties as Managing Director in France.

#### Variable compensation / Options

The Board of Directors has decided on the recommendation of the Nominating and Compensation 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%. Frédéric Chesnais is allocated 40% of this pool, with the remainder allocated to the investment team and the Board of Directors. Members of this management team are selected from time to time by the Remuneration and Nomination Committee. The allocation among the members of this management team is decided by the Board of Directors, on the recommendation of the Remuneration and Nomination Committee.

The Board of Directors has also decided, on the recommendation of the Appointments and Remuneration Committee, to allocate a discretionary annual bonus that may represent (barring exceptional circumstances) between 0% and 100% of the annual fixed remuneration paid, incorporating the following elements: level of sales, EBITDA margin, cash generated, share price performance, growth in recurring earnings per share, allowing all other income statement items to be taken into account, as well as various objective criteria linked to the business, in addition to the return on investment allocated under the previous paragraph.

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

In addition, M. Frédéric Chesnais was awarded a fixed bonus of 250,000 euros, increased to take into account the costs corresponding to social protection, pension schemes and/or social security contributions in the same proportions as those indicated above for his monthly remuneration, i.e. a total cost of 420,000 euros. This bonus was paid during the 2022-2023 financial year.

Finally, in the event of the creation of a crypto currency by the Company, fifteen percent (15%) will be reserved for the remuneration of the management team, including eight percent (8%) for the Chief Executive Officer.

#### Remuneration due in respect of directorships

See next paragraph.

### Directors' remuneration

#### Fixed annual remuneration

There is no fixed remuneration.

#### Remuneration due in respect of directorships

For the financial year ending March 31, 2023, the Board of Directors' meeting of November 14, 2022 set, subject to approval by the General Meeting deliberating on the financial statements for the year ending March 31, 2023, a remuneration of 137,500 euros for each director per financial year, i.e. a total of 275,000 euros for the period in question. It is agreed that this sum must be used by the directors to acquire shares in the Company and hold them over the long term. Mr Frédéric Chesnais is not eligible for this compensation, but for a fixed cash amount of 25,000 euros.

The directors wished to participate in the capital increase through the issue of shares with warrants by the Company. The Company offset the amounts owed to them under their terms of office against the new shares

with warrants issued. With the exception of Frédéric Chesnais, each director acquired 171,875 shares with warrants.

Finally, in the event of the creation of a crypto-currency by the Company, five percent (5.0%) will be reserved for the remuneration of 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 among the directors in the same proportion. No payments have been approved or made in respect of the 2022-2023 financial year.

#### Compensation paid to non-executive directors

None.

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This remuneration policy was approved by the Board of Directors on November 14, 2022.

## WORKFORCE FOR FISCAL 2022-2023

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At March 31, 2023, the Company's average workforce was nine employees, the others being consultants or external service providers.

## CBI SA - STOCK OPTION PLAN

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At March 31, 2023, the Company had no stock option plans.

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Paris, June 30, 2023

#### **Crypto Blockchain Industries, SA**

Represented by Frédéric Chesnais  
Chairman and Chief Executive Officer

## II. CONSOLIDATED FINANCIAL STATEMENTS

12-MONTH PERIOD ENDING MARCH 31, 2023

### INCOME STATEMENT

(000's of €)	March 31, 2023	March 31, 2022
Revenue	5 304,8	299,3
Other income	-	3 981,4
Cost of goods sold	(4,5)	(487,1)
<b>GROSS MARGIN</b>	<b>5 300,3</b>	<b>3 793,6</b>
Research and development expenses	(566,1)	(538,5)
Marketing and selling expenses	(1 545,3)	(562,5)
General and administrative expenses	(1 335,0)	(749,6)
Other operating income (expense)	923,4	-
<b>CURRENT OPERATING INCOME (LOSS)</b>	<b>2 777,3</b>	<b>1 943,0</b>
Restructuring costs		
Other income (expense)	(1 281,5)	-
<b>OPERATING INCOME (LOSS)</b>	<b>1 495,8</b>	<b>1 943,0</b>
Cost of debt	(150,0)	(62,2)
Other financial income (expense)	(58,8)	2 044,7
Income tax	-	-
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>1 287,0</b>	<b>3 925,5</b>
Net income (loss) from discontinued operations	-	-
<b>NET INCOME (LOSS) FOR THE YEAR</b>	<b>1 287,0</b>	<b>3 925,5</b>
Group share	1 271,5	3 807,0
Minority interests	15,5	118,5
Basic earnings per share (in euro)	0,005	0,016
Diluted earnings per share (in euro)	0,005	0,016

## BALANCE SHEET

ASSETS (000's of €)		March 31, 2023	March 31, 2022
Intangible assets	Note 3	13 164,9	11 014,5
Property, plant and equipment		15,1	11,8
Rights of use relating to leases	Note 4	1 973,1	2 236,2
Non-current financial assets	Note 5	9 107,5	8 144,9
Deferred tax assets	Note 21	-	-
<b>Non-current assets</b>		<b>24 260,8</b>	<b>21 407,4</b>
Inventories	Note 6	2 407,0	2 828,5
Trade receivables	Note 7	935,7	440,4
Other current assets	Note 8	301,8	-
Cash and cash equivalents	Note 9	450,9	2 647,2
Assets held for sale		-	-
<b>Current assets</b>		<b>4 095,3</b>	<b>5 916,1</b>
<b>Total assets</b>		<b>28 356,1</b>	<b>27 323,5</b>

EQUITY & LIABILITIES (000's of €)		March 31, 2023	March 31, 2022
Capital stock		25 070,4	24 258,8
Consolidated reserves		(4 847,1)	(10 446,8)
Net income (loss) Group share		1 271,5	3 807,0
<b>Shareholders' equity</b>	Note 10	<b>21 494,8</b>	<b>17 619,0</b>
Minority interests		211,4	206,6
Provisions for non-current contingencies and losses	Note 11	-	0,0
Non-current financial liabilities	Note 12	2 332,7	4 573,4
Deferred tax liabilities		-	-
Long term lease liabilities	Note 13	1 771,9	2 015,6
Other non-current liabilities	Note 14	-	-
<b>Non-current liabilities</b>		<b>4 104,6</b>	<b>6 589,0</b>
Provisions for current contingencies and losses	Note 11	-	-
Current financial liabilities	Note 14	-	-
Short term lease liabilities	Note 13	243,6	236,5
Trade payables	Note 14	2 285,6	2 559,2
Other current liabilities	Note 14	15,9	113,2
<b>Current liabilities</b>		<b>2 545,2</b>	<b>2 908,9</b>
<b>Total equity and liabilities</b>		<b>28 356,1</b>	<b>27 323,5</b>

The accompanying notes are an integral part of the financial statements for the 12 months ended March 31, 2023, with total assets of €28,356.1k and net income of €1,287.0k.

## CASH FLOW STATEMENT

(000'S of €)	March 31, 2023	March 31, 2022
<b>Net cash (used)/generated in operating activities</b>	<b>2 035,4</b>	<b>1 341,5</b>
of which continuing operations	2 035,4	1 341,5
<b>Net cash (used)/generated in investing activities</b>	<b>(3 585,3)</b>	<b>(21 469,6)</b>
of which continuing operations	(3 585,3)	(21 469,6)
of which intangible assets and fixed assets	(2 153,8)	(11 026,3)
<b>Net cash provided (used in) by financing activities</b>	<b>(646,3)</b>	<b>22 738,3</b>
of which continuing operations	(646,3)	22 738,3
of which interest paid	(0,5)	(0,5)
<b>Other cash flows</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalent</b>	<b>(2 196,3)</b>	<b>2 610,2</b>



## CHANGES IN SHAREHOLDERS' EQUITY

(000's of €)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
<b>Shareholders' equity as of March 31, 2022</b>	<b>242 587 500</b>	<b>24 258,8</b>	<b>980,9</b>	<b>-</b>	<b>(11 427,7)</b>	<b>3 807,0</b>	<b>17 619,0</b>
Net income	-	-	-	-	-	1 271,5	1 271,5
Repayment of loan	2 000 000	200,0	2 300,0	-	-	-	2 500,0
Capital increase	6 116 983,0	611,7	4 283,3				4 895,0
Expenses offset against additional paid-in capital			(446,3)				(446,3)
March 30, 2022 net income allocated to reserves					3 807,0	(3 807,0)	-
Restatement IFRS 132					(3 656,6)		(3 656,6)
Adjustment provision ATRI token	-	-	-	-	(696,5)	-	(696,5)
Currency translation adjustments / Others	-	-	-	-	8,9	-	8,9
<b>Shareholders' equity as of March 31, 2023</b>	<b>250 704 483</b>	<b>25 070,4</b>	<b>7 117,9</b>	<b>-</b>	<b>(11 965,0)</b>	<b>1 271,5</b>	<b>21 494,8</b>

## BASIS OF PRESENTATION

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Crypto Blockchain Industries, SA ("CBI" or the "Company") is a company incorporated under the laws of France. The financial year runs from April 1<sup>er</sup> to March 31.

The financial statements are presented as at March 31, 2023 for the entire fiscal year 2023, i.e. from April 1<sup>er</sup> 2022 to March 31, 2023.

The scope of consolidation (referred to as the "Group") comprises CBI and 2 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

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CBI is a company offering a global investment approach covering the main aspects of blockchain.

CBI's strategy is to invest in operational activities and start-ups, as well as in crypto-currencies and tokens. CBI, after a meticulous review of projects, invests in those aspects of blockchain offering the best estimated opportunities:

- Operational activities: CBI controls, alone or in partnership, the business (transport, video games) ;
- Investments: CBI invests in start-ups; CBI also invests to help companies successfully transition to the blockchain world;
- Intellectual property rights: CBI can invest in intellectual property rights (IPs), or create its own portfolio;
- Portfolio management: CBI holds and manages crypto-currencies and tokens, and can also hold liquid assets such as shares in listed blockchain and video game companies.

To offer greater flexibility and optimize the chances of commercial success for its flagship product, the AlphaVerse digital world, CBI also offers payment options in traditional currencies where technically possible.

CBI's objective is to grow its portfolio of assets, optimize return on investment and operate with a limited level of fixed costs, focusing on the best opportunities in the industry.

CBI can use leveraged financing techniques, while maintaining the priority of collateralization to minimize the level of risk.

The complementary nature of these activities also enables synergies to be created.

### CBI: Strategy and development for a connected, open virtual world

The company's core business is currently focused on the development of AlphaVerse, a beautifully designed, feature-rich digital virtual world. AlphaVerse is organized around a central place, the "Hub", which connects numerous universes 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 the major cryptocurrencies as well as the Crystal token (\$CRYS), AlphaVerse's cryptocurrency, and the \$FAV token, Football at AlphaVerse's cryptocurrency. 600 million units of the Crystal token have been created on the blockchain, with the 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). 11 billion units of the \$FAV token have been created: the tokens will enable microtransactions in the Football at AlphaVerse universe, participation in quests or mini-games, the purchase of NFTs, the running of referral programs, access to discounts on purchases or the earning of FAV tokens in connection with user creativity or commitment, in the manner of a loyalty card. CBI aims to list \$FAV in 2023.

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 for testing in September 2022, generating many positive and enriching feedbacks. After an initial development phase during which priority was given to video games, music and the associative world, all leading fields bringing together vast international communities, the universes currently under development are as follows:

- **MetaCoaster:** an amusement park simulation game on blockchain. Users will be able to play solo to hone their skills, or take part in global park-building competitions and win cryptos.
- **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 "United at Home" charity program 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 with each other and 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 art of the 90s will find their place in Artech. Artech is a metaverse entirely dedicated to digital art and artists, where we create an entire 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 legendary photographer Chi Modu, 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 open virtual world of constant expansion and evolution, where music fans discover a new world filled with music, incredible shows, festivals and events. This metaverse is currently being acquired by CBI, for \$1 million mainly paid in CBI shares and an earn-out clause.
- **Chain Games:** Chain Games is a blockchain-integrated gaming network offering decentralized skill games, Skill-Based and Play-to-Earn contests, allowing players to earn crypto-currencies as a reward for their efforts. This world will be developed and operated by Chain Games.
- **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 rave culture and the electronic music community.
- **Soccer at AlphaVerse:** Football at AlphaVerse is a world dedicated to soccer, in which visitors can move around the various emblematic locations of their favorite clubs and enjoy a variety of games and entertainment.

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 currently 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 targets celebrities from all walks of life to develop their image on blockchain, notably through NFTs and community animation tools.

In accordance with Article 2 of the Articles of Association, CBI's corporate purpose is, in France or abroad, directly or indirectly:

- The creation and marketing of digital assets, particularly on blockchain;
- The design, production, publishing and distribution of all multimedia and audiovisual products and works, in particular for leisure purposes, in any form whatsoever and in particular in the form of software, data processing or interactive or non-interactive content, on any medium and through any current or future means of communication;
- The acquisition of any company, entity, business or other undertaking that is active in blockchain or is likely to evolve in whole or in part in this field, regardless of the type of activity named ;
- Production of all kinds of leisure, sports, audiovisual and other activities;

- The creation, acquisition, operation and management of intellectual and industrial property rights or other real or personal rights, in particular 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;
  - Acquiring, seeking partnerships with and acquiring interests in any form whatsoever, in particular by creation, issue, subscription or contribution, in any activity directly or indirectly related to the above-mentioned purpose 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 FINANCIAL STATEMENTS

### • NOTE 1 - HIGHLIGHTS OF THE YEAR

Fiscal year 2022-2023 was marked by the opening of the metaverse, AlphaVerse, for the first user tests and the announcement of new universes, including one dedicated to soccer. On the financial front, the year was also marked by a capital increase by way of an offer carried out in February 2023.

Highlights of the period were as follows:

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

**2 Chain Games:** On July 26, 2022, CBI signed a partnership agreement with Chain Games, publisher of *Skill-Based and Play-to-Earn* games, for the creation of spaces dedicated to these games and the development of content in the AlphaVerse, with a license fee of US\$2 million for the benefit of CBI. CBI and Chain Games have entered into a series of agreements, under which :

- (v) the Company sold Chain Games the right to own a space in the Hub, for US\$2 million paid by Chain Games in CHAIN tokens
- (vi) the Company and Chain Games have agreed to share future revenues generated in this area of the Hub
- (vii) Chain Games has agreed to develop a separate world, with the Company entitled to a share of the revenues generated by this separate world.
- (viii) the Company has retained Chain Games as its strategic advisor for the next 5 years, in exchange for CBI shares and CRY tokens

**3. Amendment to liquidity contract with TSAF:** On September 5, 2022, 200,000 euros in cash were withdrawn from the liquidity contract with TSAF.

**4 Opening of AlphaVerse:** On September 21, 2022, CBI opened the central part (the Hub) of its AlphaVerse metaverse in a test phase for the first players from its community.

**5. Repayment of the loan of 2 million CBI shares:** 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 million CBI shares by issuing and delivering an identical number of CBI shares.

**6 Loan agreement for 5 million 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. The loan will be taken out at a later date, as and when the Company's needs arise.

**7. Amendment to the July 29, 2022 Loan Agreement:** On January 3, 2023, the Company entered into an amendment to the July 29, 2022 loan agreement with Ker Ventures SARL to extend the loan agreement to Ker Ventures LLC and to include a current account agreement with the Company for a maximum amount of \$1 million.

**8. Change of registered office:** CBI changed its registered office during the year. Its new address is: 38 rue de Berri, 75008, Paris.

**9. Development of "Football at AlphaVerse":** CBI aims to accelerate AlphaVerse's growth, particularly in the world of digital worlds dedicated to soccer, which it is developing on behalf of leading clubs. Operated by CBI under revenue-sharing licenses granted by the clubs, these worlds are based on a Free-to-Play model. Each world reproduces the club's stadium in 3D, at the heart of a digital world dedicated to the club and packed with experiences and mini-games. Each seat in these digital stadiums is an NFT that offers real-life benefits. CBI offers these partner soccer clubs first-rate access to Web3, and aims to provide every fan with a unique online experience. Over the last few months, CBI has been in contact with numerous clubs in England, Italy, Spain, Brazil and Colombia, and many of them have expressed interest. CBI has begun signing contracts with soccer clubs, and plans to expand significantly in this area.

**10. 6 partnership agreements signed with various soccer clubs:** Six partnership agreements have been officially signed with soccer clubs as part of the development of Football at AlphaVerse. These clubs include Real Betis Balompié, São Paulo Football Club, Cardiff City Football Club, Spezia Calcio, Real Sociedad and Asociación Deportivo Cali. In order to enhance the experience of Football at AlphaVerse users, the Company has committed to creating a digital version of the world of these clubs. This initiative will enable fans and supporters around the world to meet, stay informed and enjoy unique experiences linked to their favorite clubs.

**11. Horyou AlphaVerse will donate 2% of its gross sales and join the "1% for the Planet" program.** 1% of sales will be allocated to the "1% for the Planet" program, and a further 1% will be donated to charitable programs and causes that are part of the Horyou AlphaVerse metaverse.

**12. Future Rave, the new label from David Guetta and Morten, is teaming up with AlphaVerse to develop a metaverse dedicated to the new musical genre created by the world-renowned DJ and music producer duo.** David Guetta and Morten will deploy their new Future Rave label in the metaverse. A new universe will be created within AlphaVerse, CBI's metaverse, to share, find new artists, create and exchange with the community. This project is brought to you by Blockchain Artists Agency (BAA), the talent management agency for blockchain.

**13. CBI advises the Cornucopias project, a multiplayer game based on blockchain:** Cornucopias is an innovative project based around a massively multiplayer online role-playing game, and brings together a number of assets specific to blockchain: gaming, learning, creation and sharing. CBI is entitled to 0.5% of the COPI tokens issued by Cornucopias and will own 1.0% of the capital of Cornucopias Technology PTE. LTD, the company created to develop the Cornucopias metaverse.

**14. CBI has published its *whitepaper* and roadmap for its AlphaVerse digital universe:** The *whitepaper* details AlphaVerse's technology and vision. It also includes a roadmap outlining milestones and partnerships for the development and growth of the AlphaVerse ecosystem.

**15. Capital increase of 4,891,749.60 euros through the issue of ABSAs with preferential subscription rights:** in February 2023, CBI carried out a capital increase through the issue of ABSAs in order to accelerate its development in the world of soccer. The BSAs entitle their holders to subscribe to new CBI shares at a price of €1.40 no later than March 31, 2024.

**16. Application for PSAN (Prestataire de Services sur Actifs Numériques) approval:** in March 2023, CBI applied for PSAN (Prestataire de Services sur Actifs Numériques) approval from the Autorité des Marchés Financiers.

**17. 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 PRINCIPLES AND METHODS

### 2.1. General principles

#### Preparation of financial statements

The consolidated financial statements have been prepared in accordance with IFRS (standards and interpretations) as adopted by the European Union and whose application is mandatory as of April 1<sup>er</sup> 2022, with the exception of new rules and interpretations whose application is not mandatory for the 2022-2023 financial year and whose impact on the financial statements would not be material.

The Group's financial statements are presented in thousands of euros to one decimal place, unless otherwise indicated. Rounding to the nearest thousand euros may, in some cases, result in immaterial discrepancies in the totals and subtotals of the tables.

### Consolidation method

Companies controlled by the Group, i.e. those in which it has the power to make financial and operating decisions, are fully consolidated.

These companies are as follows:

Company	Fiscal Year End	Country	% control		% interest	
			31/03/2023	31/03/2022	31/03/2023	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

- The NCX subsidiary is not consolidated as it does not meet the consolidation criteria.

## 2.2 Change in accounting method

There was no change in accounting method during the period.

## 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. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date. All differences are recognized in profit or loss for the period, with the exception of differences on borrowings in foreign currencies which constitute a hedge of the net investment in a foreign entity. These are charged directly to equity until the net investment is disposed of.

The current exchange rates are as follows:

	March 31, 2023		March 31, 2022	
	Closing rate	Average rate	Closing rate	Average rate
USD	1,0875	1,0411	1,1085	1,1010

## 2.4. Non-current assets held for sale and discontinued operations

Not applicable.

## 2.5. Use of estimates

The preparation of consolidated financial statements in accordance with IFRS requires the Group to make certain estimates and assumptions that it considers reasonable and realistic. These estimates and assumptions affect the reported amounts of assets and liabilities, shareholders' equity, net income and contingent assets and liabilities at the balance sheet date.

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

Estimates and assumptions are based on information available at the balance sheet date, and relate in particular to: the valuation of non-current assets, the recoverable amount of deferred tax assets, and provisions for contingencies.

There is always an inherent uncertainty surrounding the achievement of objectives, the operating budget and the financing plan, and the non-achievement of assumptions may have an impact on the valuation of the Group's assets and liabilities.



## 2.6 Intangible assets

Intangible assets mainly comprise items such as acquired management software, rights to use acquired licenses, trademarks and video game development costs.

### Concessions

Agreements giving CBI the right to receive a portion of future revenues or profits are recorded as Concessions. This category includes, in particular, *joint venture agreements* with third parties under which CBI is responsible for creating, promoting and selling tokens in exchange for a fraction of the revenues or profits.

### Licenses

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

These licenses are amortized from the date of execution at the higher of the contractual rate applied to units sold and the straight-line rate based on the life of the license. The amortization charge is recorded under "cost of sales".

The Group regularly monitors the recoverable value of capitalized amounts, and performs an impairment test, as described in paragraph 2.9, as soon as indicators of impairment appear. Impairment is recognized under "cost of sales" if the game to which the license relates has been marketed, and under "research and development costs" if it has not.

### Video game development costs

See Note 2.20.

### Other intangible assets

Other intangible assets include identifiable intangible assets arising from acquisitions (e.g. brands, game catalogs) and software acquired for internal use (e.g. accounting software). With the exception of brands, these assets are amortized under "General and administrative expenses" or "Research and development expenses" on a straight-line basis over a period not exceeding their estimated useful life (between 1 and 4 years).

## 2.7. property, plant and equipment

Property, plant and equipment are carried at cost less depreciation and impairment. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets concerned. Leasehold improvements are depreciated over the shorter of their estimated useful life or the lease term. The lease term takes into account 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 fittings and other equipment: 3 to 10 years

## 2.8. Rights of use relating to leases

Where the Group is the lessee, leases (with the exception of short-term leases and leases of low-value assets) are recognized as a right-of-use asset under property, plant and equipment on the date the leased asset becomes available for use.

The corresponding liability to the lessor is included in the balance sheet as a financing obligation. Lease payments are apportioned between finance charges and repayment of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rights of use are amortized over the contractual period used to calculate the related lease liability.

## 2.9. Impairment tests

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

These tests involve comparing the net book value of assets with their recoverable amount, which corresponds to the higher of fair value less costs to sell and their value in use, estimated by the net present value of future cash flows generated by their use.

When the fair value of an intangible asset (excluding goodwill) or item of property, plant and equipment is assessed during a given year, and the recoverable amount exceeds the asset's carrying amount, any impairment losses recognized in previous years are reversed through the income statement.

Goodwill and other intangible assets with indefinite useful lives, as well as intangible assets in progress, are tested for impairment whenever there is an indication that they may be impaired.

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

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

If the annual impairment test reveals that the recoverable amount is lower than the net book value, an impairment loss is recognized to write down the carrying amount of fixed assets or goodwill to their fair value.

Impairment losses recognized on goodwill are never reversed through the income statement.

## 2.10. Non-current financial assets

Financial assets comprise shares in non-consolidated companies, investments in associates, derivatives not qualifying as hedges, deposits and loans, marketable securities, positive cash balances and operating receivables.

Financial assets are classified as "non-current", except for those maturing in less than 12 months at the balance sheet date, which are classified as "current assets" or "cash equivalents" as appropriate.

Financial assets held by the Group are analysed according to the business model and its objectives:

- assets measured at amortized cost: financial assets held to collect contractual cash flows,
- assets measured at fair value: financial assets held for resale, with a view to receiving contractual cash flows.

Classification depends on the nature and purpose of each financial asset, and is determined at initial recognition.

## 2.11. Inventories

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

Portfolio Valuation March 31, 2023							
Token	# Tokens	Market Price/Token US\$	Market Value US\$	Market Value Euro	Gross Value Euro	Accrual Euro	Net Value Euro
	A	B	A*B	C = A*B	D	E = C - D (If < 0)	D-E
ETH	124.81	\$1,822.00	\$227,405.50	€209,108.51	€488,224.56	-€279,116.05	€209,108.51
USDt	52,863.13	\$1.00	\$52,863.13	€48,609.77	€47,306.75	€1,303.02	€48,609.77
BTC	26.98	\$28,478.48	\$768,349.39	€706,528.18	€1,160,881.88	-€454,153.70	€706,528.18
USDC	20,974.05	\$1.00	\$20,974.05	€19,286.48	-€32,936.61	€52,223.09	€19,286.48
CHAIN GAMES	54,095,429.00	\$0.03	\$1,361,581.95	€1,252,029.38	€1,970,055.16	-€718,025.78	€1,252,029.38
BNB	0.51	\$317.04	\$161.34	€148.36	€84.09	€64.27	€148.36
WEH	0.98	\$1,823.38	\$1,792.00	€1,647.82	€2,336.88	-€689.06	€1,647.82
MATIC	567.20	\$1.12	\$634.81	€583.74	€349.46	€234.28	€583.74
COPt	4,800,001.00	\$0.04	\$182,640.04	€167,944.86	€62,872.02	€105,072.84	€167,944.86
ATRI	326,489.00	\$0.00	\$0.00	€0.00	€696,542.39	€0.00	€0.00
CRYS	108,760,000.00	\$0.08	\$9,062,970.80	€8,333,766.25	€108.76	€0.00	€108.76
LIGHTS	6,520,000,000.00	\$0.00	\$18,300,000.00	€14,988,505.75	€652.00	€0.00	€652.00
KTG	26,500,000.00	\$0.00	\$0.00	€0.00	€0.00	€0.00	€0.00
<b>TOTAL</b>			<b>\$27,979,375.02</b>	<b>€25,728,140.02</b>	<b>€4,396,278.35</b>	<b>-€1,293,087.10</b>	<b>-€696,542.39</b>
							<b>€2,406,648.86</b>

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

Costs invoiced by developers for the creation of tokens and NFTs are recognized in inventory and expensed as the NFTs are sold. The balance is recognized as intangible assets and amortized over the useful life of the assets.

The following creation costs have been established:

- CRY: The production cost invoiced by the developers was 600 euros, corresponding to the time spent creating these tokens. Or 0.01 euro per 10,000 CRY sold.
- LIGHTS: the production cost invoiced by the developers was closer to 1,800 euros, as the contract was more complex to draw up to create the 18 billion LIGHTS tokens. That's 0.001 euro per 10,000 LIGHTS sold.
- NFT STANDARD: Production costs depend on the value and quality of the assets, and the number of items in the collection. These costs are estimated at 0.01 euro cents per standard NFT, corresponding to the production cost invoiced by developers.

The cost of transferring tokens is paid directly on the blockchain and expensed.

## 2.12. Trade accounts receivable

Trade receivables are recorded at fair value, which generally corresponds to their face value. Provisions are booked for doubtful debts, based on the risk of non-recovery.

IFRS 9 requires the recognition of expected credit losses on trade receivables. The Group has carried out a review of its trade receivables based on an analysis of country risks and the probability of counterparty default. This review has no material impact on the Group's financial statements.

## 2.13. Crypto-currencies and related transactions

The tokens held by the Company are recorded in "Inventory", under "Current assets", in accordance with the June 2019 position of IFRS IC.

The token portfolio is carried at acquisition cost.

The portfolio is valued on a line-by-line basis, with each crypto-currency valued on the basis of different volume-weighted average prices to reflect the value of each overall crypto-currency. If the value of the crypto-currency exceeds its acquisition cost, no unrealized profit is recognized. If the value of the crypto-currency is less than its acquisition cost, an impairment loss is recognized in the income statement.

There are no explicit or implicit obligations to subscribers and token holders. Consequently, amounts received in connection with these services are recognized in other income.

## 2.14. Cash and cash equivalents

Cash and cash equivalents, as shown in the consolidated cash flow statement, comprise cash (cash on hand and demand deposits) and cash equivalents (short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value).

Investments with an initial maturity of more than three months and no possibility of early withdrawal are excluded from cash and cash equivalents.

## 2.15. Share-based payments

The Group makes equity-settled share-based payments in the form of stock options and bonus shares.

Share-based payments settled in equity instruments are measured at fair value at the grant date (excluding the effect of non-market conditions). The cumulative expense recognized is based on the fair value at the grant date and on the estimated number of shares that will ultimately vest (taking into account the effect of non-market vesting conditions). It is recognized in recurring operating income over the vesting period, with a corresponding adjustment to shareholders' equity.

The fair value of stock options is determined using the Black-Scholes model. This takes into account the characteristics of the plan (exercise price, exercise period), market data at the time of grant (risk-free rate, share price, volatility, expected dividends) and an assumption concerning the behavior of beneficiaries.

## 2.16. Provisions

A provision is recognized when there is a present obligation (legal or constructive) towards a third party as a result of past events, the extent of which can be reliably estimated, and which is likely to result in an outflow of resources to the third party without at least equivalent consideration being expected from the latter. If the amount or timing of the obligation cannot be estimated with sufficient reliability, it is classified as a contingent liability and constitutes an off-balance sheet commitment.

## 2.17. Provisions for pensions and other post-employment benefits

A provision of €2,000 has been set aside for pension and other post-employment benefit obligations, which is not material.

## 2.18. Liabilities and financial instruments

Financial liabilities include bonds and other borrowings, finance lease liabilities and operating liabilities.

Financial liabilities are classified as "non-current", except for those maturing in less than 12 months at the balance sheet date, which are classified as "current liabilities".

### Bonds and other borrowings

Bonds and other interest-bearing borrowings are initially recognized at the fair value of the consideration received, which corresponds to cost, net of expenses directly attributable to the issue of the debt. These financial liabilities are subsequently measured at amortized cost, using the effective interest method. This rate corresponds to the internal rate of return used to discount the series of cash flows expected over the term of the loan.

### Shareholder loan

These loans are initially recognized at fair value, corresponding to their nominal value, and are subsequently measured at amortized cost.

### Lease liabilities

See Note 2.8.

### Trade accounts payable

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

## 2.19. Revenue recognition - income from ordinary activities

### Gaming revenues

CBI derives its sales from the sale of tokens, NFTs and other games. The Group accounts for its sales by comparing the sales reported by distributors or agents for the same period with the sales reported for the month in question.

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

- Transaction liability ;
- Storage risk ;
- Freedom of pricing ;
- Determining product specifications ;
- Credit risk.

Based on these criteria, the activity is booked under "Other income".

### Income from sales of Crystal tokens ("CRYS")

Sales are recognized as revenue.

Variations between the billing date and the collection date are recorded under financial income/expense.

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

### Income from the sale of non-fungible tokens ("NFTs")

The sale is recorded on the date the sale is signed.

Sales are recorded as income.

Variations between the billing date and the collection date are recorded under financial income/expense.

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

### Brand licensing revenues

Revenues from brand licenses are spread over the term of the contract.

For brand licensing contracts, non-refundable or guaranteed payments are recognized over the term of the license.

### Revenues from AlphaVerse game licenses and others

Sales corresponding to the guaranteed minimums received by CBI for game license contracts relating to a right to use intellectual property, such as the AlphaVerse, are recognized at the time the license is granted and the customer is able to use and benefit from the advantages of the license, i.e. once CBI no longer has a significant obligation.

Revenue recognition is performed after assessing the recoverability of receivables, based on the customer's intention and ability to pay, a prerequisite for recognizing amounts as sales.

If a CBI obligation exists, income is deferred and recognized only when the obligation has been fulfilled.

## **2.20. Research and development costs**

### Gross value

Research and development costs are capitalized when the criteria set out in IAS 38 are met:

- 1) The technical feasibility of completing the intangible asset so that it can be put into service or sold;
- 2) The company's intention to complete the intangible asset and put it into service or sell it;
- 3) The company's ability to commission or sell the intangible asset;
- 4) The ability of this intangible asset to generate future economic benefits ;
- 5) The availability of appropriate technical, financial and other resources to complete the development and put the intangible asset into service or sell it;
- 6) The company's ability to reliably measure the expenditure attributable to the intangible asset during its development.

Research and development costs not meeting these criteria remain expensed in the year they are incurred.

At year-end, the residual net book value is compared with the future sales forecasts to which the terms of the contract apply. If these sales forecasts turn out to be lower, an additional provision for depreciation is booked accordingly.

The Group does not benefit directly from research tax credits.

### Amortization of R&D costs

A portion of the expenses invoiced by developers is allocated to NFTs and recognized as inventory (see "Sales recognition").

The balance is distributed as follows:

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

## **2.21. Marketing and sales expenses**

Advertising and user acquisition costs for mobile and online games are expensed as incurred, and included in "Marketing and selling expenses" in the consolidated income statement.

## 2.22. Operating income before non-recurring items and operating income

Operating income before non-recurring items comprises gross margin less recurring 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 recurring operating income after taking into account :
- Gains and losses on disposals of non-financial assets other than intellectual property rights ;
- Restructuring;
- Impairment of goodwill or badwill income ;
- Litigation or highly unusual events.

## 2.23. Financial income and expense

### Cost of debt

Net financial debt comprises all current and non-current borrowings, less cash and cash equivalents. The cost of net indebtedness comprises income and expenses generated by the components of net indebtedness during the period, including the results of interest-rate and currency hedging. Net cost of debt includes in particular the following items:

- Interest expense and income on consolidated net debt, comprising 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 expense

"Other financial income and expense" includes the following items:

- Dividends received from non-consolidated investments ;
- The effect of discounting provisions ;
- Capital gains and losses on disposals of financial assets ;
- Foreign exchange gains/losses.

## 2.24. Taxes

The Company accounts for taxes due in accordance with applicable regulations.

## 2.25. Earnings per share

The Company presents basic and diluted earnings per share.

Earnings per share correspond to the Company's net income divided by the weighted average number of shares outstanding during the year, less treasury stock where applicable.

The reference number of shares is the number of shares at the date of this document and at March 31, 2023.

Diluted earnings per share are calculated by dividing adjusted net income by the weighted average number of ordinary shares outstanding, plus all dilutive potential ordinary shares.

## NOTE 3 - INTANGIBLE ASSETS

At March 31, 2023, intangible assets were as follows:



(000's of €)	March 31, 2022	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2023
Games development	2 514,5	2 295,7	-	4 810,2
Software	-	6,7	-	6,7
Logos and brands	20,9	54,5	-	75,4
Rights on NCX tokens	4 101,7	-	-	4 101,7
Goodwill	4 105,0	-	(25,4)	4 079,6
Goodwill OPP	90,2	1,7	-	92,0
<b>Total gross value</b>	<b>10 832,3</b>	<b>2 358,7</b>	<b>(25,4)</b>	<b>13 165,5</b>
<b>Total amortization</b>	<b>-</b>	<b>(0,6)</b>	<b>-</b>	<b>(0,6)</b>
<b>Total net value</b>	<b>10 832,3</b>	<b>2 358,1</b>	<b>(25,4)</b>	<b>13 164,9</b>

## NOTE 4 - LEASEHOLD RIGHTS OF USE

At March 31, 2023, the rights were measured in accordance with IFRS 16.

## NOTE 5 - FINANCIAL INSTRUMENTS

### 5.1. Non-current financial assets

Financial assets are initially measured at fair value, plus transaction costs directly associated with the acquisition in the case of a financial asset not measured at fair value through profit or loss. The acquisition costs of financial assets measured at fair value through profit or loss are recognized in the income statement. The Company considers 3 categories of assets:

- Amortized cost
- Fair value through other comprehensive income (JVOCI)
- Fair value through profit or loss

This classification depends on the asset holding business model defined by the Group and the contractual cash flow characteristics of the financial instruments.

#### Financial assets at amortized cost

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 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 at fair value through other comprehensive income (OCI)

This category includes debt and equity instruments.

Debt instruments are measured at fair value through profit or loss if they are not designated at fair value through profit or loss and if they are held for the purpose of receiving contractual cash flows and for sale, and give rise to cash flows corresponding solely to repayment of principal and interest payments ("SPPI" criterion). Interest income, foreign exchange gains and losses and impairment losses are recognized in the income statement. Changes in fair value are recorded in OCI. On derecognition, cumulative changes in fair value under OCI are reclassified to the income statement.

Equity instruments that are not held for trading may be measured at fair value by OCI. The Group may make this irrevocable choice on an investment-by-investment basis. Dividends are then recognized in the income statement unless they clearly represent the recovery of part of the cost of the investment. Changes in fair value are recognized in OCI and never reclassified to the income statement.

#### Financial assets at fair value through profit or loss

All assets not classified as at amortized cost or fair value through profit or loss are measured at fair value through profit or loss. Net gains and losses, including interest or dividends received, are recognized in the income statement.

### Financial assets at amortized cost

Non-current financial assets measured at amortized cost mainly comprise :

- deposits and guarantees ;

Trade receivables maturing in over one year are recognized using the effective interest method.

(000's of €)	March 31, 2022	Increases	Decreases	Currency impact	March 31, 2023
Investments in subs. and associates	-	-	-	-	-
Cornucopias	-	911,3	-	-	911,3
Xave	-	51,2	-	-	51,2
NCX	8 069,9	-	-	-	8 069,9
Deposits	75,0	0,1	-	-	75,1
Other fixed assets	-	-	-	-	-
<b>Total gross value</b>	<b>8 144,9</b>	<b>962,6</b>	<b>-</b>	<b>-</b>	<b>9 107,5</b>
<b>Provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net value</b>	<b>8 144,9</b>	<b>962,6</b>	<b>-</b>	<b>-</b>	<b>9 107,5</b>

(000's of €)	March 31, 2022	Increases	Decreases	Currency impact	March 31, 2023
Investments in subs. and associates	-	-	-	-	-
Receivables from subs. and associates	-	-	-	-	-
Accrued interest on receivables	-	-	-	-	-
NCX	-	-	-	-	-
Deposits	-	-	-	-	-
Other fixed assets	-	-	-	-	-
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5.2 Balance sheet information

Financial instruments comprise assets, derivatives and liabilities.

The following table shows these assets and their maturities:

As at March 31, 2023 (000's of €)	Net Value	Schedule		
		Less than 1 year	Between 1 & 5 years	More than 5 years
IFRS 16 Restatement	1 973,1	1 973,1	-	-
Financial assets	9 107,5	9 107,5	-	-
<b>FINANCIAL ASSETS</b>	<b>11 080,7</b>	<b>11 080,7</b>	<b>-</b>	<b>-</b>
Shareholders' loan	2 332,7	599,2	1 733,5	-
Lease liabilities	2 015,5	243,6	1 771,9	-
Trade payables	2 285,6	2 285,6	-	-
Other current liabilities	15,9	15,9	-	-
<b>FINANCIAL LIABILITIES</b>	<b>6 649,7</b>	<b>3 144,4</b>	<b>3 505,4</b>	<b>-</b>

Application of IFRS 16 (restatement of leases) has resulted in the recognition of an accounting liability of €2,015.5k (of which €1,771.9k is classified as a long-term liability, with the balance classified as a short-term liability).

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

## NOTE 6 - INVENTORIES

Portfolio Valuation March 31, 2023							
Token	# Tokens	Market Price/Token US\$	Market Value US\$	Market Value Euro	Gross Value Euro	Accrual Euro	Net Value Euro
	A	B	A*B	C = A*B	D	E = C - D (if < 0)	D - E
ETH	124.81	\$1,822.00	\$227,405.50	€209,108.51	€488,224.56	-€279,116.05	€209,108.51
USDT	52,863.13	\$1.00	\$52,863.13	€48,609.77	€47,306.75	€1,303.02	€48,609.77
BTC	26.98	\$28,478.48	\$768,349.39	€706,528.18	€1,160,681.88	-€454,153.70	€706,528.18
USDC	20,974.05	\$1.00	\$20,974.05	€19,286.48	-€32,936.61	€52,223.09	€19,286.48
CHAIN GAMES	54,095,429.00	\$0.03	\$1,361,581.95	€1,252,029.38	€1,970,055.16	-€718,025.78	€1,252,029.38
BNB	0.51	\$317.04	\$161.34	€148.36	€64.09	€64.27	€148.36
WEIH	0.98	\$1,823.38	\$1,792.00	€1,647.82	€2,336.88	-€689.06	€1,647.82
MATIC	567.20	\$1.12	\$634.81	€583.74	€349.46	€234.28	€583.74
COPI	4,800,001.00	\$0.04	\$182,640.04	€167,944.86	€62,872.02	€105,072.84	€167,944.86
ATRI	326,489.00	\$0.00	\$0.00	€0.00	€696,542.39	€0.00	€0.00
CRYS	108,760,000.00	\$0.08	\$9,062,970.80	€8,333,766.25	€108.76	€0.00	€108.76
LIGHTS	6,520,000,000.00	\$0.00	\$16,300,000.00	€14,988,505.75	€652.00	€0.00	€652.00
KTG	26,500,000.00	\$0.00	\$1.00	€0.00	€0.00	€0.00	€0.00
<b>TOTAL</b>			<b>\$27,979,375.02</b>	<b>€25,728,160.02</b>	<b>€4,396,278.35</b>	<b>-€1,293,087.10</b>	<b>€2,406,648.86</b>

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

Costs invoiced by developers for the creation of tokens and NFTs are recognized in inventory and expensed as the NFTs are sold. The balance is recognized as intangible assets and amortized over the useful life of the assets.

The following creation costs have been established:

- CRY: The production cost invoiced by the developers was 600 euros, corresponding to the time spent creating these tokens. Or 0.01 euro per 10,000 CRY sold.
- LIGHTS: the production cost invoiced by the developers was closer to 1,800 euros, as the contract was more complex to draw up to create the 18 billion LIGHTS tokens. That's 0.001 euro per 10,000 LIGHTS sold.
- NFT Standard: The production cost depends on the value and quality of the assets, and the number of items in the collection. These costs are estimated at 0.01 euro cents per standard NFT, corresponding to the production cost invoiced by developers.

The cost of transferring tokens is paid directly on the blockchain and expensed.

## NOTE 7 - TRADE ACCOUNTS RECEIVABLE

Trade receivables, after deduction of sales returns and other future trade discounts, if any, amounted to €935.7k at March 31, 2023. At March 31, 2023, the balance of trade receivables corresponds to receivables from distributors, which are collected between 30 and 60 days in advance.

(000's of €)	March 31, 2023	March 31, 2022
Trade receivables	935,7	440,4
Provisions for impairment in value	-	-
<b>Trade receivables net value</b>	<b>935,7</b>	<b>440,4</b>

The limited number of customers means that we can review our receivables on a regular basis. When a customer falls into arrears, an analysis is carried out, taking into account the age of the receivable, the customer's financial situation, the possibility of negotiating a payment plan, the 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 booked as a loss.

## NOTE 8 - OTHER CURRENT ASSETS

Other current assets break down as follows:

(000's of €)	March 31, 2023	March 31, 2022
Inventories	2 407,0	2 828,5
Trade receivables	935,7	440,4
Current financial assets	-	-
Difference of change	3,2	-
Others	298,5	-
<b>Other current assets</b>	<b>3 644,4</b>	<b>3 268,9</b>

## NOTE 9 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the cash flow statement comprise (i) cash (cash in hand and demand deposits) of €3,644.4 K and (ii) cash equivalents (short-term, highly liquid investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value) valued at market value at the balance sheet date.

(000's of €)	March 31, 2023	March 31, 2022
Cash and cash equivalents	450,9	2 647,2
Short-term investments	-	-
<b>Cash and cash equivalents</b>	<b>450,9</b>	<b>2 647,2</b>

## NOTE 10 - SHAREHOLDERS' EQUITY

### 10.1. Share capital

#### Common shares

At March 31, 2023, the Company's subscribed and fully paid-up capital amounted to €25,070,448.30, divided into 250,704,483 shares with a par value of €0.10 each. The number of voting rights attached to the Company's shares is 248,979,483, as treasury shares do not carry voting rights.

In addition, there are 6,107,799 share subscription warrants (BSA), with 3 BSA entitling their holders to purchase 1 new CBI share at a price of €1.40 by March 31, 2024 at the latest. If all these warrants are exercised, 2,035,933 new shares could be created. The number of CBI shares likely to be in circulation is thus 252,740,416. The table below shows the breakdown of these shares.

#### Changes in the number of shares during the year

March 31, 2022		242 587 500
24/09/2021	Shares loan refund	2 000 000
09/02/2023	Capital increase	6 116 983
March 31, 2023		250 704 483

At the date of this document, the breakdown of shareholders holding more than 2% of the capital and voting rights is as follows:

	Number of Shares		Fully Diluted*	
	#	%	#	%
Ker Ventures, SARL	224 392 425	89,50%	224 392 425	88,78%
Ker Ventures, LLC	3 914 265	1,56%	5 150 354	2,04%
<b>Total F. Chesnais</b>	<b>228 306 690</b>	<b>91,07%</b>	<b>229 542 779</b>	<b>90,82%</b>
Treasury Shares	1 725 000	0,69%	1 725 000	0,68%
Free Float	20 672 793	8,25%	21 474 933	8,50%
<b>Total</b>	<b>250 704 483</b>	<b>100,00%</b>	<b>252 742 712</b>	<b>100,00%</b>

\*if all 6,107,799 outstanding warrants are exercised, 3 warrants entitle the holder to purchase 1 new CBI share at a unit purchase price of €1.40 until March 31, 2024.

Registered shares may carry double voting rights if they have been held for at least two years. As of the date of this document, no shares carry double voting rights.

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

The Company's shares have been listed on Euronext Growth Paris since October 26, 2021. The mnemonic is ALCBI.

Each share carries one vote for each resolution submitted to the shareholders. A double voting right is attached to all existing fully paid-up shares held by the same shareholder for at least two years, as well as to all shares subsequently acquired by the same shareholder through the exercise of 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 total amount of the Company's profit and distributable reserves. Such distributions are made as decided by the Company's shareholders at a general meeting. The Company has not paid any dividends in the last three years.

## 10.2. Treasury stock

At March 31, 2023, the Company held 1,725,000 of its own shares.

## 10.3 Stock option plan

At March 31, 2023, CBI had no stock option plans.

## 10.4. Other dilutive instruments

At March 31, 2023, the only dilutive items are the warrants mentioned in paragraph 10.1 above.

At March 31, 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. 0.10 euro per share. This warrant was purchased and cancelled under the terms of the agreement signed with Atari on March 29, 2022. The acquisition cost of this warrant, paid for and cancelled on March 29, 2022, is shown in the table below. This acquisition cost was charged to Group shareholders' equity in accordance with IFRS.

Warrant Atari	(K€)
Cash	(12,0)
Cash	(90,2)
Atari share's	(1 953,0)
Tokens depreciation	(8 661,7)
<b>Total</b>	<b>(10 716,9)</b>

## 10.5. Valuation of treasury shares

Treasury shares are valued at weighted average cost per share at March 31, 2023. The FIFO method was previously used, and the change in this valuation method had no material impact on the financial statements.

## NOTE 11 - PROVISIONS FOR CONTINGENCIES AND LOSSES AND CONTINGENT LIABILITIES

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

During the period ended March 31, 2023, there were no significant movements in provisions for contingencies and charges.

## NOTE 12 - DEBT

### 12.1. Analysis of debt by type

Debts are described in Note 5.2.

### 12.2. Analysis of debt by interest rate (fixed - floating)

The debt bears interest at a fixed rate.

## NOTE 13 - CURRENT AND NON-CURRENT LEASE LIABILITIES

See Note 5.

## NOTE 14 - OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities are described in Note 5.2.

## NOTE 15 - REVENUE AND SEGMENT INFORMATION

An operating segment is defined as a component of an entity:

- Has business activities from which it can earn revenues and for which it can incur expenses (including revenues and expenses related to transactions with other components of the same entity);
- Whose operating results are regularly reviewed by the entity's chief operating decision-maker, in order to make resource allocation decisions for the segment and assess its performance;
- And for which separate financial information is available.

CBI operates in a single sector (blockchain).

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

## NOTE 16 - CURRENT OPERATING EXPENSES

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

### Research and development costs

Research and development expenses changed as follows:



(in 000's of €)	March 31, 2023	March 31, 2022
Capitalized R&D	(566,1)	(538,5)
Depreciation	-	-
Other R&D expenditures*	-	-
<b>Total R&amp;D expenditures</b>	<b>(566,1)</b>	<b>(538,5)</b>

### Marketing and sales expenses

Marketing and sales costs amounted to €1,545.3 K in the first year.

### General and administrative expenses

General and administrative expenses for the period came to €1,335.0 K, compared with €749.6 K for the previous year.

At March 31, 2023, other operating income and expenses were nil for the period.

## NOTE 18 - OTHER INCOME AND EXPENSES

At March 31, 2023, other income and expenses amounted to (€1,281.5) thousand. This relates to the impairment of the value of digital asset portfolios (Note 6).

## NOTE 19 - NET FINANCIAL INCOME (EXPENSE)

At March 31, 2023, net financial income amounted to (58.8) K€ for the period. This profit corresponds to the sale of treasury shares under the liquidity contract managed by TSAF, the company managing the contract.

## NOTE 20 - INCOME TAXES

### 20.1. Analysis of income tax expense

The Group did not record any tax expense for the period ended March 31, 2023.

### 20.2. Analysis of deferred taxes

The Group has not recorded any deferred taxes for the period ended March 31, 2023.

## NOTE 21 - RELATED PARTY TRANSACTIONS

### 21.1 Net income from transactions with related parties

The Group recorded no net income from related party transactions for the period ended March 31, 2023.

### 21.2. assets and liabilities held for sale

At March 31, 2023, there were no assets or liabilities held for sale.

## NOTE 22 - OFF-BALANCE SHEET COMMITMENTS

### 22.1. Commitments given

As part of the development of the "Football at AlphaVerse" world, the Company has signed partnership agreements with various clubs and has promised the following guaranteed minimums:

(K€)	2023	2024	2025	2026	2027	2028	2028	Total
Total minimum guaranteed clubs	122,2	174,9	466,8	603,2	480,2	393,0	50,0	2 290,3

CBI and the clubs have an exit clause, which can be activated after two years, either on June 30, 2025 or June 30, 2026.

### 22.2. Commitments received

At March 31, 2023, there are no commitments received.

## NOTE 23 - MARKET RISK MANAGEMENT

The holding company is responsible for risk management in line with the financial market environment and procedures established by management. Foreign exchange transactions are carried out in accordance with local laws and access to 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 Currency risk

Currency risks relating to the financing of subsidiaries are concentrated at the level of the parent company, and where necessary, specific hedges are put in place depending on the financing strategies envisaged. At the end of the period, the Company had not put in place a currency hedging policy for any of these amounts.

Each of the main currency zones (euro, US dollar) is broadly balanced between cash inflows and outflows. For this reason, the Company has not implemented a currency hedging policy for its commercial transactions.

Nevertheless, as the Company's financial statements are presented in euros, assets, liabilities, income and expenses that are initially recorded in currencies other than the euro must be translated into euros at the applicable exchange rate before being included in the Company's financial statements.

If the euro appreciates against any other currency, the euro value of the Company's assets, liabilities, income and expenses initially denominated in another currency will fall. The opposite is true if the euro depreciates. Consequently, variations in the euro exchange rate may have an effect on the euro value of the Company's assets, liabilities, revenues and expenses outside the currency zone, even if their value remains unchanged in their original currency. The most significant currency risk concerns the revenues and earnings of subsidiaries which initially record their transactions in US dollars, and the Company's intangible assets denominated in US dollars. 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 has no policy for managing its interest rate risk.

### 23.3. Credit risk

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

## NOTE 24 - PROVISIONS FOR CONTINGENCIES AND LOSSES AND CONTINGENT LIABILITIES

A provision is recognized when the Company has a present obligation (legal or constructive) towards a third party, which is likely to result in an outflow of resources to the third party, without at least equivalent consideration expected from the latter, and when a reliable estimate of the amount can be made. The portion of a provision due in less than one year is classified as current, while the balance is classified as non-current.

Apart from the contingencies mentioned in this document for which provisions have been set aside, to the best of the Company's knowledge there are no governmental, legal or arbitration proceedings, including any pending or threatened proceedings, which could have a material impact on the Company's financial position.

## NOTE 25 - RELATED-PARTY AGREEMENTS

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 shareholders, 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. The loan will be taken out at a later date, as and when the Company's needs arise.

On January 3, 2023, the Company entered into an amendment to the loan agreement of July 29, 2022 with Ker Ventures SARL to extend this loan agreement to Ker Ventures LLC and to include a current account agreement with the Company for a maximum amount of \$1 million.

On January 12, 2023, the Company entered into a part-time employment contract with Frédéric Chesnais, paying him a gross annual salary of 2,100 euros.

On February 3, 2023, the Board of Directors noted that SARL Ker Ventures had subscribed to the capital increase decided by the Company on January 11 and 12, 2023, in the amount of 1,966,612.80 euros, by partially offsetting its receivable of 4,450,232 euros.

## NOTE 26 - COMPENSATION OF OFFICERS AND DIRECTORS

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

The Annual General Meeting approves the principles and criteria for determining, allocating and granting the fixed and variable components of the total remuneration package and benefits of any kind to be awarded to the Company's corporate officers, in accordance with Article L.225-37-2 of the French Commercial Code.

### Compensation of the Chairman and Chief Executive Officer for fiscal 2022-2023

#### Fixed annual remuneration

Frédéric Chesnais receives a fixed monthly remuneration of twenty-five thousand (25,000) euros. However, as Mr. Frédéric Chesnais is 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 is responsible for all social protection, pension schemes and/or social security contributions. The gross amount thus paid by the Company amounts to forty-two thousand (42,000) euros, and this amount is paid either to Mr. Frédéric Chesnais and/or to an entity that Mr. Frédéric Chesnais controls, depending on Mr. Frédéric Chesnais' location and/or place of work. A monthly salary of 2,100 euros gross is also paid in respect of his duties as Managing Director in France.

#### Variable compensation / Options

The Board of Directors has decided, on the recommendation of the Nominating and Compensation 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%. Frédéric Chesnais is allocated 40% of this pool, with the remainder allocated to the investment team and the Board of Directors. Members of this management team are selected from time to time by the Remuneration and Nomination Committee. The allocation among the members of this management team is decided by the Board of Directors, on the recommendation of the Remuneration and Nomination Committee.

The Board of Directors has also decided, on the recommendation of the Appointments and Remuneration Committee, to allocate a discretionary annual bonus that may represent (barring exceptional circumstances) between 0% and 100% of the annual fixed remuneration paid, incorporating the following elements: level of sales, EBITDA margin, cash generated, share price performance, growth in recurring earnings per share, allowing all other income statement items to be taken into account, as well as various objective criteria linked to the business, in addition to the return on investment allocated under the previous paragraph.

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

In addition, Mr Frédéric Chesnais was awarded a fixed bonus of 250,000 euros, increased to take into account the costs corresponding to social protection, pension schemes and/or social security contributions in the same proportions as those indicated above for his monthly remuneration, i.e. a total cost of 420,000 euros. This bonus was paid during the 2022-2023 financial year.

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

#### Remuneration due in respect of directorships

See next paragraph.

### Directors' remuneration

### Fixed annual remuneration

There is no fixed remuneration.

### Remuneration due in respect of directorships

For the financial year ending March 31, 2023, the Board of Directors' meeting of November 14, 2022 set, subject to approval by the General Meeting deliberating on the financial statements for the year ending March 31, 2023, a remuneration of 137,500 euros for each director per financial year, i.e. a total of 275,000 euros for the period in question. It is agreed that this sum must be used by the directors to acquire shares in the Company and hold them over the long term. Mr Frédéric Chesnais is not eligible for this compensation, but for a fixed cash amount of 25,000 euros.

The directors wished to participate in the capital increase through the issue of shares with warrants by the Company. The Company offset the amounts owed to them under their terms of office against the new shares with warrants issued. With the exception of Frédéric Chesnais, each director acquired 171,875 shares with warrants.

Finally, in the event of the creation of a crypto-currency by the Company, five percent (5.0%) will be reserved for the remuneration of 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 among the directors in the same proportion. No payments have been approved or made in respect of the 2022-2023 financial year.

### Compensation paid to non-executive directors

None.

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This remuneration policy was approved by the Board of Directors on November 14, 2022.

### Workforce for fiscal 2022-2023

At March 31, 2023, the Company had twelve employees.

## NOTE 27 - SUBSEQUENT EVENTS

Post-balance sheet events were as follows:

**Launch of the \$FAV token:** on June 8, 2023, the Company announced the creation of \$FAV, a utility token for the "Football at AlphaVerse" universe dedicated to soccer, developed in collaboration with leading clubs. Real Betis Balompie, São Paulo FC and several other clubs are already partners to date. AlphaVerse universes are free-to-play, work with traditional bank cards, and tokens are an operating option. The \$FAV token will run on several channels, including BNB, Binance's blockchain, and soon Chiliz, a channel renowned for its ability to federate communities in the world of sports and entertainment.

**Partnership with Chiliz:** the Company is implementing a project to list the \$FAV token on the Chiliz exchange platform during 2023. This project has yet to be approved by Chiliz. The Chiliz exchange platform specializes in the listing of the Chiliz token (\$CHZ) and Socios tokens dedicated to soccer club fans, with over 40 partner clubs. Tokens from Manchester City, Barcelona FC, PSG, Galatasaray, Juventus and Inter Milan are already listed on the Chiliz exchange platform, making it an ideal partner for "Football at AlphaVerse".

**Amendment to the Xave SPA:** On May 15, 2023, CBI and Xave signed an amendment extending the final completion date of this acquisition to December 31, 2023.

**Creation of a CBI subsidiary in Malta and Liechtenstein:** CBI has taken steps to create two service subsidiaries in these countries to take advantage of local regulations.

In addition to the 6 partnership agreements with various clubs at March 31, 2023, the Company has signed another partnership agreement since the end of the period. The minimum guaranteed amounts promised by the Company therefore change as follows:

(K€)	2023	2024	2025	2026	2027	2028	Total
Total guaranteed minimum	232,1	372,1	551,5	601,5	383,0	150,0	2 590,2

CBI and the clubs have an exit clause, which can be activated after two years, either on June 30, 2025 or June 30, 2026.

Apart from these events, no other significant events occurred between March 31, 2023 and the date on which the financial statements were approved by the Board of Directors.

## STATUTORY AUDITORS' REPORT

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Avvens Paris  
A 4 Partners

# **Statutory Auditors' Report for the year ended March 31, 2023**

## **CRYPTO BLOCKCHAIN INDUSTRIES**

S.A. with capital of 25,070,488.30 euros

38 rue de Berri,

75008 Paris

RCS: 894 283 126

Avvens Paris  
A4 Partners

# **Statutory Auditors' report on the consolidated financial statements**

Year ended March 31, 2023

## **CRYPTO BLOCKCHAIN INDUSTRIES**

S.A. with capital of 25,070,488.30 euros

38 rue de Berri,

75008 Paris

RCS: 894 283 126

# CRYPTO BLOCKCHAIN INDUSTRIES

S.A. with capital of 25,070,488.30 euros

38 rue de Berri,

75008 Paris

RCS: 894 283 126

To the Annual General Meeting of CRYPTO BLOCKCHAIN INDUSTRIES,

## 1. Opinion

In compliance with the assignment entrusted to us by the Annual General Meeting, we have audited the accompanying consolidated financial statements of CRYPTO BLOCKCHAIN INDUSTRIES for the year ended March 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year ended December 31, 2023, and of the financial position and assets and liabilities of the Group at that date, in accordance with International Financial Reporting Standards as adopted by the European Union.

## 2. Basis of opinion

### Audit framework

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

Our responsibilities under these standards are set out in the following section.

The Statutory Auditors' responsibilities relating to the audit of the consolidated financial statements are set out in the section entitled "Statutory Auditors' responsibilities relating to the audit of the consolidated financial statements" in this report.

## **Independence**

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors, for the period from April <sup>1</sup>, 2022 to the date of issue of our report.

## **3. Justification of assessments**

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we hereby inform you that the most significant assessments we made, in our professional judgment, concerned the appropriateness of the accounting policies applied.

These assessments were made in the context of our audit of the financial statements taken as a whole, and of the formation of our opinion expressed above. We do not express an opinion on any individual component of these financial statements.

## **4. Specific checks**

In accordance with professional standards applicable in France, we have also verified the information given in the Group management report relating to the Group.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

## **5. Responsibilities of management and those charged with corporate governance in relation to the consolidated financial statements**

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union, and for implementing the internal control procedures it deems necessary to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, it is management's responsibility to assess the company's ability to continue as a going concern, to present in these statements, where appropriate, the necessary going concern information and to apply the going concern accounting policy, unless the company is to be wound up or cease trading.

The consolidated financial statements have been approved by the Board of Directors.

## 6. Responsibilities of Auditors to audit of the consolidated financial statements

Our responsibility is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free from material misstatement. Reasonable assurance refers to a high level of assurance, but does not guarantee that an audit performed in accordance with professional standards will identify all material misstatements. Misstatements may be the result of fraud or error and are considered material when it is reasonable to expect that they could, individually or in aggregate, influence the economic decisions made by users of the financial statements.

As stipulated by Article L.823-10-1 of the French Commercial Code, our role as statutory auditor does not include guaranteeing the viability or quality of your company's management. In the context of an audit performed in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. In addition :

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and implements audit procedures to address these risks, and obtains audit evidence that it believes to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error, as fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal controls;
- it obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control ;
- it assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the consolidated financial statements;
- it assesses the appropriateness of management's application of the going concern accounting policy and, based on the information gathered, whether or not there is any significant uncertainty linked to events or circumstances that could call into question the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of his report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If it concludes that there is a material uncertainty, it draws the attention of the readers of its report to the information provided in the consolidated financial statements concerning this uncertainty or, if this information is not provided or is not relevant, it issues a qualified opinion or a refusal to certify;
- it assesses the overall presentation of the consolidated financial statements, and whether they give a true and fair view of the underlying transactions and events.
- concerning the financial information of persons or entities included in the scope of consolidation, it gathers information that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management

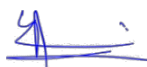
supervision and performance of the audit of the consolidated financial statements and of the opinion expressed thereon.

Paris and Lyon, July 28, 2023

**A4**

Member of Crowe Global

Statutory AuditorSpecial Auditor



**Marc  
BUSTAMANTE**

Associate

**PartnersRSM Rhône Alpes**

*François de Bustamante*

**LUCCIONIFrançois DE**

Associate

# III. MANAGEMENT REPORT

## STATUTORY FINANCIAL STATEMENTS

### 12-MONTH PERIOD ENDED MARCH 31, 2023

#### BASIS OF PRESENTATION

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Crypto Blockchain Industries, SA ("CBI" or the "Company") is a company incorporated under the laws of France. The financial year runs from April 1<sup>st</sup> 2022 to March 31 2023.

The financial statements are presented as at March 31, 2023 for the entire 2023 fiscal year, from April 1, 2022 to March 31, 2023.

The annual financial statements have been prepared and presented in accordance with Articles 832-2 and 833-2 of the French Commercial Code and with the accounting regulations of the French Accounting Standards Authority (Règlement ANC n°2014-03 du 5 juin 2014) up to date with the various supplementary regulations at the date of preparation of said annual financial statements.

#### COMPANY PRESENTATION

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CBI is a company offering a global investment approach covering the main aspects of blockchain.

CBI's strategy is to invest in operational activities and start-ups, as well as in crypto-currencies and tokens. CBI, after a meticulous review of projects, invests in those aspects of blockchain offering the best estimated opportunities:

- Operational activities: CBI controls, alone or in partnership, the business (transport, video games) ;
- Investments: CBI invests in start-ups; CBI also invests to help companies successfully transition to the blockchain world;
- Intellectual property rights: CBI can invest in intellectual property rights (IPs), or create its own portfolio;
- Portfolio management: CBI holds and manages crypto-currencies and tokens, and may also hold liquid assets such as shares in listed blockchain and video game companies.

To offer greater flexibility and optimize the chances of commercial success for its flagship product, the 3D AlphaVerse digital world, CBI also offers payment options in traditional currencies where technically possible.

CBI's objective is to grow its portfolio of assets, optimize return on investment and operate with a limited level of fixed costs, focusing on the best opportunities in the industry.

CBI can use leveraged financing techniques, while maintaining the priority of collateralization to minimize the level of risk.

The complementary nature of these activities also enables synergies to be created.

#### CBI: Strategy and development for a connected, open virtual world

The company's core business is currently focused on the development of AlphaVerse, a beautifully designed, feature-rich digital virtual world. AlphaVerse is organized around a central place, the "Hub", which connects numerous universes 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 the major cryptocurrencies as well as the Crystal token (\$CRYS), AlphaVerse's cryptocurrency, and the \$FAV token, Football at AlphaVerse's cryptocurrency. 600 million units of the Crystal token have been created on the blockchain, with the 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). 11 billion units of the \$FAV token have been created: the tokens will enable microtransactions in the Football at AlphaVerse universe, participation in quests or mini-games, the purchase of NFTs, the running of referral programs, access to discounts on purchases or the earning of FAV tokens in connection with user creativity or commitment, in the manner of a loyalty card. CBI aims to list \$FAV in 2023.



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 for testing in September 2022, generating many positive and enriching feedbacks. After an initial development phase during which priority was given to video games, music and the associative world, all leading fields bringing together vast international communities, the universes currently under development are as follows:

- **MetaCoaster:** an amusement park simulation game on blockchain. Users will be able to play solo to hone their skills, or take part in global park-building competitions and win cryptos.
- **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 "United at Home" charity program 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 with each other and 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 art of the 90s will find their place in Artech. Artech is a metaverse entirely dedicated to digital art and artists, where we create an entire 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 legendary photographer Chi Modu, 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 open virtual world of constant expansion and evolution, where music fans discover a new world filled with music, incredible shows, festivals and events. This metaverse is currently being acquired by CBI, for \$1 million mainly paid in CBI shares and an earn-out clause.
- **Chain Games:** Chain Games is a blockchain-integrated gaming network offering decentralized skill games, Skill-Based and Play-to-Earn contests, allowing players to earn crypto-currencies as a reward for their efforts. This world will be developed and operated by Chain Games.
- **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 rave culture and the electronic music community.
- **Soccer at AlphaVerse:** Football at AlphaVerse is a world dedicated to soccer, in which visitors can move around the various emblematic locations of their favorite clubs and enjoy a variety of games and entertainment.

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 currently 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 targets celebrities from all walks of life to develop their image on blockchain, notably through NFTs and community animation tools.

In accordance with Article 2 of the Articles of Association, CBI's corporate purpose is, in France or abroad, directly or indirectly:

- The creation and marketing of digital assets, particularly on blockchain;
- The design, production, publishing and distribution of all multimedia and audiovisual products and works, in particular for leisure purposes, in any form whatsoever and in particular in the form of software, data processing or interactive or non-interactive content, on any medium and through any current or future means of communication;
- The acquisition of any company, entity, business or other undertaking that is active in blockchain or is likely to evolve in whole or in part in this field, regardless of the type of activity named ;
- Production of all kinds of leisure, sports, audiovisual and other activities;

- The creation, acquisition, operation and management of intellectual and industrial property rights or other real or personal rights, in particular 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;
- Acquiring, seeking partnerships with and acquiring interests in any form whatsoever, in particular by creation, issue, subscription or contribution, in any activity directly or indirectly related to the above-mentioned purpose 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.

## HIGHLIGHTS OF THE YEAR

### NOTE 1 - HIGHLIGHTS OF THE YEAR

Fiscal year 2022-2023 was marked by the opening of the metaverse, AlphaVerse, for the first user tests and the announcement of new universes, including one dedicated to soccer. On the financial front, the year was also marked by a capital increase through a public offering carried out in February 2023.

Highlights of the period were as follows:

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

**2 Chain Games:** On July 26, 2022, CBI signed a partnership agreement with Chain Games, publisher of *Skill-Based and Play-to-Earn* games, for the creation of spaces dedicated to these games and the development of content in the AlphaVerse, with a license fee of US\$2 million for the benefit of CBI. CBI and Chain Games have entered into a series of agreements, under which :

- the Company sold Chain Games the right to own a space in the Hub, for US\$2 million paid by Chain Games in CHAIN tokens
- the Company and Chain Games have agreed to share future revenues generated in this area of the Hub
- Chain Games has agreed to develop a separate world, with the Company entitled to a share of the revenues generated by this separate world.
- the Company has retained Chain Games as its strategic advisor for the next 5 years, in exchange for CBI shares and CRYST tokens

**3. Amendment to liquidity contract with TSAF:** On September 5, 2022, 200,000 euros in cash were withdrawn from the liquidity contract with TSAF.

**4 Opening of AlphaVerse:** On September 21, 2022, CBI opened the central part (the Hub) of its AlphaVerse metaverse in a test phase for the first players from its community.

**5. Repayment of the loan of 2 million CBI shares:** 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 million CBI shares by issuing and delivering an identical number of CBI shares.

**6 Loan agreement for 5 million 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. The loan will be taken out at a later date, as and when the Company's needs arise.

**7. amendment to the loan agreement of July 29, 2022.** On January 3, 2023, the Company entered into an amendment to the loan agreement of July 29, 2022 with Ker Ventures SARL to extend the loan agreement to Ker Ventures LLC and to include a current account agreement with the Company for a maximum amount of \$1 million.

**8. Change of registered office:** CBI changed its registered office during the year. Its new address is 38 rue de Berri, 75008 Paris.

- 9. Development of "Football at AlphaVerse":** CBI aims to accelerate AlphaVerse's growth, particularly in the world of digital worlds dedicated to soccer, which it is developing on behalf of leading clubs. Operated by CBI under revenue-sharing licenses granted by the clubs, these worlds are based on a Free-to-Play model. Each world reproduces the club's stadium in 3D, at the heart of a digital world dedicated to the club and packed with experiences and mini-games. Each seat in these digital stadiums is an NFT that offers real-life benefits. CBI offers these partner soccer clubs first-rate access to Web3, and aims to provide every fan with a unique online experience. Over the last few months, CBI has been in contact with numerous clubs in England, Italy, Spain, Brazil and Colombia, and many of them have expressed interest. CBI has begun signing contracts with soccer clubs, and plans to expand significantly in this area.
- 10. 6 partnership agreements signed with various soccer clubs:** Six partnership agreements have been officially signed with soccer clubs as part of the development of Football at AlphaVerse. These clubs include Real Betis Balompíe, São Paulo Football Club, Cardiff City Football Club, Spezia Calcio, Real Sociedad and Asociación Deportivo Cali. In order to enhance the experience of Football at AlphaVerse users, the Company has committed to creating a digital version of the world of these clubs. This initiative will enable fans and supporters around the world to meet, stay informed and enjoy unique experiences linked to their favorite clubs.
- 11. Horyou AlphaVerse will donate 2% of its gross sales and join the "1% for the Planet" program.** 1% of sales will be allocated to the "1% for the Planet" program, and a further 1% will be donated to charitable programs and causes that are part of the Horyou AlphaVerse metaverse.
- 12. Future Rave, the new label from David Guetta and Morten, is teaming up with AlphaVerse to develop a metaverse dedicated to the new musical genre created by the world-renowned DJ and music producer duo.** David Guetta and Morten will deploy their new Future Rave label in the metaverse. A new universe will be created within AlphaVerse, CBI's metaverse, to share, find new artists, create and exchange with the community. This project is brought to you by Blockchain Artists Agency (BAA), the talent management agency for blockchain.
- 13. CBI advises the Cornucopias project, a multiplayer game based on blockchain:** Cornucopias is an innovative project based around a massively multiplayer online role-playing game, and brings together a number of assets specific to blockchain: gaming, learning, creation and sharing. CBI is entitled to 0.5% of the COPI tokens issued by Cornucopias and will own 1.0% of the capital of Cornucopias Technology PTE. LTD, the company created to develop the Cornucopias metaverse.
- 14. CBI has published its *whitepaper* and roadmap for its AlphaVerse digital universe:** The *whitepaper* details AlphaVerse's technology and vision. It also includes a roadmap outlining milestones and partnerships for the development and growth of the AlphaVerse ecosystem.
- 15. Capital increase of 4,891,749.60 euros through the issue of ABSAs with preferential subscription rights:** in February 2023, CBI carried out a capital increase through the issue of ABSAs in order to accelerate its development in the world of soccer. The BSAs entitle their holders to subscribe to new CBI shares at a price of €1.40 no later than March 31, 2024.
- 16. Application for PSAN (*Prestataire de Services sur Actifs Numériques*) approval:** in March 2023, CBI applied for PSAN (*Prestataire de Services sur Actifs Numériques*) approval from the Autorité des Marchés Financiers.
- 17. 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.

## ACCOUNTING PRINCIPLES AND METHODS

### General principles / Preparation of financial statements

The annual financial statements have been prepared and presented in accordance with Articles 832-2 and 833-2 of the French Commercial Code and the accounting regulations of the French Accounting Standards

Authority (Règlement ANC n° 2014-03 du 5 juin 2014 mis à jour des différents règlements complémentaires à la date d'établissement desdits comptes annuels). More specifically, they comply with the terms of regulations 2016-07 and 2020-05 issued by the French Accounting Standards Authority, and in particular with the principles of prudence, lawfulness, true and fair view, consistency of methods from one financial year to the next and independence of financial years.

The Company's financial statements are presented in thousands of euros with one or no decimal places, unless otherwise indicated. Figures rounded to the nearest thousand euros may, in certain situations, result in minor discrepancies in table totals and subtotals.

## Change in accounting method

The Company has not adopted any new accounting policies.

## Foreign currency transactions

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

The current exchange rates are as follows:

	March 31, 2023		March 31, 2022	
	Closing rate	Average rate	Closing rate	Average rate
USD	1,0875	1,0411	1,1085	1,1010

## ANALYSIS OF INCOME STATEMENT AT MARCH 31, 2023

(K€)	March 31, 2023	March 31, 2022
Revenue	5 242,2	83,9
Other income	0,1	3 981,4
Reversals of provisions and depreciation, transfers of expenses	-	-
<b>Operating revenue</b>	<b>5 242,3</b>	<b>4 065,3</b>
Purchase of goods	(0,0)	(1,3)
Other purchases and expenses	(2 404,7)	(2 286,4)
Taxes	(5,6)	(11,7)
Payroll expenses	(976,8)	(83,6)
Other expenses	(0,6)	-
Depreciation, amortization and provisions	(10,6)	(2,5)
<b>Operating expenses</b>	<b>(3 398,3)</b>	<b>(2 385,5)</b>
<b>Operating income</b>	<b>1 844,0</b>	<b>1 679,8</b>
Financial income	432,4	2 165,1
Financial expense	(3 330,3)	(8 960,6)
<b>Net Financial income and expense</b>	<b>(2 897,8)</b>	<b>(6 795,5)</b>
<b>Current income before taxes</b>	<b>(1 053,9)</b>	<b>(5 115,7)</b>
Non-recurring income	741,8	0,2
Non-recurring expenses	(46,9)	(2 055,3)
<b>Non-recurring income and expense</b>	<b>694,9</b>	<b>(2 055,1)</b>
Income Tax	-	-
<b>Net income (loss) for the Year</b>	<b>(359,0)</b>	<b>(7 170,8)</b>

### Operating income

At March 31, 2023, CBI generated operating income of €5,242.3k, mainly from sales of NFT and licenses, as well as billings to subsidiaries OP Productions and Free Reign East. NCX is not consolidated. This represents an increase of 28.92% on 2022 revenues, which stood at 4,065.3 K€.

### Operating expenses

#### **Other purchases and external charges**

Other purchases and external expenses amounted to (€2,404.7) K for the year ended December 31, 2006, compared with (€2,286.4) K for the previous year, representing an increase of 5.2%. These mainly comprise payments to the company's developers, consultants and third-party suppliers.

#### **Personnel expenses**

Personnel costs amounted to (€976.8) K for the year ended December 31, 2005, compared with (€83.6) K for the previous year, representing an increase of 1,068.4%. Personnel costs mainly comprise salaries, social security charges and related expenses.

#### **Depreciation, amortization and provisions**

Depreciation, amortization and provisions amounted to (10.6) K€ for the year ended, compared with (2.5) K€ for the previous year, representing an increase of 324.0%. These charges correspond to amortization of gaming expenses and the metaverse, and to depreciation of the value of the various tokens held in the portfolio based on their market value.

#### **Total operating expenses**

Total operating expenses amounted to (€3,398.3) K for the year ended, compared with (€2,385.5) K for the previous year, an increase of 42.5%. This variation is explained by the development of AlphaVerse, the virtual world created by CBI, and the investments made by the company to ensure its development.

### Operating income

Operating income amounted to €1,844.0 K for the year ended, compared with €1,679.8 K for the previous year, an increase of 12.2%.

#### Further information

(000's of euros)	March 31, 2023	March 31, 2022
Purchases not included in inventories	(11,2)	(19,4)
Outsourcing	(57,3)	
Rents (including services and maintenance charges)	(347,7)	(162,0)
Cleaning, maintenance and repairs	(3,8)	(8,9)
Insurance	(1,1)	(0,2)
Fees	(1 563,4)	(1 608,2)
Advertising, publications, public relations	(85,5)	(56,4)
Travel, assignments and entertainment	(210,7)	(87,3)
Postage and communications	(6,1)	(0,1)
Bank charges and securities fee	(26,9)	(8,5)
Other expenses	(91,0)	(335,4)
<b>Total other purchases and expenses</b>	<b>(2 404,7)</b>	<b>(2 286,4)</b>

(000's of euros)	March 31, 2023	March 31, 2022
Provisions for contingencies and losses	5,4	1,9
Provisions for the impairment of current assets	-	-
<b>Total reversals</b>	<b>-</b>	<b>1,9</b>
Depreciation and amortization:	-	-
- Intangible assets	0,6	-
- Tangible assets	4,6	0,5
Amortization of expenses attributable to several periods	-	-
Provisions for contingencies and losses	5,4	1,9
Provisions for the impairment of current assets	-	-
<b>Total depreciation and amortization</b>	<b>10,6</b>	<b>2,5</b>

#### Net financial income

Net financial income amounted to (€2,897.8) K for the year, compared with (€6,795.5) K for the previous year, representing an improvement of 57.4%.

Pre-tax financial income before non-recurring items amounted to €1,053.9K for the year, compared with €5,115.7K for the previous year, representing an improvement of 79.4%.

Financial income amounted to €432.5k for the year, compared with €2,165.1k, a decrease of 80.0% due to non-recurring share sales in 2022-2023.

(000's of euros)	March 31, 2023	March 31, 2022
<b>Financial income</b>		
- Foreign exchange gain	118,0	58,0
- Dividend	0,0	32,8
- Interests income	0,4	-
- Reversals of provisions and expense transfers	185,4	-
- Other financial income	0,0	0,1
- Proceeds from the sale of securities	128,6	2 074,2
<b>Total financial income</b>	<b>432,5</b>	<b>2 165,1</b>
<b>Financial expenses</b>		
- Foreign exchange losses	(44,5)	(85,6)
- Interests expense	(86,6)	(27,9)
- Depreciation, amortization and provisions	-	-
- Other financial expenses	(3 099,2)	(8 847,1)
- Expenses from the sale of securities	(100,0)	-
<b>Total financial expenses</b>	<b>(3 330,3)</b>	<b>(8 960,6)</b>
<b>Net financial income and expense</b>	<b>(2 897,8)</b>	<b>(6 795,5)</b>

### Net exceptional income

At March 31, 2023, exceptional income amounted to 694.9 K€, mainly reflecting the value adjustment of an amount payable in shares. At March 31, 2022, exceptional income amounted to (2,055.1) K€, mainly reflecting capital gains on disposals of treasury shares.

(000's of euros)	March 31, 2023	March 31, 2022
<b>Non-recurring income</b>		
- Operating activities	741,8	0,2
- Investing activities	-	-
- Amortization and provisions	-	-
<b>Total non-recurring expenses</b>	<b>741,8</b>	<b>0,2</b>
<b>Non-recurring expenses</b>		
- Operating activities	(46,9)	(102,3)
- Investing activities	-	(1 953,0)
- Amortization and provisions	-	-
<b>Total non-recurring expenses</b>	<b>(46,9)</b>	<b>(2 055,3)</b>
<b>Non-recurring income and expense</b>	<b>694,9</b>	<b>(2 055,1)</b>

### Net income

Net income for the year came to €359.0K, compared with €7,170.8K for the previous year, an improvement of 95.0%.



## BALANCE SHEET ANALYSIS AT MARCH 31, 2023

ASSETS (K€)	March 31, 2023			March 31, 2022
	Gross	Amt/Dep	Net	
Intangible assets	8 074,4	(0,6)	8 073,8	5 916,7
Property, plant and equipment	20,3	(5,2)	15,1	11,8
Financial assets	13 915,5	-	13 915,5	12 952,9
<b>Total fixed assets</b>	<b>22 010,3</b>	<b>(5,8)</b>	<b>22 004,5</b>	<b>18 881,4</b>
Accounts receivable	896,8	-	896,8	445,9
Other receivables	2 250,2	-	2 250,2	-
Treasury shares	2 470,7	(967,6)	1 503,1	435,3
Cash and cash equivalents	2 848,9		2 848,9	5 447,9
<b>Total current assets</b>	<b>8 466,7</b>	<b>(967,6)</b>	<b>7 499,0</b>	<b>6 329,1</b>
Accruals	-	-	-	-
<b>Total assets</b>	<b>30 476,9</b>	<b>(973,4)</b>	<b>29 503,5</b>	<b>25 210,5</b>

EQUITY & LIABILITIES (K€)		March 31, 2023	March 31, 2022
Capital stock		25 070,4	24 258,8
Share premium		7 117,9	980,9
Legal reserve		-	-
Retained earnings		(7 175,8)	(5,0)
Net income (loss) for the year		(359,0)	(7 170,8)
<b>Equity</b>		<b>24 653,6</b>	<b>18 063,9</b>
<b>Provisions for contingencies and losses</b>		<b>160,8</b>	<b>5,5</b>
Bond debt		-	-
Bank debt		-	-
Other financial liabilities		2 242,3	4 477,5
Trade payables		1 995,2	2 550,4
Operating liabilities		451,7	113,2
<b>Liabilities</b>		<b>4 689,1</b>	<b>7 141,1</b>
Accruals		-	-
<b>Total shareholders' equity and liabilities</b>		<b>29 503,5</b>	<b>25 210,5</b>

### Intangible assets

Amounts invested in the development of games and the metaverse are capitalized and amortized from the time they are put into service. In the case of the metaverse, the value of intellectual property rights is recorded as an asset on the balance sheet, and has not been amortized as at March 31, 2023. This amortization will begin when the metaverse is opened, scheduled for the 2023-2024 financial year.

### Financial assets

When listed, the portfolio of equities and financial instruments is valued on the basis of a six-month volume-weighted average price (V-WAP). Conventional valuation methods are applied for unlisted securities.

### Non-current financial assets

Financial assets comprise shares in non-consolidated companies, investments in associates, derivatives not qualifying as hedges, deposits and loans, marketable securities, positive cash balances and operating receivables.

Financial assets are classified as "non-current", except for those maturing in less than 12 months at the balance sheet date, which are classified as "current assets" or "cash equivalents" as appropriate.

Financial assets held by the Group are analysed according to the business model and its objectives:

- assets measured at amortized cost (financial assets held to collect contractual cash flows),
- assets measured at fair value: financial assets held for resale, with a view to receiving contractual cash flows.

Classification depends on the nature and purpose of each financial asset, and is determined at initial recognition.

The Company's subsidiaries and affiliates are listed below:

Amounts in millions of euros	Capital stock	Shareholders' equity (excluding capital)	Ownership interest (%)	Carrying amount of securities held:		Loans and advances outstanding	Revenue for the last fiscal year	Profit (loss) for the last fiscal year	Notes
				Gross	Net				
Subsidiaries (more than 50%-owned)									
OP Productions, LLC	-	31,4	77,3%	4 075,1	4 075,1	94,3	162,9	70,5	FY ended 31/12/2023
Free Reign East, LLC	-	0,1	77,3%	732,9	732,9	-	1,5	0,4	FY ended 31/12/2023

## Token and NFT inventory

The inventory of tokens is recognized at cost, based on the acquisition price. At the closing date of the accounting period, each crypto-currency is then valued on the basis of the closing price to take into account the value of each crypto-currency and the overall portfolio. If the cost price of a crypto-currency exceeds its market value, an impairment loss is recognized in the income statement. At March 31, 2023, inventory was valued at €2,407.0K. The impairment of the ATRI tokens was included in the overall price of the warrant repurchased in 2022.

Token	# Tokens	Market Price/Token US\$	Market Value US\$	Market Value Euro	Gross Value Euro	Accrual PL Euro	Accrual Equity Euro	Net Value Euro
	A	B	A*B	C = A*B in euros	D	E = C - D (if < 0)	E = C - D (if < 0)	D+E
ETH	124,81	\$1 822,00	\$227 405,50	€209 108,51	€488 224,56	-€279 116,05		€209 108,51
USDT	52 863,13	\$1,00	\$52 863,13	€48 609,77	€47 306,75	€1 303,02		€48 609,77
BTC	26,98	\$28 478,48	\$768 349,39	€706 528,18	€1 160 681,88	-€454 153,70		€706 528,18
USDC	20 974,05	\$1,00	\$20 974,05	€19 286,48	-€32 936,61	€52 223,09		€19 286,48
CHAIN GAMES	54 095 429,00	\$0,03	\$1 361 581,95	€1 252 029,38	€1 970 055,16	-€718 025,78		€1 252 029,38
BNB	0,51	\$317,04	\$161,34	€148,36	€64,09	€64,27		€148,36
WEH	0,98	\$1 823,38	\$1 792,00	€1 647,82	€2 336,88	-€689,06		€1 647,82
MATIC	567,20	\$1,12	\$634,81	€583,74	€349,46	€234,28		€583,74
COPI	4 800 001,00	\$0,04	\$182 640,04	€167 944,86	€62 872,02	€105 072,84		€167 944,86
ATRI	30 326 489,00	\$0,00	\$0,00	€0,00	€69 542,39	€0,00	-€69 542,39	€0,00
CRYS	493 760 000,00	\$0,08	\$41 145 020,80	€37 834 501,89	€493,76	€0,00		€493,76
LIGHTS	6 520 000 000,00	\$0,00	\$16 300 000,00	€14 988 505,75	€652,00	€0,00		€652,00
XAVE	3 250 000 001,00	\$0,00	\$1,01	€0,93	€1,01	€0,00		€1,01
<b>TOTAL</b>			<b>\$60 061 424,02</b>	<b>€55 228 895,65</b>	<b>€4 396 663,35</b>	<b>-€1 293 087,10</b>	<b>-€696 542,39</b>	<b>€2 407 033,86</b>

## Shareholders' equity

Shareholders' equity amounted to €24,653.6 K at March 31, 2023.

Changes in shareholders' equity correspond to CBI's income for the period, as well as to exchange rate fluctuations over the year.

The table below shows changes in shareholders' equity during the year (in thousands of euros):

(000's of euros)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
<b>Shareholders' equity March 31, 2022</b>	<b>242 587 500</b>	<b>24 258,8</b>	<b>980,9</b>	<b>-</b>	<b>(5,0)</b>	<b>(7 170,8)</b>	<b>18 063,9</b>
Net income	-	-	-	-	-	(359,0)	(359,0)
March 30, 2022 net income transferred in res	-	-	-	-	(7 171)	7 171	-
Repayment of loan	2 000 000	200	2 300	-	-	-	2 500,0
Capital increase	6 116 983	612	4 283	-	-	-	4 895,0
Expenses inputed on additional paid-in capi	-	-	(446)	-	-	-	(446,3)
<b>Shareholders' equity March 31, 2023</b>	<b>250 704 483</b>	<b>25 070,4</b>	<b>7 117,9</b>	<b>-</b>	<b>(7 175,8)</b>	<b>(359,0)</b>	<b>24 653,6</b>

## Treasury

CBI's cash position is shown in the table below:

	March 31, 2023	March 31, 2022
Inventory of tokens and NFTs	1,2	678,1
Cash investments and crypto-currencies	2 405,8	2 150,4
Cash	441,9	2 619,4
<b>Cash and cash equivalents</b>	<b>2 848,9</b>	<b>5 447,9</b>

### Common shares

At March 31, 2023, the Company's subscribed and fully paid-up capital amounted to €25,070,448.30, divided into 250,704,483 shares with a par value of €0.10 each. The number of voting rights attached to the Company's shares is 248,979,483, as treasury shares do not carry voting rights.

In addition, there are 6,107,799 share subscription warrants (BSA), with 3 BSA entitling their holders to purchase 1 new CBI share at a price of €1.40 by March 31, 2024 at the latest. If all these warrants are exercised, 2,035,933 new shares could be created. The number of CBI shares likely to be in circulation is thus 252,740,416. The table below shows the breakdown of these shares.

### Changes in the number of shares during the year

March 31, 2022		242 587 500
31/08/2022	Repayment of loan	2 000 000
01/02/2023	Capital increase	6 116 983
March 31, 2023		250 704 483

At the date of this document, the breakdown of shareholders holding more than 2% of the capital and voting rights is as follows:

	Number of Shares		Fully Diluted*	
	#	%	#	%
Ker Ventures, SARL	224 392 425	89,50%	224 392 425	88,78%
Ker Ventures, LLC	3 914 265	1,56%	5 150 354	2,04%
<b>Total F. Chesnais</b>	<b>228 306 690</b>	<b>91,07%</b>	<b>229 542 779</b>	<b>90,82%</b>
Treasury Shares	1 725 000	0,69%	1 725 000	0,68%
Free Float	20 672 793	8,25%	21 474 933	8,50%
<b>Total</b>	<b>250 704 483</b>	<b>100,00%</b>	<b>252 742 712</b>	<b>100,00%</b>

\*if all 6,107,799 outstanding warrants are exercised, 3 warrants entitle the holder to purchase 1 new CBI share at a unit purchase price of €1.40 until March 31, 2024.

Registered shares may carry double voting rights if they have been held for at least two years. As of the date of this document, no shares carry double voting rights.

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

The Company's shares have been listed on Euronext Growth Paris since October 26, 2021. The mnemonic is ALCBI.

Each share carries one vote for each resolution submitted to the shareholders. A double voting right is attached to all existing fully paid-up shares held by the same shareholder for at least two years, as well as to all shares subsequently acquired by the same shareholder through the exercise of 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 total amount of the Company's distributable profits and reserves. Such distributions are decided by the Company's shareholders at a General Meeting. The Company has not paid a dividend in the last three years.

## Information on customer and supplier payment terms

	Article D. 441 L.-1°: Invoices received but not paid at the closing date of the fiscal year for which the term is due						Article D. 441 L.-2°: Invoices issued but not paid at the closing date of the fiscal year for which the term is due					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
<b>(A) Trade Payment Ranges</b>												
Number of invoices concerned	38,0					-	2,0					-
Total amount of invoices concerned (in K€)	2 550,4	-	-	-	-	-	896,8	-	-	-	-	-
Percentage of total purchases for the year	-	-	-	-	-	-						
Percentage of sales for the year												
<b>(B) Invoices excluded from (A) relating to disputed or unrecorded debts and receivables</b>												
Number of excluded invoices						-						-
Total amount of excluded invoices						-						-
<b>(C) Reference payment periods used (contractual or legal period - article L. 441-6 or article L443-1 of the Commercial Code)</b>												
Payment periods used to calculate late payments	Contractual deadlines: between 0 and 90 days net Legal deadlines: 60 days net						Contractual deadlines: between 15 and 60 days net Legal deadlines: 60 days net					

## Proposed appropriation of net income

Net income for the year will be allocated in full to reserves, and no dividend distribution is planned.

## RISK FACTORS

Investors are invited to consider all the information contained in this Document, including the risk factors specific to the Company and its subsidiaries ("the Group") described in this section, before deciding to acquire or subscribe for shares in the Company.

The Company has carried out a review of the risks that could have a material adverse effect on the Company and/or the Group, its business, its financial position, its results, its prospects or its ability to achieve its objectives. At the date of approval of this Document, the Company is not aware of any significant risks other than those presented in this section.

Investors' attention is however drawn to the fact that the list of risks and uncertainties described below is not exhaustive. Other risks or uncertainties that are unknown or that the Company does not consider likely, at the date of approval of this Document, to have a material adverse effect on the Group, its business, financial condition, results of operations or prospects, may exist or may become important factors that could have a material adverse effect on the Group, its business, financial condition, results of operations, development or prospects.

These risks are classified into 4 categories, with no hierarchy between them:

- Financial risks,
- Risks relating to the Group's business and organization,
- Legal risks,
- Risks associated with the COVID-19 pandemic.

Within each category, the most significant risks as assessed by the Company are presented first, taking into account their negative impact on the Company and the Group, and the probability of their occurrence at the date of filing of the Document.

## Risk summary table

Type of risk	Degree of risk criticality
<b>Financial risks</b>	
Risks related to equity investments	high
Risks associated with new business sectors	high
Liquidity and going concern risks	moderate
Foreign exchange risk	moderate
Credit risk	low
Risks related to tax regulations	low
Risks associated with the blockchain business model	high
Risks associated with the lifespan and success of blockchain-based products	high

Risks associated with competition in the sector	high
Risk related to the departure of key personnel	high
Risks related to hiring needs	moderate
Risks relating to the Company's Board of Directors and potential conflicts of interest	moderate
Risks related to customer dependence	low
Risks associated with dependence on a limited number of games and delayed releases of key games	high
Risks associated with new technologies	high
Risks related to the Ukraine-Russia war	low
<b>Legal risks</b>	
Legal risks	moderate
Risks relating to the Group's regulatory environment	moderate
Data security risks	moderate
<b>Risk coverage measures</b>	
Protection of intellectual property rights	moderate

## Financial risks

### Risks related to equity investments

As part of its licensing activity, the Group may receive unlisted securities in return for a brand and/or game license. These securities are measured at fair value.

The Group rates these risks as **high**.

Given their lack of liquidity, these securities are more difficult to value and sell than listed shares. Their value is also more sensitive to significant and rapid variations, as these companies are generally start-ups operating in high-growth businesses, and are most often in the fund-raising phase. The risk of default or loss of value of these holdings is consequently higher, given their characteristics.

### Risks associated with new business sectors

The Group continues to expand into new activities, notably blockchain projects and crypto-currencies. Wherever possible, the Group seeks to expand via co-investments and partnerships in order to accelerate its acquisition of expertise and share the risks involved, but also via direct operations, i.e. businesses in which the Company is the operator, taking responsibility for operations, rather than being a passive investor.

Nevertheless, the Group assumes a higher level of risk, as it needs to acquire new skills and build strong positions in these new sectors, which could lead to greater losses in the early stages of an investment.

The Group has assessed these risks as **high**.

The development of these new sectors requires special analysis of revenue potential and the contractual risk assumed, and there is a risk that, during the start-up phase, these Group projections may not be as accurate as desired.

More generally, the realization of projects, their operating budgets and financing plans remain inherently uncertain, and the non-realization of these assumptions may have an impact on the value of certain Group assets and liabilities.

### Liquidity and going concern risks

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

The Group has assessed these risks as **moderate**.

The main reason for this is that, at the date of this document, the Company has no third-party debt and is fully funded. In addition, the Company has access to alternative sources of financing such as token pre-sales to fund game development. However, these markets are volatile, which is why these risks are assessed as moderate.

### Foreign exchange risk

Risk management is carried out by the parent company according to the context of the financial markets and the procedures established by management. Foreign exchange transactions are carried out in accordance with local laws and access to financial markets. Subsidiaries may contract directly with local banks under the supervision of the parent company and in accordance with Group procedures and policy.

Currency risks relating to the financing of subsidiaries are centralized at the level of the parent company and, where necessary, specific hedges are put in place depending on the financing strategies envisaged. The Group has not set up a currency hedging policy for these amounts.

Each of the main currency zones (Euro, US Dollar) is broadly balanced between cash inflows and outflows. For this reason, the Group has not implemented a currency hedging policy for its commercial transactions.

The Group has assessed these risks as **moderate**.

The main reason is that the Company's revenues and expenses are balanced by currency zone, i.e. revenues and expenses in US dollars and roughly equivalent, and the same is true for the euro zone. In addition, the Company does not speculate in crypto-currencies, i.e. the crypto-currencies collected are sold against *fiat* and/or *stable coins*.

In terms of exposure, an unfavorable change in the euro/dollar rate would not have a significant impact on the overall currency position.

### Credit risk

The Group is essentially an investment company.

The Group has assessed these risks as **low**.

### Risks related to tax regulations

The Group has assessed these risks as **low**.

The main reason for this is that the Company operates in stable countries, with tax regulations that are not subject to wide fluctuations or changes in a short space of time.

## **Risks relating to the Group's business and organization**

### Risks associated with the blockchain business model

The blockchain business model is new, highly uncertain and will take many years to reach a stable situation.

The Group has assessed these risks as **high**, given the new nature of the business.

One aspect of the business model is very stable: the Company's model is to invest in games, both offline and online, and earn revenue by selling microtransactions and certain in-game assets, such as land, buildings and avatar customization.

The main factor of uncertainty is the fluctuation in the price of gaming assets, which can vary widely over short periods.

To mitigate this risk, the Company plans to set low selling prices for game assets.

### Risks associated with the lifespan and success of blockchain-based products

The main risks intrinsic to the blockchain business concern the lifespan of a given blockchain game or application, and the evolution of technologies. Internally, the Company must be able to manage multiple projects in parallel. Furthermore, in a highly competitive market, the Company's financial position and prospects depend on its ability to successfully develop games or applications that can meet user expectations and achieve commercial success. The commercial success of applications depends on public reaction, which is not always predictable.

Over and above all the technical resources deployed to optimize the quality of each application launched, the Group seeks to protect itself against this risk by offering a balanced and diversified range of applications combining different economic sectors.

The Group has assessed these risks as **high given the** state of development of blockchain technology.

### Competitive risks

Although competitive dynamics vary according to game product and platform, the global games market remains extremely competitive. The industry is growing at a steady pace and constantly evolving, creating threats and opportunities for established players and new entrants alike.

This remains true for blockchain-based games and blockchain-based applications.

Changes in technology, consumer habits and demographics are forcing companies to constantly reinvent themselves in order to remain relevant and secure their market position. What's more, blockchain is a new industry, with huge growth and innovation situations, which is both an opportunity and a risk.

Competition is widespread and includes big players like Facebook, Ubisoft, and investment funds like Andreessen Horowitz. Due to low barriers to entry, the competition also includes a myriad of small developers.

The Group has assessed this risk as **high**.

To mitigate this risk, the Company selects its investments and relies on existing games.

#### Risk related to the departure of key personnel

In the event of the departure of key personnel, the Group could encounter difficulties in replacing them, and its activities could be slowed down as a result. Similarly, the Group's financial situation, results or ability to achieve its objectives could be affected.

The Group's success depends largely on the involvement and expertise of its management team, as well as the heads of the operating entities. However, the team has a wealth of expertise and, what's more, the Group's CEO, Frédéric Chesnais, is the Company's main shareholder. This basically eliminates the risk of a key executive leaving the Company.

The Group has assessed this risk as **high**, even though Frédéric Chesnais is the Company's main shareholder, has a substantial portion of his assets invested in the Company and is less likely to resign.

The Group does not have a "key personnel" or "directors' and officers' liability" insurance policy. More generally, the Group has no specific insurance policy, and reassesses its current needs in the light of short-term business development.

#### Recruitment risk

The Group's success is largely due to the performance of its technical teams and their management. Like most of its competitors, the Group finds it difficult to recruit staff with specialized and experienced technical skills. The success of its growth strategy will depend on its ability to attract and retain talent.

The Group has assessed this risk as **moderate for the** following reasons: its operational impact is limited and the current team has considerable expertise.

#### Risks relating to the Company's Board of Directors and potential conflicts of interest

The Chief Executive Officer or members of the Board of Directors may devote their time to other activities, which may lead to potential conflicts of interest in their determination of the time to be devoted to the Company's business, which could have a negative impact on the Company's ability to carry out its strategy.

Although Mr. Frédéric CHESNAIS has undertaken to devote a significant portion of his working time to the Company's business and to the performance of his duties as Chief Executive Officer, none of the Chief Executive Officers or members of the Board of Directors is required to devote all his time to the Company's business, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments.

The Company may also be involved in one or more businesses and/or companies that have direct relationships with entities that may be affiliated with members of the Board of Directors or the CEO. This may also give rise to potential conflicts of interest.

However, the Company considers that there is a close interest between the Company's shareholding and the entity in which the Board of Directors may be affiliated.

Consequently, the Group has assessed these risks as **moderate**.

#### Risks related to customer dependence

The customer base is highly diversified, consisting mainly of individual players. No player represents more than \$2,000 in actual revenues. As a result, the Company is not exposed to the risk of a major customer leaving, as there are no major customers, and the risk of the number of players for a given game dropping to -0- in a matter of days is very limited.

Consequently, the Group has assessed these risks as **low**.

#### Risks associated with dependence on a limited number of games and delayed release of key games

Although the company pays particular attention to the quality of its games, it is nonetheless exposed to a risk of dependency due to the fact that it releases a small number of games, corresponding to a large proportion of its sales.

Moreover, the Group's determination to give fresh impetus to its publishing plan depends in part on the release of a limited number of "key" franchises.

The Group mainly outsources its development projects to independent developers under contract, who may not be able to release the game on time or may have to suspend production. In addition, the Group may not



be able to find suitable developers for certain games, or their skill level may be insufficient to achieve the quality necessary for a game's success. The developer may also encounter financial difficulties, change key team members, or any other difficulty that could lead to significant delays or the abandonment of a game.

Although the Group pays particular attention to the choice of its external developers and the rigor of their production processes, the risk of delayed or even cancelled game releases cannot be totally eliminated. The delayed release of major games, or their abandonment, could have a significant negative impact on the Group's financial situation. In order to reduce these risks, the Group strives to increase in-house technical expertise by hiring key personnel in the fields of technology, art and executive production, while applying strict criteria to the selection procedure for external development studios.

The Group rates these risks **highly**, given the importance of intellectual property and innovation in the Group's value chain.

### Risks associated with new technologies

The Group's strategy, focused on crypto-currencies and blockchain-based applications, involves significant development of new applications. If the Group cannot generate the sales and gross margins envisaged in the budget for these applications, the Group's financial position, sales and operating profit will suffer. For the Group's success, management believes that the Company must invest in as many carefully selected applications as possible, and succeed in monetizing them, while significantly increasing the number of users of the Group's applications. The Group's efforts to increase revenues from applications may not be successful, or even if they are, the time required to generate significant revenues may be longer than anticipated. The risks inherent in these applications are due to their changing nature. For this reason, it is difficult for the Group to forecast sales accurately. In addition, the direct nature of sales considerably increases competition; it also makes it more difficult to promote the Group's applications. Some of our competitors may have more resources to invest in the development and publication of these applications, making competition fiercer. This can also lead to a reduction in marketing opportunities, making it more difficult to coordinate marketing efforts.

Finally, price sensitivity is heightened due to the changing nature of the blockchain sector. The Group has assessed this risk as **high** given that its operational impact is more limited than for other risks.

### Risks related to the Ukraine-Russia war

In the current context of the situation in Ukraine and the consequences of the sanctions imposed on Russia, CBI is monitoring possible repercussions on its activities and risks. To date, CBI's exposure is virtually non-existent on its activities and assets. The Group has assessed this risk as **low**.

## Legal risks

### Litigation risks

In the normal course of business, Group companies may become involved in a number of legal, arbitration, administrative and tax proceedings. In the event of claims made against the Group by one or more of its co-contractors, regulatory authorities and/or any other interested parties, such claims, whatever their basis, may adversely affect the Group's business, operating results and prospects. Disputes are handled by various Group departments, in collaboration with law firms.

**As of the date of** this document, there are no government lawsuits or legal or arbitration proceedings in progress.

### Risks relating to the Group's regulatory environment

The Group must comply with numerous national and international regulations, notably concerning financial market information, the content of applications and the protection of consumer rights. Failure to comply with these regulations can have a negative impact on sales and customer loyalty. The Group must also keep a close eye on changes in French and European regulations governing digital assets. Steps have been taken to obtain PSAN accreditation from the AMF in order to anticipate changes in its business.

The Group has assessed these risks as **moderate**, as it ensures that it complies with all applicable regulations. In particular, the Group relies on a team of external lawyers to keep the company up to date with regulations applicable in the European Union, its main area of activity.

### Data security risks

Legislation and regulations concerning the confidentiality and security of personal data are constantly evolving, and if the Group does not comply, or gives the impression that it does not comply, its business could suffer.

The Group is subject to the laws of France, the United States and other countries concerning the confidentiality and security of the personal data the Group collects from its users; these laws are constantly evolving and will remain so for some time. The US government, in particular the *Federal Trade Commission* and the Department

of Commerce, has announced that it is currently examining the need for greater regulation of the collection of information on consumer behavior on the Internet, and the European Union has instituted the GDPR policy. Various governments and consumer groups are also calling for new regulations and changes in industry practices. If the Group fails to comply with laws and regulations relating to the confidentiality of personal data, or if its practices in this regard were to be deemed suspicious by consumers, even if these suspicions were unfounded, this could damage the Group's reputation, and operating income could suffer.

The Group has assessed these risks as **moderate**, as there is a risk that these laws may be interpreted and applied in a contradictory way from one state, country or region to another, and that such an interpretation may not reflect current practices within the Company. The Company may have to incur additional expenses and modify its business practices in order to comply with these various obligations. Finally, if the Group were unable to adequately protect its users' confidential information, they could lose confidence in its services, which could adversely affect the Group's business.

## Risk coverage measures

### Protection of intellectual property rights

To minimize the risks described above, the Group uses procedures to formalize and obtain legal and technical approval for all stages in the production and marketing of its products. Specialized lawyers manage, supervise and acquire intellectual property rights for the Group. The Group also works with law firms recognized for their expertise in this field, and uses intellectual property monitoring services. The Group registers trademarks and copyrights for its products in the countries it deems necessary, mainly in Europe, the United States and other major countries.

The Group does not file patents for its applications and is not dependent on any particular patent.

The Group has assessed these risks as **moderate**.

## POST-BALANCE SHEET EVENTS

Post-balance sheet events were as follows:

**Launch of the \$FAV token:** on June 8, 2023, the company announced the creation of \$FAV, a utility token for the "Football at AlphaVerse" universe dedicated to soccer, developed in collaboration with leading clubs. Real Betis Balompie, São Paulo FC and several other clubs are already partners to date. AlphaVerse universes are free-to-play, work with traditional bank cards, and tokens are an operating option. The \$FAV token will run on several channels, including BNB, Binance's blockchain, and soon Chiliz, a channel renowned for its ability to federate communities in the world of sports and entertainment.

**Partnership with Chiliz:** the company is developing a project to list the \$FAV token on the Chiliz exchange platform in 2023. This project has yet to be approved by Chiliz. The Chiliz exchange platform specializes in the listing of the Chiliz token (\$CHZ) and Socios tokens dedicated to soccer club fans, with over 40 partner clubs. Tokens from Manchester City, Barcelona FC, PSG, Galatasaray, Juventus and Inter Milan are already listed on the Chiliz exchange platform, making it an ideal partner for "Football at AlphaVerse".

**Amendment to the Xave SPA:** CBI and Xave signed an amendment on May 15, 2023 to defer completion of this acquisition.

**Creation of a CBI subsidiary in Malta and Liechtenstein:** CBI has taken steps to create two service subsidiaries in these countries to take advantage of local regulations.

Apart from these events, no other significant events occurred between March 31, 2023 and the date on which the financial statements were approved by the Board of Directors.

## COMPENSATION PACKAGES

### Compensation of the Chairman and Chief Executive Officer for fiscal 2022-2023

#### Fixed annual remuneration

Frédéric Chesnais receives a fixed monthly remuneration of twenty-five thousand (25,000) euros. However, as Mr. Frédéric Chesnais is 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 all social security, pension and/or social security contributions himself. The gross amount thus paid by the Company amounts to forty-two thousand (42,000) euros, and this amount is paid either to Mr. Frédéric Chesnais and/or to an entity that Mr. Frédéric Chesnais controls, depending on Mr. Frédéric Chesnais' location and/or place of work. A monthly salary of 2,100 euros gross is also paid in respect of his duties as Managing Director in France.

#### Variable compensation / Options

The Board of Directors has decided, on the recommendation of the Nominating and Compensation 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, with the remainder allocated to the investment team and the Board of Directors. Members of this management team are selected from time to time by the Remuneration and Nomination Committee. The allocation among the members of this management team is decided by the Board of Directors, on the recommendation of the Remuneration and Nomination Committee.

The Board of Directors has also decided, on the recommendation of the Appointments and Remuneration Committee, to allocate a discretionary annual bonus that may represent (barring exceptional circumstances) between 0% and 100% of the annual fixed remuneration paid, incorporating the following elements: level of sales, EBITDA margin, cash generated, share price performance, growth in recurring earnings per share, allowing all other income statement items to be taken into account, as well as various objective criteria linked to the business, in addition to the return on investment allocated under the previous paragraph.

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

In addition, Mr Frédéric Chesnais was awarded a fixed bonus of 250,000 euros, increased to take into account the costs corresponding to social protection, pension schemes and/or social security contributions in the same proportions as those indicated above for his monthly remuneration, i.e. a total cost of 420,000 euros. This bonus was paid during the 2022-2023 financial year.

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

#### Remuneration due in respect of directorships

See next paragraph.

### **Directors' remuneration**

#### Fixed annual remuneration

There is no fixed remuneration.

#### Remuneration due in respect of directorships

For the financial year ending March 31, 2023, the Board of Directors' meeting of November 14, 2022 set, subject to approval by the General Meeting deliberating on the financial statements for the year ending March 31, 2023, a remuneration of 137,500 euros for each director per financial year, i.e. a total of 275,000 euros for the period in question. It is agreed that this sum must be used by the directors to acquire shares in the Company and hold them over the long term. Mr Frédéric Chesnais is not eligible for this compensation, but for a fixed cash amount of 25,000 euros.

The directors wished to participate in the capital increase through the issue of shares with warrants by the Company. The Company offset the amounts owed to them under their terms of office against the new shares with warrants issued. With the exception of Frédéric Chesnais, each director acquired 171,875 shares with warrants.

Finally, in the event of the creation of a crypto-currency by the Company, five percent (5.0%) will be reserved for the remuneration of 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 among the directors in the same proportion. No payments have been approved or made in respect of the 2022-2023 financial year.

#### Compensation paid to non-executive directors

None.

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This remuneration policy was approved by the Board of Directors on November 14, 2022.

## **WORKFORCE FOR FISCAL YEAR 2022-2023**

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At March 31, 2023, the Company's average workforce was nine employees, the others being consultants or external service providers.

## **STOCK OPTION PLAN**

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At March 31, 2023, the Company had no stock option plans.

## REPORT ON CORPORATE GOVERNANCE

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This report on corporate governance has been prepared in accordance with the provisions of Article L.225-37 of the French Commercial Code. In particular, it describes the organization and composition of the Company's administrative, management and supervisory bodies, and the delegations of powers and authority granted to the Board of Directors.

### Corporate Governance Code

The Company's Board of Directors has decided to adopt the September 2016 Middelnext Corporate Governance Code for small and mid caps (the "Middelnext Code") as the Company's corporate governance reference code, believing it to be the most appropriate for its size and shareholder structure. This code is available on the Middelnext website in its September 2021 revised version ([www.middelnext.com](http://www.middelnext.com)).

The Middelnext code contains a number of points to watch out for, reminding us of the questions the Board of Directors must ask itself to ensure that corporate governance functions properly.

At the date of publication of this report, the Company considers that it has complied with all the recommendations set out in the Middelnext Code, with the exception of the creation of a CSR committee.

### Administrative, management and supervisory bodies

#### General Management

Crypto Blockchain industries was founded on January 15, 2021 by Frédéric Chesnais, who holds the position of Chairman and CEO.

#### Board of Directors

To date, the Board of Directors comprises three directors, including two independent directors as defined by recommendation 3 of the Middelnext corporate governance code. Its composition is as follows:

- Frédéric Chesnais: Chairman and Chief Executive Officer
- Mr Christophe Chaix: Independent director
- Mr. William Moalem: Independent director

Directors are appointed by the Annual General Meeting for a three-year term.

#### Directors' code of ethics

In accordance with recommendation no. 1 of the Middelnext Code, each director is made aware of his or her responsibilities at the time of appointment, and is encouraged to observe the rules of professional conduct applicable to his or her position.

Directors must comply with the legal rules governing the holding of multiple directorships, inform the Board of any conflicts of interest arising after they have been appointed, attend Board and AGM meetings regularly, and ensure that they have all the necessary information on the agenda for Board meetings before making any decisions.

Directors are bound by discretion with regard to information of a confidential nature and given as such by the Chairman of the Board of Directors.

#### Conditions for preparing and organizing the work of the Board of Directors

Article 13 of the Company's bylaws stipulates that the Board of Directors must comprise a minimum of three members and a maximum of eighteen, unless otherwise stipulated by law. The Board of Directors does not include any directors elected by employees. The members of the Board of Directors have been chosen for their recognized skills in the fields of management, finance and accounting, on the one hand, and the interactive entertainment sector, on the other.

In accordance with the Company's internal rules approved by the Board of Directors, the Board of Directors has the broadest powers to act in all circumstances for and on behalf of the Company. It defines the Company's general management policy and oversees its implementation, and more generally deals with all major issues in accordance with recommendation no. 6 of the Middelnext Code. The Board of Directors approves the Company's strategic orientations and ensures that they are implemented by the Executive Management. In particular, the Board sets the prior authorization thresholds required for the Chief Executive Officer (or other senior executives) to finalize and give effect to the Company's main transactions, and approves the annual

budget and the multi-year game publishing plan. The Board of Directors also approves any major changes to the budget or publishing plan during the year.

In accordance with the law and the Board's internal rules, the directors have the necessary means to obtain all the information they need to carry out an independent and critical analysis of the Group's business, financial position, results and outlook. The Board of Directors ensures that at least one-third of its members are independent directors.

The Board of Directors meets as often as the company's interests require, and at least four times a year, in accordance with recommendation no. 6 of the Middelnext Code.

In accordance with recommendation no. 7 of the Middelnext Code, the Board of Directors is assisted by two standing committees: the Audit Committee and the Appointments and Remuneration Committee.

Each committee meets as often as necessary, when convened by its Chairman or by at least half of its members, to examine any issue falling within its area of competence. At least half the members of each committee are independent directors. Each committee is chaired by an independent director appointed by the Board of Directors.

- The Audit Committee assists the Board of Directors in reviewing and auditing the financial statements, and verifying the clarity and accuracy of information provided to shareholders and the financial markets.
- The Appointments and Remuneration Committee assists the Board of Directors in its duty to oversee the Group's remuneration policy (mainly for senior executives) and the granting of stock options and free shares. The compensation and benefits policy for the Company's executive directors complies with recommendation 16 of the Middelnext code, and the principles for determining compensation meet the criteria of comprehensiveness, balance, benchmark, consistency, clarity, measurement and transparency.

#### Limitation of the powers of the Chief Executive Officer

In accordance with recommendation No. 4 of the Middelnext Code, all the documents and information required by the directors to carry out their duties have been sent to them or made available to them in good time before Board meetings. The Chairman and Chief Executive Officer is always available to provide the Board of Directors with explanations and significant items of information.

At each Board meeting, the Chief Executive Officer reports on current operations and significant developments affecting the Company.

- The Board of Directors' internal rules stipulate, however, that the prior authorization of the Board is required for the following transactions;
- The creation of joint ventures or the acquisition of businesses worth more than 750,000 euros, the acquisition of shareholdings or businesses or the signing of joint venture agreements whenever the transaction involves more than 750,000 euros;
- The sale or transfer of activities or assets for more than 750,000 euros, the transfer of any shareholding or activity involving an amount in excess of 750,000 euros;
- Mergers or proposed mergers involving the Company or, in general, all transactions involving the transfer or sale of all or substantially all of the Company's assets;
- In the event of litigation, signature of any agreement or negotiated settlement, or acceptance of a negotiated settlement, whenever the amount exceeds 750,000 euros;
- The granting of guarantees on the Company's assets, whenever the guaranteed obligation or the value of the pledge exceeds 750,000 euros;
- The signature of any licensing or intellectual property agreement, whenever the amount involved exceeds one million euros.

#### **Directorships and positions held by members of the Board of Directors**

## A / Positions held within the Group during the 2022-2023 financial year

First name, Last name	Main functions within the group
Frédéric Chesnais	<b>CEO (France) :</b> Ker Ventures, SARL
Christophe Chaix	<b>CEO (France) :</b> Crypto Blockchain Industries, SA
Edward Moalem	<b>Independent Director</b> Crypto Blockchain Industries, SA

## B / Main offices and positions held by Frédéric Chesnais outside the Group during the 2022-2023 financial year

First name, Last name	Main functions outside the group
Frédéric Chesnais	<b>CEO (France) :</b> Ker Ventures, SARL <b>CEO (overseas) :</b> Ker Ventures, LLC (USA) Key Projects, Corp. (USA) Key Ventures Projects, FZE (UAE)

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Paris, June 30, 2023

### Crypto Blockchain Industries, SA

Represented by Frédéric Chesnais  
Chairman and Chief Executive Officer



## IV. STATUTORY FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS 2022-2023

#### 12-MONTH PERIOD ENDED MARCH 31, 2023

#### INCOME STATEMENT

(K€)	March 31, 2023	March 31, 2022
Revenue	5 242,2	83,9
Other income	0,1	3 981,4
Reversals of provisions and depreciation, transfers of expenses	-	-
<b>Operating revenue</b>	<b>5 242,3</b>	<b>4 065,3</b>
Purchase of goods	(0,0)	(1,3)
Other purchases and expenses	(2 404,7)	(2 286,4)
Taxes	(5,6)	(11,7)
Payroll expenses	(976,8)	(83,6)
Other expenses	(0,6)	-
Depreciation, amortization and provisions	(10,6)	(2,5)
<b>Operating expenses</b>	<b>(3 398,3)</b>	<b>(2 385,5)</b>
<b>Operating income</b>	<b>1 844,0</b>	<b>1 679,8</b>
Financial income	432,4	2 165,1
Financial expense	(3 330,3)	(8 960,6)
<b>Net Financial income and expense</b>	<b>(2 897,8)</b>	<b>(6 795,5)</b>
<b>Current income before taxes</b>	<b>(1 053,9)</b>	<b>(5 115,7)</b>
Non-recurring income	741,8	0,2
Non-recurring expenses	(46,9)	(2 055,3)
<b>Non-recurring income and expense</b>	<b>694,9</b>	<b>(2 055,1)</b>
Income Tax	-	-
<b>Net income (loss) for the Year</b>	<b>(359,0)</b>	<b>(7 170,8)</b>

## BALANCE SHEET

ASSETS (K€)		March 31, 2023			March 31, 2022
		Gross	Amt/Dep	Net	
Intangible assets	Note 3	8 074,4	(0,6)	8 073,8	5 916,7
Property, plant and equipment	Note 3	20,3	(5,2)	15,1	11,8
Financial assets	Note 5	13 915,5	-	13 915,5	12 952,9
<b>Total fixed assets</b>		<b>22 010,3</b>	<b>(5,8)</b>	<b>22 004,5</b>	<b>18 881,4</b>
Accounts receivable	Note 7	896,8	-	896,8	445,9
Other receivables	Note 8	2 250,2	-	2 250,2	-
Treasury shares	Note 10.2	2 470,7	(967,6)	1 503,1	435,3
Cash and cash equivalents	Note 9	2 848,9	-	2 848,9	5 447,9
<b>Total current assets</b>		<b>8 466,7</b>	<b>(967,6)</b>	<b>7 499,0</b>	<b>6 329,1</b>
Accruals		-	-	-	-
<b>Total assets</b>		<b>30 476,9</b>	<b>(973,4)</b>	<b>29 503,5</b>	<b>25 210,5</b>

EQUITY & LIABILITIES (K€)		March 31, 2023	March 31, 2022
Capital stock		25 070,4	24 258,8
Share premium		7 117,9	980,9
Legal reserve		-	-
Retained earnings		(7 175,8)	(5,0)
Net income (loss) for the year		(359,0)	(7 170,8)
<b>Equity</b>	Note 10	<b>24 653,6</b>	<b>18 063,9</b>
<b>Provisions for contingencies and losses</b>	Note 11	<b>160,8</b>	<b>5,5</b>
Bond debt		-	-
Bank debt		-	-
Other financial liabilities	Note 14	2 242,3	4 477,5
Trade payables		1 995,2	2 550,4
Operating liabilities		451,7	113,2
<b>Liabilities</b>		<b>4 689,1</b>	<b>7 141,1</b>
Accruals		-	-
<b>Total shareholders' equity and liabilities</b>		<b>29 503,5</b>	<b>25 210,5</b>

The accompanying notes are an integral part of the financial statements for the 12 months ended March 31, 2023, which show total assets of €29,503.5 K and net income of €(359.0) K.

## CHANGES IN SHAREHOLDERS' EQUITY

(000's of euros)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
Shareholders' equity March 31, 2022	242 587 500	24 258,8	980,9	-	(5,0)	(7 170,8)	18 063,9
Net income	-	-	-	-	-	(359,0)	(359,0)
March 30, 2022 net income transferred in res	-	-	-	-	(7 171)	7 171	-
Repayment of loan	2 000 000	200	2 300	-	-	-	2 500,0
Capital increase	6 116 983	612	4 283	-	-	-	4 895,0
Expenses inputed on additional paid-in capi	-	-	(446)	-	-	-	(446,3)
Shareholders' equity March 31, 2023	250 704 483	25 070,4	7 117,9	-	(7 175,8)	(359,0)	24 653,6

## BASIS OF PRESENTATION

Crypto Blockchain Industries, SA ("CBI" or the "Company") is a company incorporated under the laws of France. The financial year runs from April 1<sup>er</sup> 2022 to March 31 2023.

The financial statements are presented as at March 31, 2023 for the entire fiscal year 2023, i.e. from April 1<sup>er</sup>, 2022 to March 31, 2023.

The annual financial statements have been prepared and presented in accordance with Articles 832-2 and 833-2 of the French Commercial Code and with the accounting regulations of the French Accounting Standards Authority (Règlement ANC n°2014-03 du 5 juin 2014) up to date with the various supplementary regulations at the date of preparation of said annual financial statements.

## COMPANY PRESENTATION

CBI is a company offering a global investment approach covering the main aspects of blockchain.

CBI's strategy is to invest in operational activities and start-ups, as well as in crypto-currencies and tokens. CBI, after a meticulous review of projects, invests in those aspects of blockchain offering the best estimated opportunities:

- Operational activities: CBI controls, alone or in partnership, the business (transport, video games) ;
- Investments: CBI invests in start-ups; CBI also invests to help companies successfully transition to the blockchain world;
- Intellectual property rights: CBI can invest in intellectual property rights (IPs), or create its own portfolio;
- Portfolio management: CBI holds and manages crypto-currencies and tokens, and may also hold liquid assets such as shares in listed blockchain and video game companies.

To offer greater flexibility and optimize the chances of commercial success for its flagship product, the 3D AlphaVerse digital world, CBI also offers payment options in traditional currencies where technically possible.

CBI's objective is to grow its portfolio of assets, optimize return on investment and operate with a limited level of fixed costs, focusing on the best opportunities in the industry.

CBI can use leveraged financing techniques, while maintaining the priority of collateralization to minimize the level of risk.

The complementary nature of these activities also enables synergies to be created.

### CBI: Strategy and development for a connected, open virtual world

The company's core business is currently focused on the development of AlphaVerse, a beautifully designed, feature-rich digital virtual world. AlphaVerse is organized around a central place, the "Hub", which connects numerous universes 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 the major cryptocurrencies as well as the Crystal token (\$CRYS), AlphaVerse's cryptocurrency, and the \$FAV token, Football at AlphaVerse's cryptocurrency. 600 million units of the Crystal token have been created on the blockchain, with the 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). 11 billion units of the \$FAV token have been created: the tokens will enable microtransactions in the Football at AlphaVerse universe, participation in quests or mini-games, the purchase of NFTs, the running of referral programs, access to discounts on purchases, or the earning of FAV tokens linked to the creativity or commitment of users, in the manner of a loyalty card. CBI aims to list \$FAV in 2023.

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 for testing in September 2022, generating many positive and enriching feedbacks. After an initial development phase during which priority was given to video games, music and the associative world, all leading fields bringing together vast international communities, the universes currently under development are as follows:

- **MetaCoaster:** an amusement park simulation game on blockchain. Users will be able to play solo to hone their skills, or take part in global park-building competitions and win cryptos.
- **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 "United at Home" charity program 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 with each other and 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 art of the 90s will find their place in Artech. Artech is a metaverse entirely dedicated to digital art and artists, where we create an entire 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 legendary photographer Chi Modu, 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 open virtual world of constant expansion and evolution, where music fans discover a new world filled with music, incredible shows, festivals and events. This metaverse is currently being acquired by CBI, for \$1 million mainly paid in CBI shares and an earn-out clause.
- **Chain Games:** Chain Games is a blockchain-integrated gaming network offering decentralized skill games, Skill-Based and Play-to-Earn contests, allowing players to earn crypto-currencies as a reward for their efforts. This world will be developed and operated by Chain Games.
- **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 rave culture and the electronic music community.
- **Soccer at AlphaVerse:** Football at AlphaVerse is a world dedicated to soccer, in which visitors can move around the various emblematic locations of their favorite clubs and enjoy a variety of games and entertainment.

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 currently 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 targets celebrities from all walks of life to develop their image on blockchain, notably through NFTs and community animation tools.

In accordance with Article 2 of the Articles of Association, CBI's corporate purpose is, in France or abroad, directly or indirectly:

- The creation and marketing of digital assets, particularly on blockchain;
- The design, production, publishing and distribution of all multimedia and audiovisual products and works, in particular for leisure purposes, in any form whatsoever and in particular in the form of software, data processing or interactive or non-interactive content, on any medium and through any current or future means of communication;
- The acquisition of any company, entity, business or other undertaking that is active in blockchain or is likely to evolve in whole or in part in this field, regardless of the type of activity named ;
- Production of all kinds of leisure, sports, audiovisual and other activities;
- The creation, acquisition, operation and management of intellectual and industrial property rights or other real or personal rights, in particular 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;

- Acquiring, seeking partnerships with and acquiring interests in any form whatsoever, in particular by creation, issue, subscription or contribution, in any activity directly or indirectly related to the above-mentioned purpose or to the products and themes developed by the Company;

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

## NOTES TO THE STATUTORY FINANCIAL STATEMENTS

### NOTE 1 - HIGHLIGHTS OF THE YEAR

Fiscal year 2022-2023 was marked by the opening of the metaverse, AlphaVerse, for the first user tests and the announcement of new universes, including one dedicated to soccer. On the financial front, the year was also marked by a capital increase through a public offering carried out in February 2023.

Highlights of the period were as follows:

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

**2 Chain Games:** On July 26, 2022, CBI signed a partnership agreement with Chain Games, publisher of *Skill-Based and Play-to-Earn* games, for the creation of spaces dedicated to these games and the development of content in the AlphaVerse, with a license fee of US\$2 million for the benefit of CBI. CBI and Chain Games have entered into a series of agreements, under which :

- (v) the Company sold Chain Games the right to own a space in the Hub, for US\$2 million paid by Chain Games in CHAIN tokens
- (vi) the Company and Chain Games have agreed to share future revenues generated in this area of the Hub
- (vii) Chain Games has agreed to develop a separate world, with the Company entitled to a share of the revenues generated by this separate world.
- (viii) the Company has retained Chain Games as its strategic advisor for the next 5 years, in exchange for CBI shares and CRY tokens

**3. Amendment to liquidity contract with TSAF:** On September 5, 2022, 200,000 euros in cash were withdrawn from the liquidity contract with TSAF.

**4 Opening of AlphaVerse:** On September 21, 2022, CBI opened the central part (the Hub) of its AlphaVerse metaverse in a test phase for the first players from its community.

**5. Repayment of the loan of 2 million CBI shares:** 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 million CBI shares by issuing and delivering an identical number of CBI shares.

**6 Loan agreement for 5 million 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. The loan will be taken out at a later date, as and when the Company's needs arise.

**7. amendment to the loan agreement of July 29, 2022.** On January 3, 2023, the Company entered into an amendment to the loan agreement of July 29, 2022 with Ker Ventures SARL to extend the loan agreement to Ker Ventures LLC and to include a current account agreement with the Company for a maximum amount of \$1 million.

**8 Change of registered office:** CBI changed its registered office during the year. Its new address is: 38 rue de Berri, 75008, Paris.

**9. Development of "Football at AlphaVerse":** CBI aims to accelerate AlphaVerse's growth, particularly in the world of digital worlds dedicated to soccer, which it is developing on behalf of leading clubs. Operated by CBI under revenue-sharing licenses granted by the clubs, these worlds are based on a Free-to-Play model. Each world reproduces the club's stadium in 3D, at the heart of a digital world dedicated to the club and packed with experiences and mini-games. Each seat in these digital stadiums is an NFT that offers real-life benefits. CBI offers these partner soccer clubs first-rate access to Web3, and aims to provide every fan with a unique online experience. Over the last few months, CBI has been in contact with numerous clubs in England,

Italy, Spain, Brazil and Colombia, and many of them have expressed interest. CBI has begun signing contracts with soccer clubs, and plans to expand significantly in this area.

**10. 6 partnership agreements signed with various soccer clubs:** Six partnership agreements have been officially signed with soccer clubs as part of the development of Football at AlphaVerse. These clubs include Real Betis Balompie, São Paulo Football Club, Cardiff City Football Club, Spezia Calcio, Real Sociedad and Asociación Deportivo Cali. In order to enhance the experience of Football at AlphaVerse users, the Company has committed to creating a digital version of the world of these clubs. This initiative will enable fans and supporters around the world to meet, stay informed and enjoy unique experiences linked to their favorite clubs.

**11. Horyou AlphaVerse will donate 2% of its gross sales and join the "1% for the Planet" program.** 1% of sales will be allocated to the "1% for the Planet" program, and a further 1% will be donated to charitable programs and causes that are part of the Horyou AlphaVerse metaverse.

**12. Future Rave, the new label from David Guetta and Morten, is teaming up with AlphaVerse to develop a metaverse dedicated to the new musical genre created by the world-renowned DJ and music producer duo.** David Guetta and Morten will deploy their new Future Rave label in the metaverse. A new universe will be created within AlphaVerse, CBI's metaverse, to share, find new artists, create and exchange with the community. This project is brought to you by Blockchain Artists Agency (BAA), the talent management agency for blockchain.

**13. CBI advises the Cornucopias project, a multiplayer game based on blockchain:** Cornucopias is an innovative project based around a massively multiplayer online role-playing game, and brings together a number of assets specific to blockchain: gaming, learning, creation and sharing. CBI is entitled to 0.5% of the COPI tokens issued by Cornucopias and will own 1.0% of the capital of Cornucopias Technology PTE. LTD, the company created to develop the Cornucopias metaverse.

**14. CBI has published its *whitepaper* and roadmap for its AlphaVerse digital universe:** The *whitepaper* details AlphaVerse's technology and vision. It also includes a roadmap outlining milestones and partnerships for the development and growth of the AlphaVerse ecosystem.

**15. Capital increase of 4,891,749.60 euros through the issue of ABSAs with preferential subscription rights:** in February 2023, CBI carried out a capital increase through the issue of ABSAs in order to accelerate its development in the world of soccer. The BSAs entitle their holders to subscribe to new CBI shares at a price of €1.40 no later than March 31, 2024.

**16. Application for PSAN (Prestataire de Services sur Actifs Numériques) accreditation:** in March 2023, CBI filed an application for PSAN (Prestataire de Services sur Actifs Numériques) accreditation with the Autorité des Marchés Financiers.

**17 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 PRINCIPLES AND METHODS

### 2.1. General principles

#### Preparation of financial statements

The annual financial statements have been prepared and presented in accordance with Articles 832-2 and 833-2 of the French Commercial Code and the accounting regulations of the French Accounting Standards Authority (Règlement ANC n° 2014-03 du 5 juin 2014 mis à jour des différents règlements complémentaires à la date d'établissement desdits comptes annuels). More specifically, they comply with the terms of regulations 2016-07 and 2020-05 issued by the French Accounting Standards Authority (Autorité des normes comptables), and in particular with the principles of prudence, lawfulness, true and fair view, consistency of methods from one financial year to the next and independence of financial years.



The Company's financial statements are presented in thousands of euros with one or no decimal places, unless otherwise indicated. Figures rounded to the nearest thousand euros may, in certain situations, result in minor discrepancies in table totals and subtotals.

## 2.2 Change in accounting method

The Company has not adopted any new accounting policies.

## 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. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date. All differences are recognized in profit or loss for the period, with the exception of differences on borrowings in foreign currencies which constitute a hedge of the net investment in a foreign entity. These are charged directly to equity until the net investment is disposed of.

The current exchange rates are as follows:

	March 31, 2023		March 31, 2022	
	Closing rate	Average rate	Closing rate	Average rate
USD	1,0875	1,0411	1,1085	1,1010

## 2.4. Use of estimates

The preparation of financial statements in accordance with French generally accepted accounting principles requires the Company to make certain estimates and assumptions that it believes to be reasonable and realistic. These estimates and assumptions affect the reported amounts of assets and liabilities, shareholders' equity, net income and contingent assets and liabilities at the balance sheet date.

Estimates and assumptions are based on information available at the balance sheet date, and relate in particular to provisions for contingencies. These estimates were used to determine the amount of the provision for pensions (Note 2.14).

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

There is always an inherent uncertainty surrounding the achievement of objectives, the operating budget and the financing plan, and the non-achievement of assumptions may have an impact on the valuation of assets and liabilities.

## 2.5. Intangible assets

Intangible assets mainly comprise items such as acquired management software, rights to use acquired licenses, trademarks and game development costs.

### Concessions

Agreements giving CBI the right to receive a portion of future revenues or profits are recorded as Concessions. This category includes, in particular, *joint venture* agreements with third parties under which CBI is responsible for creating, promoting and selling tokens in exchange for a fraction of the revenues or profits.

### Licenses

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

These licenses are amortized from the date of execution at the higher of the contractual rate applied to units sold and the straight-line rate based on the life of the license. The amortization charge is recorded under "cost of sales".

The Company regularly monitors the recoverable value of capitalized amounts, and performs an impairment test, as described in paragraph 2.9, as soon as indicators of impairment appear. Where appropriate, an impairment loss is recognized under "Cost of sales" if the game to which the license relates has been marketed, and under "Research and development costs" if it has not.

#### Video game development costs

See Note 2.17.

#### Other intangible assets

Other intangible assets include identifiable intangible assets arising from acquisitions (e.g. brands, game catalogs) and software acquired for internal use (e.g. accounting software). With the exception of brands, these assets are amortized under "General and administrative expenses" or "Research and development expenses" on a straight-line basis over a period not exceeding their estimated useful life (between 1 and 4 years).

#### NCX

Intangible assets correspond to the valuation of CBI's right to receive a share of future NCX token revenues.

### **2.6. property, plant and equipment**

Property, plant and equipment are carried at cost less depreciation and impairment. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets concerned. Leasehold improvements are depreciated over the shorter of their estimated useful life or the lease term. The lease term takes into account 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 fittings and other equipment: 3 to 10 years

### **2.7. Rights of use relating to leases**

The Company has a lease of €25.0 K per month, over 9 years, from November 1<sup>er</sup> 2021. Monthly rental payments are expensed and not restated.

### **2.8. Impairment tests**

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

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

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

Terminal value is calculated by discounting to infinity a normative cash flow determined on the basis of the cash flow for 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 that the recoverable amount is lower than the net book value, an impairment loss is recognized to write down the carrying amount of the fixed assets.

### **2.9. non-current financial assets**

Long-term investments are determined in accordance with applicable regulations.

Financial assets held by La Société are analyzed on the basis of their business model and objectives.

Classification depends on the nature and purpose of each financial asset, and is determined at initial recognition.

The list of subsidiaries is as follows:

Amounts in millions of euros	Capital stock	Shareholders' equity (excluding capital)	Ownership interest (%)	Carrying amount of securities held:		Loans and advances outstanding	Revenue for the last fiscal year	Profit (loss) for the last fiscal year	Notes
				Gross	Net				
Subsidiaries (more than 50%-owned)									
OP Productions, LLC	-	31,4	77,3%	4 075,1	4 075,1	94,3	162,9	70,5	FY ended 31/12/2023
Free Reign East, LLC	-	0,1	77,3%	732,9	732,9	-	1,5	0,4	FY ended 31/12/2023

## 2.10. Trade accounts receivable

Trade receivables are recorded at fair value, which generally corresponds to their face value. Provisions are booked for doubtful debts, based on the risk of non-recovery.

IFRS 9 requires the recognition of expected credit losses on trade receivables. The Group has carried out a review of its trade receivables based on an analysis of country risks and the probability of counterparty default. This review has no material impact on the Group's financial statements.

## 2.11. Cash and cash equivalents

Cash and cash equivalents, as shown in the cash flow statement, comprise cash (cash on hand and demand deposits) and cash equivalents (short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value).

Investments with an initial maturity of more than three months and no possibility of early withdrawal are excluded from cash and cash equivalents.

In accordance with Regulation 2020-05 of the French Accounting Standards Authority (Autorité des Normes Comptables), tokens held by the Company are also recorded under "Investments in cash and crypto-currencies", under "Cash and cash equivalents".

The token portfolio is carried at acquisition cost.

The portfolio is valued on a line-by-line basis, with each crypto-currency valued on the basis of different volume-weighted average prices to reflect the value of each global crypto-currency. If the value of the crypto-currency exceeds its acquisition cost, no unrealized profit is recognized. If the value of the crypto-currency is less than its acquisition cost, an impairment loss is recognized in the income statement.

There are no explicit or implicit obligations to subscribers and token holders. Consequently, amounts received in connection with these services are recognized in other income.

## 2.12. Share-based payments

The Company makes equity-settled share-based payments in the form of stock options and bonus shares.

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

## 2.13. Provisions

A provision is recognized when there is a present obligation (legal or constructive) towards a third party as a result of past events, the extent of which can be reliably estimated, and which is likely to result in an outflow of resources to the third party without at least equivalent consideration being expected from the latter. If the amount or timing of the obligation cannot be estimated with sufficient reliability, it is classified as a contingent liability and constitutes an off-balance sheet commitment.

## 2.14. Provisions for pensions and other post-employment benefits

The amount of the provision is €2,000 and is not material given the recent nature of the Company.

## 2.15. Liabilities and financial instruments

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

### Bonds and other borrowings

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

#### Shareholder loans

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

#### Trade accounts payable

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

## **2.16. Revenue recognition - income from ordinary activities**

#### Income from sales of Crystal tokens ("CRYS")

Sales are recognized as revenue.

Variations between the billing date and the collection date are recorded under financial income/expense.

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

#### Income from the sale of non-fungible tokens ("NFTs")

The sale is recorded on the date the sale is signed.

Sales are recorded as income (Other income).

Variations between the billing date and the collection date are recorded under financial income/expense.

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

#### Brand licensing revenues

Revenues from brand licenses are spread over the term of the contract.

For brand licensing contracts, non-refundable or guaranteed payments are recognized over the term of the license.

#### Revenues from AlphaVerse game licenses and others

Sales corresponding to the guaranteed minimums received by CBI for game license contracts relating to a right to use intellectual property, such as the AlphaVerse, are recognized at the time the license is granted and the customer is able to use and benefit from the advantages of the license, i.e. once CBI no longer has a significant obligation.

Revenue recognition is based on an assessment of the uncollectibility of receivables, taking into account the customer's intention and ability to pay, a prerequisite for recognizing amounts as sales.

If a CBI obligation exists, income is deferred and recognized only when the obligation has been fulfilled.

## **2.17. Research and development costs**

#### Gross value

In accordance with PCG (art 212-3), an intangible asset resulting from the development (or development phase of an internal project) must be recognized if, and only if, an entity can demonstrate all of the following:

- 1) The technical feasibility of completing the intangible asset so that it can be put into service or sold;
- 2) The company's intention to complete the intangible asset and put it into service or sell it;
- 3) The company's ability to commission or sell the intangible asset;
- 4) The ability of this intangible asset to generate future economic benefits ;
- 5) The availability of appropriate technical, financial and other resources to complete the development and put the intangible asset into service or sell it;

6) The company's ability to reliably measure the expenditure attributable to the intangible asset during its development.

Research and development costs not meeting these criteria remain expensed in the year they are incurred.

At year-end, the residual net book value is compared with the future sales forecasts to which the terms of the contract apply. If these sales forecasts turn out to be lower, an additional provision for depreciation is booked accordingly.

The Company does not benefit directly from research tax credits.

#### Amortization of R&D costs

Depreciation is calculated as follows

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

### **2.18. Marketing and sales expenses**

Advertising and user acquisition costs for mobile and online games are expensed as incurred, and included in "Marketing and selling expenses" in the consolidated income statement.

### **2.19. Operating income**

Operating income comprises gross margin less research and development costs, marketing and sales costs, and general and administrative expenses.

### **2.20. Financial income and expense**

#### Cost of debt

Net financial debt comprises all current and non-current borrowings, less cash and cash equivalents. The cost of net indebtedness comprises income and expenses generated by the components of net indebtedness during the period, including the results of interest-rate and currency hedging. Net cost of debt includes in particular the following items:

- Interest expense and income on net debt, comprising 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 expense

Other financial income and expense" includes the following items:

- Dividends received from investments ;
- The effect of discounting provisions ;
- Capital gains and losses on disposals of financial assets ;
- Foreign exchange gains/losses.

### **2.21. Taxes**

The Company accounts for taxes due in accordance with applicable regulations.

### **2.22. Earnings per share**

The Company reports earnings per share.

Earnings per share correspond to the Company's net income divided by the number of shares outstanding at the year-end.

## **NOTE 3 - INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT**

At March 31, 2023, intangible assets correspond mainly to the investment in AlphaVerse (€3,890.7k) and the joint venture agreement with NCX to distribute a new token (€4,101.7k), as follows:

(000's of euros)	March 31, 2022	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2023
Games development	1 612,4	2 278,3	-	3 890,7
Software	-	6,7	-	6,7
Logos and brands	20,9	54,5	-	75,4
Rights on NCX tokens	4 101,7	-	-	4 101,7
<b>Total gross value</b>	<b>5 734,9</b>	<b>2 339,5</b>	<b>-</b>	<b>8 074,4</b>
<b>Total amortization</b>	<b>-</b>	<b>(0,6)</b>	<b>-</b>	<b>(0,6)</b>
<b>Total net value</b>	<b>5 735</b>	<b>2 338,9</b>	<b>-</b>	<b>8 073,8</b>

(000's of euros)	March 31, 2022	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2023
General fixtures and fittings	-	-	-	-
Office equipment and computers	12,3	8,0	-	20,3
<b>Total gross value</b>	<b>12,3</b>	<b>8,0</b>	<b>-</b>	<b>20,3</b>
<b>Total amortization</b>	<b>(0,5)</b>	<b>(4,6)</b>	<b>-</b>	<b>(5,1)</b>
<b>Total net value</b>	<b>11,8</b>	<b>3,3</b>	<b>-</b>	<b>15,1</b>

## NOTE 4 - LEASEHOLD RIGHTS OF USE

The Company has a monthly rent of €25.0 K under a 9-year lease with an effective date of November 1<sup>er</sup> 2021. In accordance with the provisions of this lease, the rent has been updated on the anniversary date in line with industry indices, and now stands at €25.9 K per month. The existing lease is recorded under operating expenses and has not been restated.

## NOTE 5 - FINANCIAL INSTRUMENTS

### 5.1. non-current financial assets

(000's of €)	March 31, 2022	Increases	Decreases	Currency impact	March 31, 2023
OPP	4 075,1	-	-	-	4 075,1
Free Reign	732,9	-	-	-	732,9
Cornucopias	-	911,3	-	-	911,3
Xave	-	51,2	-	-	51,2
NCX	8 069,9	-	-	-	8 069,9
Deposits	75,0	0,1	-	-	75,1
Other fixed assets	-	-	-	-	-
<b>Total gross value</b>	<b>12 952,9</b>	<b>962,6</b>	<b>-</b>	<b>-</b>	<b>13 915,5</b>
<b>Provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net value</b>	<b>12 952,9</b>	<b>962,6</b>	<b>-</b>	<b>-</b>	<b>13 915,5</b>

(000's of €)	March 31, 2022	Increases	Decreases	Currency impact	March 31, 2023
OPP	-	-	-	-	-
Free Reign	-	-	-	-	-
Cornucopias	-	-	-	-	-
Xave	-	-	-	-	-
NCX	-	-	-	-	-
Deposits	-	-	-	-	-
Other fixed assets	-	-	-	-	-
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5.2 Balance sheet information

Financial instruments comprise assets, derivatives and liabilities.

The following table presents these assets and their maturities.

As at March 31, 2023 (000's in euros)	Net Value	Schedule		
		Less than 1 year	Between 1 & 5 years	More than 5 years
Accounts receivable	896,8	896,8	-	-
Other receivables	-	-	-	-
Treasury shares	1 503,1	1 503,1	-	-
Cash and cash equivalents	2 848,9	2 848,9	-	-
<b>ASSETS</b>	<b>896,8</b>	<b>896,8</b>	<b>-</b>	<b>-</b>
Provisions for contingencies and losses	160,8	160,8	-	-
Bond debt	-	-	-	-
Bank debt	-	-	-	-
Other financial liabilities	2 242,3	754,9	1 487,4	-
Trade payables	1 995,2	1 995,2	-	-
Operating liabilities	451,7	451,7	-	-
<b>LIABILITIES</b>	<b>4 849,9</b>	<b>3 362,5</b>	<b>1 487,4</b>	<b>-</b>

The shareholder loan has a 5-year term, is repayable at maturity and bears interest at the legal rate.

## NOTE 6 - INVENTORIES

At March 31, 2023, the Company had no inventory.

## NOTE 7 - TRADE ACCOUNTS RECEIVABLE

At March 31, 2023, the balance of trade receivables corresponding to receivables from distributors, collected with a time lag of 30 to 60 days, was €869.8K.

(000's of euros)	March 31, 2023			March 31, 2022
	Gross	Impairment	Net	Net
External	896,8	-	896,8	445,9
Accrued	-	-	-	-
<b>Total net value</b>	<b>896,8</b>	<b>-</b>	<b>896,8</b>	<b>445,9</b>

The limited number of customers enables a regular review of trade receivables. When late payment is noted, an analysis is carried out focusing in particular on the criteria of anteriority of the receivable, the customer's financial situation, the possible negotiation of a settlement plan, guarantees received and possibly 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 booked as a loss.

## NOTE 8 - OTHER CURRENT ASSETS

None.

## NOTE 9 - CASH AND CASH EQUIVALENTS

CBI's cash position is shown in the table below:

	March 31, 2023	March 31, 2022
Inventory of tokens and NFTs	1,2	678,1
Cash investments and crypto-currencies	2 405,8	2 150,4
Cash	441,9	2 619,4
<b>Cash and cash equivalents</b>	<b>2 848,9</b>	<b>5 447,9</b>

The inventory of tokens is recognized at cost, based on the acquisition price. At the closing date of the accounting period, each crypto-currency is then valued on the basis of the closing price to take into account the value of each crypto-currency and the overall portfolio. If the cost price of a crypto-currency exceeds its market value, an impairment loss is recognized in the income statement. At March 31, 2023, inventory was valued at €2,407.0K. The impairment of the ATRI tokens was included in the overall price of the warrant repurchased in 2022.

The table below shows, as at March 31, 2023, Tokens and NFTs (€1.2k) and investments in cash and crypto-currencies (€2,405.8k), for a total of €2,407.0k.

Token	# Tokens	Market Price/Token US\$	Market Value US\$	Market Value Euro	Gross Value Euro	Accrual PL Euro	Accrual Equity Euro	Net Value Euro
	A	B	A*B	C = A*B in euros	D	E = C - D (IF < 0)	E = C - D (IF < 0)	D+E
ETH	124.81	\$1 822.00	\$227 405.50	€209 108.51	€488 224.56	-€279 116.05		€209 108.51
USDT	52 863.13	\$1.00	\$52 863.13	€48 609.77	€47 306.75	€1 303.02		€48 609.77
BTC	26.98	\$28 478.48	\$768 349.39	€706 528.18	€1 160 681.88	-€454 153.70		€706 528.18
USDC	20 974.05	\$1.00	\$20 974.05	€19 286.48	€32 936.61	-€52 223.09		€19 286.48
CHAIN GAMES	54 095 429.00	\$0.03	\$1 361 581.95	€1 252 029.38	€1 970 055.16	-€718 025.78		€1 252 029.38
BNB	0.51	\$317.04	\$161.34	€148.36	€84.09	€64.27		€148.36
WETH	0.98	\$1 823.38	\$1 792.00	€1 647.82	€2 336.88	-€689.06		€1 647.82
MATIC	567.20	\$1.12	\$634.81	€583.74	€349.46	€234.28		€583.74
COPI	4 800 001.00	\$0.04	\$182 640.04	€167 944.86	€62 872.02	€105 072.84		€167 944.86
ATRI	30 326 489.00	\$0.00	\$0.00	€0.00	€696 542.39	€0.00	-€696 542.39	€0.00
CRYS	493 760 000.00	\$0.08	\$41 145 020.80	€37 834 501.89	€493.76	€0.00		€493.76
LIGHTS	6 520 000 000.00	\$0.00	\$16 300 000.00	€14 988 505.75	€652.00	€0.00		€652.00
XAVE	3 250 000 001.00	\$0.00	\$1.01	€0.93	€1.01	€0.00		€1.01
TOTAL			\$60 061 424.02	€55 228 895.65	€4 396 663.35	-€1 293 087.10	-€696 542.39	€2 407 033.86

The cost of transferring tokens is paid directly on the blockchain and expensed.

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

Costs invoiced by developers for the creation of tokens and NFTs are recognized in inventory and expensed as the NFTs are sold. The balance is recognized as intangible assets and amortized over the useful life of the assets.

The following creation costs have been established:

- CRY: The production cost invoiced by the developers was 600 euros, corresponding to the time spent creating these tokens. Or 0.01 euro per 10,000 CRY sold.
- LIGHTS: the production cost invoiced by the developers was closer to 1,800 euros, as the contract was more complex to draw up to create the 18 billion LIGHTS tokens. That's 0.001 euro per 10,000 LIGHTS sold.
- NFT Standard: The production cost depends on the value and quality of the assets, and the number of items in the collection. These costs are estimated at 0.01 euro cents per standard NFT, corresponding to the production cost invoiced by the developers.

The cost of transferring tokens is paid directly on the blockchain and expensed.

## NOTE 10 - SHAREHOLDERS' EQUITY

### 10.1. Share capital

## Common shares

At March 31, 2023, the Company's subscribed and fully paid-up capital amounted to €25,070,448.30, divided into 250,704,483 shares with a par value of €0.10 each. The number of voting rights attached to the Company's shares is 248,979,483, as treasury shares do not carry voting rights.

In addition, there are 6,107,799 share subscription warrants (BSA), with 3 BSA entitling their holders to purchase 1 new CBI share at a price of €1.40 by March 31, 2024 at the latest. If all these warrants are exercised, 2,035,933 new shares could be created. The number of CBI shares likely to be in circulation is thus 252,740,416. The table below shows the breakdown of these shares.

## Changes in the number of shares during the year

March 31, 2022		242 587 500
31/08/2022	Repayment of loan	2 000 000
01/02/2023	Capital increase	6 116 983
March 31, 2023		250 704 483

At the date of this document, the breakdown of shareholders holding more than 2% of the capital and voting rights is as follows:

	Number of Shares		Fully Diluted*	
	#	%	#	%
Ker Ventures, SARL	224 392 425	89,50%	224 392 425	88,78%
Ker Ventures, LLC	3 914 265	1,56%	5 150 354	2,04%
<b>Total F. Chesnais</b>	<b>228 306 690</b>	<b>91,07%</b>	<b>229 542 779</b>	<b>90,82%</b>
Treasury Shares	1 725 000	0,69%	1 725 000	0,68%
Free Float	20 672 793	8,25%	21 474 933	8,50%
<b>Total</b>	<b>250 704 483</b>	<b>100,00%</b>	<b>252 742 712</b>	<b>100,00%</b>

\*if all 6,107,799 outstanding warrants are exercised, 3 warrants entitle the holder to purchase 1 new CBI share at a unit purchase price of €1.40 until March 31, 2024.

Registered shares may carry double voting rights if they have been held for at least two years. As of the date of this document, no shares carry double voting rights.

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

The Company's shares have been listed on Euronext Growth Paris since October 26, 2021. The mnemonic is ALCBI.

Each share carries one vote for each resolution submitted to the shareholders. A double voting right is attached to all existing fully paid-up shares held by the same shareholder for at least two years, as well as to all shares subsequently acquired by the same shareholder through the exercise of 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 total amount of the Company's distributable profits and reserves. Such distributions are made as decided by the Company's shareholders at a General Meeting. The Company has not paid any dividends in the last three years.

## 10.2. Treasury stock

At March 31, 2023, the Company held 1,725,000 of its own shares.

## 10.3 Stock option plan

At March 31, 2023, CBI SA had no stock option plans.

#### 10.4. Other dilutive instruments

At March 31, 2023, the only dilutive items are the warrants mentioned in paragraph 10.1 above.

At March 31, 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. 0.10 euro per share. This warrant was purchased and cancelled under the terms of the agreement signed with Atari on March 29, 2022. The acquisition cost of this warrant, paid for and cancelled on March 29, 2022, is shown in the table below. This acquisition cost was charged to Group shareholders' equity in accordance with IFRS.

#### 10.5. Valuation of treasury stock

Treasury shares are valued at weighted average cost per share at March 31, 2023. The FIFO method was previously used, and the change in this valuation method had no material impact on the financial statements.

Warrant Atari	(K€)
Cash	(12,0)
Cash	(90,2)
Atari share's	(1 953,0)
Tokens depreciation	(8 661,7)
<b>Total</b>	<b>(10 716,9)</b>

### NOTE 11 - PROVISIONS FOR CONTINGENCIES AND LOSSES AND CONTINGENT LIABILITIES

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

During the period ended March 31, 2023, there were no significant movements in provisions for contingencies and charges.

### NOTE 12 - DEBT

#### 12.1. Analysis of debt by type

Debts are described in Note 5.2.

#### 12.2. Analysis of debt by interest rate (fixed - floating)

The debt bears interest at a fixed rate.

### NOTE 13 - CURRENT AND NON-CURRENT LEASE LIABILITIES

The Company has a lease liability of €25,000 per month, under a 9-year lease with an effective date of November 1<sup>er</sup> 2021.

### NOTE 14 - OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities are described in Note 5.2.

### NOTE 15 - REVENUE AND SEGMENT INFORMATION

An operating segment is defined as a component of an entity:

- Has business activities from which it can derive income and for which it can incur expenses (including income and expenses related to transactions with other components of the same entity);

- Whose operating results are regularly reviewed by the entity's chief operating decision-maker, in order to make resource allocation decisions for the segment and assess its performance;
- And for which separate financial information is available.

CBI operates in a single business sector (blockchain).

The Company's business is currently considered in its entirety.

## NOTE 16 - CURRENT OPERATING EXPENSES

### Research and development costs

Research and development costs amounted to (€4,456.8) K for the year, compared with (€2,150.9) K the previous year.

(000's of euros)	March 31, 2023	March 31, 2022
Capitalized R&D	(3 890,7)	1 612,4
Depreciation	-	-
Other R&D expenditures	(566,1)	538,5
<b>Total R&amp;D expenditures</b>	<b>(4 456,8)</b>	<b>(2 150,9)</b>

### Additional information

(000's of euros)	March 31, 2023	March 31, 2022
Purchases not included in inventories	(11,2)	(19,4)
Outsourcing	(57,3)	-
Rents (including services and maintenance charges)	(347,7)	(162,0)
Cleaning, maintenance and repairs	(3,8)	(8,9)
Insurance	(1,1)	(0,2)
Fees	(1 563,4)	(1 608,2)
Advertising, publications, public relations	(85,5)	(56,4)
Travel, assignments and entertainment	(210,7)	(87,3)
Postage and communications	(6,1)	(0,1)
Bank charges and securities fee	(26,9)	(8,5)
Other expenses	(91,0)	(335,4)
<b>Total other purchases and expenses</b>	<b>(2 404,7)</b>	<b>(2 286,4)</b>

(000's of euros)	March 31, 2023	March 31, 2022
Provisions for contingencies and losses	5,4	1,9
Provisions for the impairment of current assets	-	-
<b>Total reversals</b>	<b>-</b>	<b>1,9</b>
Depreciation and amortization:	-	-
- Intangible assets	0,6	-
- Tangible assets	4,6	0,5
Amortization of expenses attributable to several periods	-	-
Provisions for contingencies and losses	5,4	1,9
Provisions for the impairment of current assets	-	-
<b>Total depreciation and amortization</b>	<b>10,6</b>	<b>2,5</b>

(000's of euros)

	Amounts relating to affiliated companies	
	Gross	Net
<b>ASSETS</b>		
Equity investments and long-term investments	13 840,4	13 840,4
Receivables related to equity investments	-	-
Other financial assets	-	-
Receivables from current assets	-	-
<b>LIABILITIES</b>		
Other financial liabilities	2 125,3	2 125,3
Operating liabilities	-	-
<b>OPERATING INCOME &amp; EXPENSES</b>		
Operating revenues	-	-
Operating expenses	-	-
<b>FINANCIAL INCOME AND EXPENSES</b>		
Financial income	77,8	77,8
Financial expenses	-	-

## NOTE 17- OPERATING EXPENSES

Total operating expenses amounted to (€3,398.3) K for the year ended, compared with (€2,385.5) K for the previous year, an increase of 42.5%. This variation is explained by the development of AlphaVerse, the virtual world created by CBI, and the investments made by the company to ensure its development.

## NOTE 18 - NET FINANCIAL EXPENSE AND EXCEPTIONAL ITEMS

Net financial income amounted to (€2,897.8) K for the year, compared with (€6,795.5) K for the previous year, an improvement of 57.4%.

Pre-tax financial income before non-recurring items amounted to €1,053.9K for the year, compared with €5,115.7K for the previous year, representing an improvement of 79.4%.

Financial income amounted to €432.5k for the year, down 80.0% from €2,165.1k.

(000's of euros)	March 31, 2023	March 31, 2022
<b>Financial income</b>		
- Foreign exchange gain	118,0	58,0
- Dividend	0,0	32,8
- Interests income	0,4	-
- Reversals of provisions and expense transfers	185,4	-
- Other financial income	0,0	0,1
- Proceeds from the sale of securities	128,6	2 074,2
<b>Total financial income</b>	<b>432,5</b>	<b>2 165,1</b>
<b>Financial expenses</b>		
- Foreign exchange losses	(44,5)	(85,6)
- Interests expense	(86,6)	(27,9)
- Depreciation, amortization and provisions	-	-
- Other financial expenses	(3 099,2)	(8 847,1)
- Expenses from the sale of securities	(100,0)	-
<b>Total financial expenses</b>	<b>(3 330,3)</b>	<b>(8 960,6)</b>
<b>Net financial income and expense</b>	<b>(2 897,8)</b>	<b>(6 795,5)</b>

At March 31, 2023, exceptional income amounted to 694.9 K€, mainly reflecting the value adjustment of an amount payable in shares. At March 31, 2022, exceptional income amounted to (2,055.1) K€, mainly reflecting capital gains on disposals of treasury shares.

(000's of euros)	March 31, 2023	March 31, 2022
<b>Non-recurring income</b>		
- Operating activities	741,8	0,2
- Investing activities	-	-
- Amortization and provisions	-	-
<b>Total non-recurring expenses</b>	<b>741,8</b>	<b>0,2</b>
<b>Non-recurring expenses</b>		
- Operating activities	(46,9)	(102,3)
- Investing activities	-	(1 953,0)
- Amortization and provisions	-	-
<b>Total non-recurring expenses</b>	<b>(46,9)</b>	<b>(2 055,3)</b>
<b>Non-recurring income and expense</b>	<b>694,9</b>	<b>(2 055,1)</b>

## NOTE 20 - INCOME TAXES

The Group has no income tax payable in respect of the period ended March 31, 2023.

## NOTE 21 - OFF-BALANCE SHEET COMMITMENTS GIVEN

As part of the development of the "Football at AlphaVerse" world, the Company has signed partnership agreements with various clubs and has promised the following guaranteed minimums:

(K€)	2023	2024	2025	2026	2027	2028	Total per club
Total guaranteed minimum	232,1	372,1	551,5	601,5	383,0	150,0	2 290,2

CBI and the clubs have an exit clause, which can be activated after two years, either on June 30, 2025 or June 30, 2026.

## NOTE 22 - OFF-BALANCE SHEET COMMITMENTS RECEIVED

At March 31, 2023, there are no commitments received.

## NOTE 23 - MARKET RISK MANAGEMENT

The holding company is responsible for risk management in line with the financial market environment and procedures established by management. Foreign exchange transactions are carried out in accordance with local laws and access to 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.

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

## NOTE 24 - PROVISIONS FOR CONTINGENCIES AND LOSSES AND CONTINGENT LIABILITIES

A provision is recognized when the Company has a present obligation (legal or constructive) towards a third party that is likely to result in an outflow of resources to the third party, without at least equivalent consideration being received from the third party, and when a reliable estimate of the amount can be made. The portion of a provision due in less than one year is classified as current, while the balance is classified as non-current.

Apart from the contingencies mentioned in this document for which provisions have been set aside, to the best of the Company's knowledge there are no governmental, legal or arbitration proceedings, including any pending or threatened proceedings, which could have a material impact on the Company's financial position.

The Company considers that it is not exposed to any environmental risk.

## NOTE 25 - COMPENSATION OF OFFICERS AND DIRECTORS

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

The Annual General Meeting approves the principles and criteria for determining, allocating and granting the fixed and variable components of the total remuneration package and benefits of any kind to be awarded to the Company's corporate officers, in accordance with Article L.225-37-2 of the French Commercial Code.

### Compensation of the Chairman and Chief Executive Officer for fiscal 2022-2023

#### Fixed annual remuneration

Frédéric Chesnais receives a fixed monthly remuneration of twenty-five thousand (25,000) euros. However, as Mr. Frédéric Chesnais is 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 is responsible for all social protection, pension schemes and/or social security contributions. The gross amount thus paid by the Company amounts to forty-two thousand (42,000) euros, and this amount is paid either to Mr. Frédéric Chesnais and/or to an entity that Mr. Frédéric Chesnais controls, depending on Mr. Frédéric Chesnais' location and/or place of work. A monthly salary of 2,100 euros gross is also paid in respect of his duties as Managing Director in France.

#### Variable compensation / Options

The Board of Directors has decided, on the recommendation of the Nominating and Compensation 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, with the remainder allocated to the investment team and the Board of Directors. Members of this management team are selected from time to time by the Remuneration and Nomination Committee. The allocation among the members of this management team is decided by the Board of Directors, on the recommendation of the Remuneration and Nomination Committee.



The Board of Directors has also decided, on the recommendation of the Appointments and Remuneration Committee, to allocate a discretionary annual bonus that may represent (barring exceptional circumstances) between 0% and 100% of the annual fixed remuneration paid, incorporating the following elements: level of sales, EBITDA margin, cash generated, share price performance, growth in recurring earnings per share, allowing all other income statement items to be taken into account, as well as various objective criteria linked to the business, in addition to the return on investment allocated under the previous paragraph.

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

In addition, Mr Frédéric Chesnais was awarded a fixed bonus of 250,000 euros, increased to take into account the costs corresponding to social protection, pension schemes and/or social security contributions in the same proportions as those indicated above for his monthly remuneration, i.e. a total cost of 420,000 euros. This bonus was paid during the 2022-2023 financial year.

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

## NOTE 27 - WORKFORCE FOR FISCAL 2022-2023

At March 31, 2023, the Company's average workforce was nine employees, the others being consultants or external service providers.

## NOTE 28 - RELATED-PARTY AGREEMENTS

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 shareholders, 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. The loan will be taken out at a later date, as and when the Company's needs arise.

On January 3, 2023, the Company entered into an amendment to the loan agreement of July 29, 2022 with Ker Ventures SARL to extend this loan agreement to Ker Ventures LLC and to include a current account agreement with the Company for a maximum amount of \$1 million.

On January 12, 2023, the Company entered into a part-time employment contract with Frédéric Chesnais, paying him a gross annual salary of 2,100 euros.

On February 3, 2023, the Board of Directors noted that SARL Ker Ventures had subscribed to the capital increase decided by the Company on January 11 and 12, 2023, in the amount of 1,966,612.80 euros, by partially offsetting its receivable of 4,450,232 euros.

## NOTE 29 - SUBSEQUENT EVENTS

Post-balance sheet events were as follows:

**Launch of the \$FAV token:** on June 8, 2023, the Company announced the creation of \$FAV, a utility token for the "Football at AlphaVerse" universe dedicated to soccer, developed in collaboration with leading clubs. Real Betis Balompie, São Paulo FC and several other clubs are already partners to date. AlphaVerse universes are free-to-play, work with traditional bank cards, and tokens are an operating option. The \$FAV token will run on several channels, including BNB, Binance's blockchain, and soon Chiliz, a channel renowned for its ability to federate communities in the world of sports and entertainment.

**Partnership with Chiliz:** the Company is implementing a project to list the \$FAV token on the Chiliz exchange platform during 2023. This project has yet to be approved by Chiliz. The Chiliz exchange platform specializes in the listing of the Chiliz token (\$CHZ) and Socios tokens dedicated to soccer club fans, with over 40 partner clubs. Tokens from Manchester City, Barcelona FC, PSG, Galatasaray, Juventus and Inter Milan are already listed on the Chiliz exchange platform, making it an ideal partner for "Football at AlphaVerse".

**Amendment to the Xave SPA:** On May 15, 2023, CBI and Xave signed an amendment extending the final completion date of this acquisition to December 31, 2023.

**Creation of a CBI subsidiary in Malta and Liechtenstein:** CBI has taken steps to create two service subsidiaries in these countries, in order to benefit from local regulations.

In addition to the 6 partnership agreements with various clubs at March 31, 2023, the Company has signed another partnership agreement since the end of the period. The minimum guaranteed amounts promised by the Company therefore change as follows:

(K€)	2023	2024	2025	2026	2027	2028	Total
Total guaranteed minimum	232,1	372,1	551,5	601,5	383,0	150,0	2 590,2

CBI and the clubs have an exit clause, which can be activated after two years, either on June 30, 2025 or June 30, 2026.

Apart from these events, no other significant events occurred between March 31, 2023 and the date on which the financial statements were approved by the Board of Directors.

## NOTE 30 - STATUTORY AUDIT FEES

Fees for the audit of the parent company and consolidated financial statements for the year ended March 31, 2023 are shown in the table below.

(000's of euros)	FY 2022-2023			
	RSM	%	Avvens	%
<b>Statutory audit (certification, review of statutory and consolidated accounts)</b>				
- CBI SA	100,9	100,0%	50,2	100,0%
- Fully-consolidated subsidiaries	-	0,0%	-	0,0%
<b>Other services</b>				
- CBI SA	-	0,0%	-	0,0%
- Fully-consolidated subsidiaries	-	0,0%	-	0,0%
<b>TOTAL</b>	<b>100,9</b>	<b>100,0%</b>	<b>50,2</b>	<b>100,0%</b>

## STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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Avvens Paris  
A 4 Partners

# **Statutory Auditors' reports Year ended March 31, 2023**

## **CRYPTO BLOCKCHAIN INDUSTRIES**

S.A. with capital of 25,070,448.30 euros

38 rue de Berri,

75008 Paris

RCS: 894 283 126

# CRYPTO BLOCKCHAIN INDUSTRIES

S.A. with capital of 25,070,448.30 euros

38 rue de Berri,

75008 Paris

RCS: 894 283 126

To the Annual General Meeting of CRYPTO BLOCKCHAIN INDUSTRIES,

## 1. Opinion

In compliance with the assignment entrusted to us by the Annual General Meeting, we have audited the accompanying financial statements of CRYPTO BLOCKCHAIN INDUSTRIES for the year ended March 31, 2023.

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

## 2. Basis of opinion

### Audit framework

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

Our responsibilities under these standards are set out in the following section.

We also refer to the section entitled "Statutory Auditors' responsibilities relating to the audit of the annual financial statements" in this report.

### Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors, for the period from April 1, 2022 to the date of issue of our report.

## 3. Justification of assessments

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we hereby inform you that the most significant matters requiring your attention are those set out below.

Our responsibility is to express an opinion on these consolidated financial statements based on our professional judgment.

These assessments were made in the context of our audit of the financial statements taken as a whole, and of the formation of our opinion expressed above. We do not express an opinion on any individual component of these financial statements.

## **4. Specific checks**

In accordance with professional standards applicable in France, we have also performed the specific procedures required by law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the other documents addressed to the shareholders with respect to the financial position and the financial statements.

We hereby attest to the fair presentation and the conformity with the financial statements of the information relating to the payment periods mentioned in article D.441-6 of the French Commercial Code.

### **Report on corporate governance**

We confirm that the Supervisory Board's report on corporate governance contains the disclosures required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L. 22-10-9 of the French Commercial Code (Code de commerce) relating to remuneration and benefits paid or granted to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the data used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled by it and included in the scope of consolidation. On the basis of our work, we attest to the accuracy and fair presentation of this information.

## **5. Responsibilities of management and those charged with governance in relation to the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with French generally accepted accounting principles, and for implementing any internal control procedures that it considers necessary to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is management's responsibility to assess the company's ability to continue as a going concern, to present in these statements, where appropriate, the necessary information relating to going concern, and to apply the going concern accounting policy, unless the company is to be wound up or cease trading.

The annual financial statements have been approved by the Board of Directors.

## 6. Responsibilities of Auditors to Auditors on the audit of the annual financial statements

Our responsibility is to express an opinion on these financial statements based on our audit. Our objective is to obtain reasonable assurance about whether the financial statements, taken as a whole, are free from material misstatement. Reasonable assurance refers to a high level of assurance, without however guaranteeing that an audit carried out in accordance with professional standards would systematically detect any material misstatement.

Misstatements may arise from fraud or error, and are considered material when it is reasonable to expect that they could, individually or in the aggregate, influence the economic decisions made by users of the financial statements.

As stipulated by Article L 823-10-1 of the French Commercial Code, our role as statutory auditors does not include guaranteeing the viability or quality of your company's management.

A more detailed description of our responsibilities as statutory auditors in relation to The audit of the financial statements is included in the appendix to this report and forms an integral part of it.

Lyon and Paris, July 28, 2023

**A4**

Member of Crowe Global

Statutory AuditorSpecial Auditor



**Marc**

Associate

**PartnersRSM Rhône Alpes**



**LUCCIONIFrançois DE BUSTAMANTE**

Associate



## Appendix

# Detailed description of the Statutory Auditor's responsibilities

### Audit objectives and approach

In the context of an audit carried out in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit.

In addition :

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and implements audit procedures to address these risks, and obtains audit evidence that it believes to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error, as fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control;
- it obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control ;
- it assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the financial statements;
- it assesses the appropriateness of management's application of the going concern accounting policy, and, based on the information gathered, whether or not there is any material uncertainty linked to events or circumstances that could call into question the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of his report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If the auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the annual financial statements concerning this uncertainty, or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify;
- it assesses the overall presentation of the annual financial statements and whether they reflect the underlying transactions and events so as to give a true and fair view.



# V. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

**12-MONTH PERIOD ENDING MARCH 31, 2023**

*See next page.*



**RSM Rhône-Alpes**  
2 bis, rue Tête d'Or  
69006 LYON



66, Avenue des Champs Elysées  
75008 PARIS

France

## **CRYPTO BLOCKCHAIN INDUSTRIES**

Head office: 38 rue de Berri, 75008, Paris  
Société anonyme with capital of 25,070,488.30 euros

## **STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS**

Year ended March 31, 2023

**CRYPTO BLOCKCHAIN INDUSTRIES**

Head office: 38 rue de Berri, 75008, Paris

Société anonyme with capital of 25,070,488.30 euros

**STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS**

Annual General Meeting to approve the financial statements for the year ending March 31, 2023

To the General Meeting of CRYPTO BLOCKCHAIN INDUSTRIES,

In our capacity as Statutory Auditors of your Company, we hereby report on certain contractual agreements with certain related parties.

Our responsibility is to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us or that we may have discovered in the course of our work. We are not required to comment as to whether they are beneficial or appropriate, nor to identify any undisclosed agreements. It is your responsibility to evaluate the benefits resulting from these agreements prior to their approval.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

**AGREEMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING**Agreements authorized and entered into during the year.

In accordance with article R. 225-401 of the French Commercial Code (Code de commerce), we have been advised of the following agreements entered into during the year which were authorized by your Board of Directors.

- 1) Amendment dated July 29, 2022 to the loan agreement between Crypto Blockchain Industries (hereinafter "CBI") and Ker Ventures SARL dated April 21, 2022**

**Person concerned:** Frédéric Chesnais, Chairman and CEO, Managing Director of KER Ventures

**Nature and purpose:** The purpose of the amendment to the loan authorized on July 26, 2022 by the Board of Directors is the early repayment of the loan of 2,000,000 CBI shares, by delivery of an identical number of CBI shares.

**Terms:** In the initial contract, Ker Ventures, SARL granted Crypto Blockchain Industries (CBI) a loan of 2,000,000 CBI shares for 2,500,000 euros, in return for an annual interest rate of 2%.

**2) Amendment dated December 14, 2022 to the Crypto Blockchain Industries share loan agreement (hereinafter "CBI") and Ker Ventures SARL and Ker Ventures LLC on July 29, 2022**

**Person concerned:** Frédéric Chesnais, Chairman and CEO of KER Ventures

**Nature and purpose:** The purpose of the loan amendment entered into and authorized by the Board of Directors on December 14, 2022 is to extend the loan agreement with Ker Ventures, LLC and to include a current account agreement with the company for a maximum amount of \$1 million.

**Terms:** The initial contract signed on July 29, 2022 between CBI and Ker Ventures, SARL principal shareholder, for an amount of 5,500,000 euros, equivalent to 5 million CBI shares. This short-term loan carries an interest rate of 2% per annum. To date, CBI has not drawn on this loan.

**3) Frédéric Chesnais' employment contract dated January 12, 2023**

**Person involved:** Frédéric Chesnais, Chairman and CEO of KER Ventures

**Nature and purpose:** The Board of Directors' meeting of January 12, 2023 authorized the signature of a part-time employment contract.

**Terms and conditions:** On January 01, 2023, the company entered into a part-time employment contract with Mr. Frédéric Chesnais of 2,100 euros gross per month.

**4) Subscription on February 3, 2023 to the capital increase by offsetting Ker Ventures receivables**

**Person involved:** Frédéric Chesnais, Chairman and CEO of KER Ventures

**Nature and purpose:** Subscription to capital by partial offsetting of receivables

**Terms:** On February 3, 2023, the Board of Directors noted that SARL Ker Ventures had subscribed to the capital increase decided by the Company on January 11 and 12, 2023, in the amount of 2,966,612.80 euros, by partially offsetting its receivable of 4,450,232 euros. For information, the principal balance of this loan was 1,487,373.58 euros at March 31, 2023.

Agreements authorized and entered into in prior years.

In accordance with article R.225-30 of the French Commercial Code, we have been advised that the following agreements, which were approved by the Annual General Meeting in prior years, remained in force during the year.

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

**Person concerned:** Frédéric Chesnais, Chairman and Chief Executive Officer of CBI and Managing Director of KER VENTURES

**Nature and purpose:** Shareholder loan

**Terms:** Ker Ventures made a shareholder loan of 4,450,232 euros. This shareholder loan is for a period of 5 years, repayable at maturity, and bears interest at the legal rate. The loan was approved by the Board of Directors on July 21, 2021 and by the Combined General Meeting on July 22, 2021. 2,966,612.80 to the capital increase decided by the Company on January 11 and 12, 2023, by partially offsetting its receivable of For information, the principal balance of this loan was 1,487,373.58 euros at March 31, 2023.

**2) Lease agreement between Crypto Blockchain Industries and société civile FCP**

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

**Nature and purpose:** Agreement to lease premises to the Company at 68bis Rue Charles-Laffitte, 9220 Neuilly-sur-Seine.

**Terms:** Standard 3/6/9 lease, taking effect on November 1, 2021, for 25,000 euros per month. The agreement was authorized by the Board of Directors on July 19, 2021, with Mr. Frédéric Chesnais not taking part in the vote. The rent was updated in November 2022, in accordance with contractual provisions, and now stands at 25,874.68 euros per month.

Lyon and Paris, July 28, 2023

**Statutory Auditors**

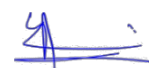
**RSM**

*François de Bustamante*

**François de  
Luccioni**

Associate

**Rhône-AlpesA4 Partners**



**BustamanteMarc**

Associate