

## Preliminary Results of the First Half of 2021-2022 as at September 30, 2021

(all numbers in thousands)

- Net income profitable for the 6-month period ended September 30, 2021
- Significant growth acceleration, with sales to date of NFTs (Non-Fungible Token) and tokens in the metaverse in excess of 2.5 million US\$ since November 2021

The first half of FY 2021-2022 ended September 30, 2021 and the unaudited results were reviewed by the Board of Directors on December 14, 2021. The audit review of the statutory accounts and of the proforma consolidated financial statements is being finalized. The Auditors' report will be issued after verification of the notes to the financial statements and the information presented in the half-year financial report.

### HIGHLIGHTS OF THE FIRST HALF OF 2021-2022:

- Completion of the contribution in kind of assets to the Company
- Preparation of the first sales of NFTs, delivered in November 2021
- Execution of third-party licenses for use in the metaverse, such as the Atari license
- Creation of 600 million units and first sales of Crystal (CRYS), the Binance Smart Chain crypto-currency that will be used in Alphaverse, the metaverse under development
- Preparation of the direct listing of the Company shares on Euronext Growth, completed in October

### OBJECTIVES FOR THE FULL YEAR IN 2021-2022:

The objective for FY 2021-2022 is to establish AlphaVerse as one of the key upcoming metaverse projects, by developing more games, diversifying with new third-party licenses and creating the foundations for Crystal to become a leading crypto-currency.

#### Operations

- Sales of NFTs and tokens since November 2021 exceed 2.8 million US\$ on a financial year-to-date basis
- Acquisition of 2% of Xave, a blockchain-based music game, in exchange for CBI's consulting services
- Successful sale of NFTs in excess of \$250,000 for United at Home, the charity program co-founded and supported by David Guetta
- Revenue sharing agreements with games such as Xave
- Acquisition of a controlling position in OP Productions and Free Reign East (from 50% to 78%)
- Solid development roadmap for AlphaVerse through to Summer 2022 and beyond

#### Corporate / Stock Exchange

- Listing of the Company's shares on Euronext Growth on October 26, 2021
- Project to split the share nominal value by 10, with each shareholder holding 1 share before the split ending up with 10 shares post-split - the split is expected to be effective in January 2022



## Crypto Blockchain Industries Strategy and Outlook for FY 2021-2022

### Overview

CRYPTO BLOCKCHAIN INDUSTRIES ("CBI") is a French company that aims to develop and unlock value from a portfolio of blockchain activities across multiple industries (video games, interactive entertainment, finance, logistics, etc.) with a view to capitalizing on this technology, either directly or through partnerships.

CBI develops, operates and invests in video games, business applications and selected projects relating to the blockchain, non-fungible tokens ("NFTs") and cryptocurrencies.

To start its operations, CBI benefited in September 2021 from a contribution in kind of businesses, cash, tokens and Atari listed shares by Ker Ventures, EURL, a company owned by Frédéric Chesnais, CBI's founder, CEO and main shareholder.

### AlphaVerse, a metaverse to open in Summer 2022

CBI is currently developing AlphaVerse, a blockchain technology-based virtual world or metaverse that will be opening in Summer 2022. AlphaVerse develops different universes, including some using third-party brands such as Atari.

The notion of "metaverse" has gained awareness recently. These digital worlds, developed in the blockchain, enable players to create content inside the game and unlock value in the form of NFTs and crypto-currencies. While traditional videogames enable trading only inside the original game, players in the metaverse can trade their NFTs and cryptocurrencies not only inside the metaverse but also outside, thereby reaching a much larger audience and unlocking greater value.

The goal of AlphaVerse is to create a central hub on the blockchain, connecting as many metaverses as possible, created either by CBI or by third parties in exchange for a revenue share.

### Objectives for March 31, 2022 and the first half of FY 2022/2023

The objective for FY 2022 is to establish AlphaVerse as one of the key upcoming metaverse projects, by developing more games, diversifying with more third-party licenses and creating the foundations for Crystal to become a leading crypto-currency.

The key driver for metaverse's growth is the sale of NFTs and Crystal tokens. Such sales, which started in November 2021, already exceed 2.5 million US\$ to date. The breakdown between current year revenue and deferred income has yet to be determined based on the actual state of development of the metaverse as of March 31, 2022.

## Proforma Consolidated Accounts / Results of the first half of 2021-2022

The proforma consolidated accounts at September 30, 2021 are prepared under IFRS GAAP.

These proforma financial statements aim to illustrate the impact that the following transactions would have had on the Company's balance sheet and income statement at September 30, 2021 and September 30, 2020 if they had been implemented during each of the relevant periods:

- These proforma financial statements do reflect the activities of the operating companies OP Productions, LLC and Free Reign East, LLC from April 1, 2020 to September 30, 2021;
- The contribution in kind of cash, Atari shares and Atari tokens and the investment in National Carrier Exchange, LLC as at September 30, 2021; all the new shares were issued on September 24, 2021.



These proforma financial statements are presented without any accrual for income taxes.

### Analysis of the proforma consolidated income statement as at September 30, 2021

(€'000)	September 30, 2021		September 30, 2020		Change	
Revenue	446.8	100.0%	293.0	100,0%	153.8	52.5%
Cost of goods sold	0.8	0.2%	-	0,0%	0.8	0.0%
<b>GROSS MARGIN</b>	<b>447.7</b>	<b>100.2%</b>	<b>293.0</b>	<b>100,0%</b>	<b>154.7</b>	<b>52.8%</b>
Research and development expenses	(164.3)	-36.8%	(48.0)	-16,4%	(116.3)	242.4%
Marketing and selling expenses	-	0.0%	(89.5)	-30,5%	89.5	-100.0%
General and administrative expenses	(148.4)	-33.2%	(1.6)	-0,5%	(146.8)	9,177.1%
Other operating income (expenses)	-	0.0%	-	0,0%	-	0.0%
<b>CURRENT OPERATING INCOME (LOSS)</b>	<b>134.9</b>	<b>30.2%</b>	<b>153.9</b>	<b>52,5%</b>	<b>(19.0)</b>	<b>-12.4%</b>
Other income (expense)	-	0.0%	-	0,0%	-	0.0%
<b>OPERATING INCOME (LOSS)</b>	<b>134.9</b>	<b>30.2%</b>	<b>153.9</b>	<b>52,5%</b>	<b>(19.0)</b>	<b>-12.4%</b>

(€'000)	September 30, 2021		September 30, 2020		Change	
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Other income (expense)	-	0.0%	-	0.0%	-	0.0%
<b>OPERATING INCOME (LOSS)</b>	<b>134.9</b>	<b>30.2%</b>	<b>153.9</b>	<b>52.5%</b>	<b>(19.0)</b>	<b>-12.4%</b>
Cost of debt	-	0.0%	-	0.0%	-	0.0%
Other financial income (expense)	-	0.0%	-	0.0%	-	0.0%
Income tax	-	0.0%	-	0.0%	-	0.0%
<b>NET INCOME (LOSS)</b>	<b>134.9</b>	<b>30.2%</b>	<b>153.9</b>	<b>52.5%</b>	<b>(19.0)</b>	<b>-12.4%</b>
Minority interests	(38.6)	-8.6%	(76.3)	-26.0%	37.7	0.0%
<b>NET INCOME GROUP SHARE</b>	<b>96.3</b>	<b>21.6%</b>	<b>77.6</b>	<b>26.5%</b>	<b>18.7</b>	<b>24.1%</b>

The metaverse had very limited activity in the first half of FY 2021-2022, as the NFT sales activity really started up in November 2021.

#### Proforma Revenue

At September 30, 2021, CBI is reporting proforma consolidated revenue of €446.8K, compared with €293.0K the previous year, up by €153.8K. CBI FY2021 proforma revenue is derived from sales of licenses, NFTs, tokens and online games managed through the OP Productions and Free Reign East subsidiaries, as NCX is not consolidated.

#### Proforma Operating expenses & Proforma Current Operating Income

The proforma gross margin reached 100% of revenue for the period.

Proforma Research and development expenses comprise investment in video game development. Their fluctuation depends on the level of new features being developed. They were still low, due to the optimized structure of the organization of CBI, which prioritizes partnerships with external studios over the recruitment of internal teams. The traditional games are fully amortized, and there is no additional depreciation. Regarding the metaverse, the value of the intellectual property rights is recorded as a balance sheet asset and is not amortized yet as at September 30, 2021.

Proforma Marketing and selling expenses comprise advertising for games through the launch of online campaigns. There were no expenses incurred during the period. The prior period expenses are linked to the relaunch of the zombie game, with additional features, leading to additional marketing expenses with a goal of acquiring more players. The marketing actions primarily included traffic acquisition, the launch of online banners and some inserts in online magazines. This level of activity was non-recurring.

Proforma General and Administrative expenses for the period increased to 30% of the revenue. This is attributable to the growth of CBI's growth during the period in order to support an expanding portfolio of activities.

For the period, Proforma Current Operating Income reached €134.9K, compared with €153.9K for the corresponding prior period.



## Proforma Consolidated Net Income (Group Share)

Proforma minority interests represent the amount attributable to the owners of 50% of OP Productions, LLC and of Free Reign East, LLC and represent €38.6K for period, compared with €76.3K for the same period last year.

Proforma Consolidated net income (Group share) for the period came to €96.3K, compared with €77.6K for the same period last year.

## Analysis of the proforma consolidated balance sheet as at September 30 2021

ASSETS (€'000)	September 30, 2021	September 30, 2020
Intangible assets	14,689.5	939.5
Financial assets	14,124.6	-
<b>NON-CURRENT ASSETS</b>	<b>28,814.1</b>	<b>939.5</b>
Accounts receivable	358.2	-
Deferred expenses	-	-
Cash and cash equivalents	601.4	0.5
<b>CURRENT ASSETS</b>	<b>959.6</b>	<b>0.5</b>
<b>TOTAL ASSETS</b>	<b>29,773.7</b>	<b>940.0</b>

EQUITY & LIABILITIES (€'000)	September 30, 2021	September 30, 2020
Capital stock and Premium	23,037.0	0.9
Retained Earnings	355.8	280.7
Net income (loss) Group share	96.3	77.6
<b>SHAREHOLDERS' EQUITY</b>	<b>23,489.1</b>	<b>359.2</b>
Minority interests	291.2	277.7
<b>TOTAL EQUITY</b>	<b>23,780.3</b>	<b>636.9</b>
Shareholders' Loan	4,542.0	-
Non-current financial liabilities	-	212.3
<b>NON-CURRENT LIABILITIES</b>	<b>4,542.0</b>	<b>303.1</b>
Deferred Revenue	-	-
Accounts payable	1,451.4	90.8
<b>CURRENT LIABILITIES</b>	<b>1,451.4</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,773.7</b>	<b>940.0</b>

### Intangible assets

The portfolio of tokens is recorded at cost, based on the acquisition price. The portfolio is evaluated on an aggregate basis, each crypto-currency being assessed on the basis of different volume-weighted average prices in order to reflect the value of each crypto-currency and of the overall portfolio. As the crypto-currencies are part of the same eco-system, unrealized losses and gains are aggregated. If the aggregate value of the portfolio exceeds its aggregate cost value, no unearned income is recognized. If the aggregate value of the portfolio is lower than its aggregate cost value, a depreciation is recognized in profit and loss. There was no depreciation recorded as at September 30, 2021.

### Financial assets

When listed, the portfolio of shares and financial instruments is evaluated using a volume weighted average price calculated over six-months (V-WAP). This methodology was also used for the contribution in kind made in September 2021 and as at September 30, 2021. Atari shares have been valued using this methodology, and no accrual was recorded as the six-month V-WAP as of that date was higher than the net book value recognized through the contribution in kind.

### Proforma Shareholders' Equity

Proforma consolidated shareholders' equity, Group share, totaled €23,489.1K as at September 30 2021, with this increase due to additional contributions by Ker Ventures, EURL during the period.



## Proforma Net Cash / Financial Liabilities

At September 30, 2021, the Group had €601.4K of proforma cash available. IFRS 16 (restatement of leases) has no impact.

Proforma non-current financial liabilities represent a shareholders' loan. Ker Ventures contributed assets to the Company, in exchange for new shares being issued as well as a deferred payment recorded as a shareholders' loan for €4,450.2K. This loan does not bear interest. The total shareholders' loan represents €4,542.0K.

## Preliminary Statutory Accounts / Results for the first half of 2021-2022

The summarized preliminary financial information presented below comes from the statutory financial statements for the period ending September 30, 2021. The preliminary consolidated accounts as at September 30, 2021 are prepared under French GAAP. The Company's financial year from April 1 to March 31.

The first half of FY 2022 refers to the six-month period from April 1, 2021 to September 30, 2021. FY 2022 refers to the 12-month period from April 1, 2021 to March 31, 2022. These preliminary financial statements are presented for the first half of FY 2022.

As the company was created in January 2021, there are no statutory financial statements available for comparison for the period ended September 30, 2020.

### Analysis of the preliminary statutory income statement as at September 30, 2021

(€'000)	September 30, 2021	September 30, 2020
Revenue	83,9	n/a
Other Income	251,7	
Cost of goods sold	-	n/a
<b>GROSS MARGIN</b>	<b>335.6</b>	
Research and development expenses	(133.6)	n/a
Marketing and selling expenses	-	n/a
General and administrative expenses	(147.6)	n/a
Other operating income (expense)	-	n/a
<b>CURRENT OPERATING INCOME (LOSS)</b>	<b>54.5</b>	
Restructuring costs	-	n/a
Other income (expense)	-	n/a
<b>OPERATING INCOME (LOSS)</b>	<b>54.5</b>	
Cost of debt	-	n/a
Other financial income (expense)	-	n/a
Income tax	(14.4)	n/a
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>40.0</b>	n/a
Net income (loss) from discontinued operations	-	n/a
<b>NET INCOME (LOSS) FOR THE YEAR</b>	<b>40.0</b>	n/a
Basic earnings per share (in euros)	0.00	n/a
Diluted earnings per share (in euros)	0.00	n/a

The metaverse had very limited activity in the first half of FY 2021-2022, as the NFT sales activity really started up in November 2021.

### Preliminary Revenue

At September 30, 2021, CBI is reporting preliminary revenue of €335.6K, of which €83.9K of license revenue and €251.7K of sale of Crystal tokens recognized as Other Income. CBI's preliminary revenue is derived from online games. CBI Games is continuing to grow its business line, with a very good performance by the games catalogue and licensing business, which strongly contributed to the company's revenue. CBI has also continued to develop its other business lines.

### Preliminary Operating Expenses & Current operating income

The preliminary gross margin reached 100% of revenue for the period.

Preliminary Research and development expenses comprise investment in video game development. Their fluctuation depends on the level of new features being developed. CBI works to optimize the structure of the organization, which prioritizes partnerships with external studios over the recruitment of internal teams.



Preliminary Marketing and selling expenses for the period were nil.

Preliminary General and Administrative expenses represent 30% of revenue for the period. As CBI grows, the level of General and Administrative expenses as a percentage of revenue is expected to normalize in order to support an expanding portfolio.

Preliminary Current Operating Income reached €54.5K, for the period.

### Preliminary Net income

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

Preliminary Net income (Group share) for the period came to €40,0K.

### Analysis of the preliminary statutory balance sheet as at September 30, 2021

ASSETS (€'000)	September 30, 2021	September 30, 2020
Intangible Assets	1,100.0	n/a
Financial Assets	17,562.6	n/a
LT Receivables / Goodwill	-	n/a
<b>NON-CURRENT ASSETS</b>	<b>18,662.6</b>	<b>-</b>
Deferred Expenses	-	n/a
Accounts Receivable	348.3	n/a
Cash Investments and Crypto-Currencies	9,338.6	n/a
Cash and cash equivalents	586.1	n/a
<b>CURRENT ASSETS</b>	<b>10,273.0</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>28,935.5</b>	<b>-</b>

EQUITY & LIABILITIES (€'000)	September 30, 2021	September 30, 2020
Capital stock	18,037.0	n/a
Retained Earnings	4,945.3	n/a
Net income (loss) Group share	40.0	n/a
<b>SHAREHOLDERS' EQUITY</b>	<b>23,022.3</b>	<b>-</b>
Minority interests	-	n/a
<b>TOTAL EQUITY</b>	<b>23,022.3</b>	<b>-</b>
Shareholders' Loan	4,450.2	n/a
Non-current financial liabilities	-	n/a
<b>NON-CURRENT LIABILITIES</b>	<b>4,450.2</b>	<b>-</b>
Deferred Revenue	-	n/a
Accounts Payable	1,463.0	n/a
Distribution Fees	-	n/a
<b>CURRENT LIABILITIES</b>	<b>1,463.0</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,935.5</b>	<b>-</b>

### Preliminary Financial assets

When listed, the portfolio of shares and financial instruments is evaluated using a volume weighted average price calculated over six-months (V-WAP). This methodology was also used for the contribution in kind made in September 2021 and as at September 30, 2021. Atari shares have been valued using this methodology, and no accrual was recorded as the six-month V-WAP as of that date was higher than the net book value recognized through the contribution in kind.

### Preliminary Cash Investments and Crypto-Currencies

Under French accounting principles, crypto-currencies and tokens are recorded as Current Assets. The portfolio of tokens is recorded at cost, based on the acquisition price. The portfolio is evaluated on an aggregate basis, with each crypto-currency being assessed on the basis of different volume-weighted average prices in order to reflect the value of each crypto-currency and the overall portfolio. As the crypto-currencies are part of the same eco-system, unrealized losses and gains are aggregated. If the aggregate value of the portfolio exceeds its aggregate cost value, no unearned income is recognized. If the aggregate value of the portfolio is lower than its aggregate cost value, a depreciation is recognized in profit and loss. There was no depreciation recorded as at September 30, 2021.

### Preliminary Shareholders' Equity

Preliminary Consolidated shareholders' equity, Group share, totaled €23 022,3K as at September 30, 2021.



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

Equity as at March 31, 2021 (€'000)	32.0
Net income, Group Share	40.0
Capital increase	22,950.3
Distribution of dividends	-
Financial assets valued at fair value through other comprehensive income	-
Currency fluctuations	-
Other variations	-
Equity as at September 30, 2021 (€'000)	23,022.3

### Preliminary Net Cash

At September 30, 2021, the Group had €586.1K of preliminary cash available. IFRS 16 (restatement of leases) has no impact.

(000's of euros)	September 30, 2021	September 30, 2020
Cash (Cash on hand and demand deposits)	586.1	-
Cash equivalents (Highly liquid, short-term investments)	-	-
<b>CASH AND CASH EQUIVALENTS</b>	<b>586.1</b>	<b>-</b>

### Preliminary Non-current Financial Assets

As at September 30, 2021, preliminary non-current financial assets represent shares held in Atari, NCX and consolidated entities OP Productions and Free Reign East.

#### Disclaimer:

*The realization of the plans, and their operational budget and financing plan remain inherently uncertain, and the non-realization of these assumptions may impact their value.*

#### Financial diary:

- General meeting: December 29, 2021 from 9am CET (see BALO publication)

### About CRYPTO BLOCKCHAIN INDUSTRIES

CRYPTO BLOCKCHAIN INDUSTRIES ("CBI") is a French company that develops, operates and invests in video games, business applications and selected projects relating to the blockchain, non-fungible tokens ("NFTs") and cryptocurrencies. Founded by Frédéric Chesnais, a renowned gaming industry entrepreneur and blockchain pioneer, CBI aims to develop and unlock value from a portfolio of blockchain activities across multiple industries (video games, finance, logistics, etc.) with a view to capitalizing on this technology, either directly or through partnerships. CBI has already made several investments and is currently developing AlphaVerse, a blockchain technology-based virtual world or metaverse that will be opening in summer 2022. CBI has been admitted to trading on the EI compartment (qualified investors) of the Euronext Growth Paris market since October 26, 2021. Learn more at [www.cbicorp.io](http://www.cbicorp.io).

#### Contacts

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