

## CBI: Preliminary consolidated results for the 2022-2023 financial year

- **24% growth in preliminary consolidated revenue to €5.3m, and 43% growth in preliminary consolidated current operating income to €2.8m**
- **Progress of AlphaVerse in line with expectations and steady expansion in the number of partners and universes**
- **2023-2024: Expected continued growth and the opening of many new universes associated with AlphaVerse**

**Frédéric Chesnais, Chairman and CEO and CBI's main shareholder, said:** "In this second financial year since its creation, CBI has continued its strategy of exploiting the potential of blockchain. In particular, we have continued to develop AlphaVerse, a virtual universe that connects universes developed in-house or in partnership with leading blockchain brands and players. Our open approach, which favours free-to-play and payment options using bank cards or tokens, has the potential to bring together a large number of users and to support their transition to Web3. On this basis, CBI aims to achieve revenue growth in 2023-2024, driven by the launch of universes and NFTs associated with AlphaVerse".

### Key figures: 24% growth in preliminary consolidated revenue to €5.3m, and 43% growth in preliminary consolidated current operating income to €2.8m

The consolidated results, which are currently being audited, were examined by the Board of Directors on June 21, 2023. The audit procedures are currently being finalised and the statutory auditors' reports will be published after verification of the notes to the financial statements and the information contained in the annual financial report. The results and all the figures presented for the year ended March 31, 2023, are therefore preliminary.

Preliminary consolidated revenue were up 23.9% at €5.3m. Revenue came mainly from licenses agreements and the first sales of NFT, reflecting the progress made in the various universes.

CBI is maintaining a flexible cost structure and capitalising the R&D devoted to the AlphaVerse development engine, the core technology of its metaverse, and the associated universes. Taking into account other operating income of €0.9m relating to the adjustment in the value of an amount payable in shares, CBI's preliminary consolidated current operating income rose by 42.9% to €2.8m, representing 52.4% of revenue.

IFRS, in €'000 and in % of revenue	March 31, 2023 (12 months)		March 31, 2022 (12 months)		Variation
<b>REVENUE</b>	<b>5 304.8</b>	<b>100.0%</b>	<b>4 280.7</b>	<b>100.0%</b>	<b>+23.9%</b>
GROSS MARGIN	5 300.3	99.9%	3 793.6	88.6%	+ 39.7%
<b>CURRENT OPERATING INCOME (LOSS)</b>	<b>2 777.3</b>	<b>52.4%</b>	<b>1 943.0</b>	<b>45.4%</b>	<b>+42.9%</b>

Given the trend in cryptocurrency prices, particularly over the first half of the 2022-2023 financial year, a provision of €(1.3) million has been recorded to adjust the net value of the cryptocurrency portfolio, which thus stands at €2.4 million as at March 31, 2023. Preliminary consolidated operating income was therefore €1.5m, representing 28.2% of revenue.

After taking into account financial expenses, mainly interest and IFRS16 charges relating to the restatement of rents, and in the absence of corporation tax for the period, preliminary consolidated net income (Group share) came to €1.3m, or 24.0% of revenue.



## Main achievements in FY 2022-2023

The 2022-2023 financial year saw the continuation of the development of the business. Achievements during the year include:

- **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.
- **Chain Games:** On July 26, 2022, CBI signed a partnership agreement with Chain Games, a 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 licence fee of US\$2 million for the benefit of CBI.
- **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.
- **Development of "Football at AlphaVerse", a world dedicated to football:** CBI wishes to accelerate the growth of AlphaVerse, particularly in the world of digital worlds dedicated to football, which it is developing on behalf of leading clubs.
- **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 program and causes that are part of the Horyou AlphaVerse metaverse.
- **CBI is advising the Cornucopias project, a multi-player 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 owns 1.0% of the share capital of Cornucopias Technology PTE. Ltd, the company created to develop the Cornucopias metaverse.
- **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 describing the milestones and partnerships for the development and growth of the AlphaVerse ecosystem.
- **Capital increase of €4,891,749.60 through the issue of shares with warrants attached:** in February 2023, CBI carried out a capital increase through the issue of shares with warrants attached, in order to accelerate its **development in the world of football**. The warrants entitle their holders to subscribe to new CBI shares at a price of 1.40 euro no later than March 31, 2024.
- **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 with Russia and Ukraine.

## Objectives for FY 2023-2024

For the 2023-2024 financial year, CBI is continuing to develop AlphaVerse, aiming to become one of the leading players in the world of metaverses.

Supported by the launch of AlphaVerse and the first associated universes, notably Football at AlphaVerse, MetaCoaster (theme park game), Chi Modu (hip-hop artist and photographer), Horyou (foundation dedicated to preserving the planet), Art Tech (digital art) or Rave Age (electronic music), CBI intends to achieve significant growth in sales.

### Financial calendar:

- July 31, 2023: Publication of the final 2023 parent company and consolidated financial statements
- September 29, 2023 (8.00am): Annual General Meeting



## Preliminary consolidated financial statements for the 2022-2023 financial year

The preliminary consolidated financial statements as at March 31, 2023 have been prepared in accordance with IFRS accounting principles and standards.

In particular, they include the activities of the operating companies Crypto Blockchain Industries, SA, OP Productions, LLC and Free Reign East, LLC from April 1, 2022, to March 31, 2023.

### PRELIMINARY CONSOLIDATED INCOME STATEMENT

IFRS, in €'000 and in % of revenue	March 31, 2023		March 31, 2022		Variation
Revenue	5 304.8	100.0%	4 280.7	100.0%	23.9%
Cost of goods sold	(4.5)	-0.1%	(487.1)	-11.4%	-99.1%
<b>GROSS MARGIN</b>	<b>5 300.3</b>	<b>99.9%</b>	<b>3 793.6</b>	<b>88.6%</b>	<b>39.7%</b>
R&D expenses	(566.1)	-10.7%	(538.5)	-12.6%	5.1%
Sales & marketing expenses	(1 545.3)	-29.1%	(562.5)	-13.1%	174.7%
G&A expenses	(1 335.0)	-25.2%	(749.6)	-17.5%	78.1%
Other operating income (expenses)	923.4	17.4%	-	-	-
<b>CURRENT OPERATING INCOME</b>	<b>2 777.3</b>	<b>52.4%</b>	<b>1 943.0</b>	<b>45.4%</b>	<b>42.9%</b>
Other income (expenses)	(1 281.5)	-24.2%	-	-	-
<b>OPERATING INCOME</b>	<b>1 495.8</b>	<b>28.2%</b>	<b>1 943.0</b>	<b>45.4%</b>	<b>-23.0%</b>
Cost of debt	(150.0)	-2.8%	(62.2)	-1.4%	141.2%
Other financial income (expenses)	(58.8)	-1.1%	2 044.7	47.7%	-102.9%
Income taxes	-	-	-	-	-
<b>NET PROFIT (LOSS)</b>	<b>1 287.0</b>	<b>24.3%</b>	<b>3 925.5</b>	<b>91.7%</b>	<b>-67.2%</b>
Minority interests	(15.5)	-0.3%	(118.5)	-2.8%	-86.9%
<b>NET PROFIT GROUP SHARE</b>	<b>1 271.5</b>	<b>24.0%</b>	<b>3 807.0</b>	<b>88.9%</b>	<b>-66.6%</b>

### Preliminary consolidated revenue

At March 31, 2023, CBI reported preliminary consolidated revenue of €5,304.8K, mainly from sales of NFT and licenses, as well as online games managed by subsidiaries OP Productions and Free Reign East. NCX is not consolidated.

### Preliminary consolidated results

The preliminary consolidated gross margin was 99.9% of the revenue for the period.

Preliminary consolidated research and development expenses include the operation and development of video games and the metaverse. Their evolution depends on the level of new functionalities developed. Traditional video games are fully amortised, and there is no additional depreciation. With regard to the metaverse, the value of the intellectual property rights is recorded as an asset in the balance sheet and has not given rise to any depreciation as at March 31, 2023, as this depreciation will begin at the opening of the metaverse, i.e. over the 2023-2024 financial year.

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

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

Preliminary consolidated current operating income for the period was €2,777.3K, compared with €1,943.0K for the same period last year, an increase of 42.9%.

Preliminary consolidated operating income was €1,495.8K, compared with €1,943.0K for the same period last year. This represents a decrease of 23.0%, due to a temporary write-down of tokens to reflect their market value.

Preliminary consolidated financial expenses reflect interest on the Ker Ventures loan and IFRS 16 restatements on rental leases. Preliminary consolidated financial income mainly reflects capital gains realised by the investment



services provider TSAF under the CBI share liquidity contract. The 2021-2022 financial year was marked by significant and non-recurring capital gains.

Preliminary consolidated minority interests represent the amount attributable to the 23% owners of OP Productions, LLC and Free Reign East, LLC and amounted to €15.5K for the period.

No corporation tax is payable for the period.

Preliminary consolidated net profit (Group share) for the period was €1,271.5K, compared with €3,807.0K for the same period last year.

#### PRELIMINARY CONSOLIDATED BALANCE SHEET

ASSETS (in €'000)	March 31, 2023	March 31, 2022
Intangible assets	13 164.9	6 912.9
Tangible assets	15.1	11.8
IFRS 16 restatement (leases)	1 973.1	2 236.2
Financial assets	9 107.5	12 246.6
<b>LONG-TERM ASSETS</b>	<b>24 260.8</b>	<b>21 407.5</b>
Inventory of cryptocurrencies and NFTs	2 407.0	2 828.5
Accounts receivable	935.7	440.4
Cash and liquidity	752.6	2 647.2
<b>SHORT-TERM ASSETS</b>	<b>4 095.3</b>	<b>5 916.1</b>
<b>TOTAL ASSETS</b>	<b>28 356.1</b>	<b>27 323.6</b>

SHAREHOLDERS' EQUITY AND LIABILITIES (in €'000)	March 31, 2023	March 31, 2022
Share capital / premium and cons	20 220.1	13 812.0
Net income, Group share	1 271.5	3 807.0
<b>CONSOLIDATED EQUITY, GROUP SHARE</b>	<b>21 491.6</b>	<b>17 619.0</b>
Minority interests	211.4	206.6
<b>TOTAL CONSOLIDATED EQUITY</b>	<b>21 703.0</b>	<b>17 825.6</b>
Shareholders' loan	2 331.5	4 573.4
Restatement IFRS16 (leases)	1 771.9	2 015.6
<b>LONG-TERM LIABILITIES</b>	<b>4 103.4</b>	<b>6 589.0</b>
Accounts payable	2 285.6	2 559.2
Other liabilities	263.9	349.8
<b>SHORT-TERM LIABILITIES</b>	<b>2 549.6</b>	<b>2 909.0</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>28 356.1</b>	<b>27 323.6</b>

#### Preliminary consolidated intangible assets

Amounts invested in the development of games and the metaverse are capitalised and depreciated from the time they are brought into service. 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 depreciated as at March 31, 2023. This depreciation will begin when the metaverse is opened, scheduled for the 2023-2024 financial year.

#### Preliminary consolidated financial assets

The portfolio of equities and financial instruments is valued on the basis of a volume-weighted average price calculated over 6 months (V-WAP). Traditional valuation methods are used for unlisted securities.

#### Preliminary consolidated token and NFT inventory

The inventory of tokens is initially recognised on the basis of the acquisition price. At the balance sheet date, each cryptocurrency is then valued on the basis of the closing price in order to take into account the value of each cryptocurrency and the overall portfolio. If the cost price of a cryptocurrency is higher than its market value, an impairment loss is recognised in the income statement. The impairment loss on the ATRI tokens was included in the overall redemption price of the warrant 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 1.0875	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
<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>

## Preliminary consolidated shareholders' equity

Preliminary consolidated shareholders' equity, Group share, amounted to €21,056.5K at March 31, 2023.

The change in shareholders' equity reflects CBI's profit for the period, as well as changes in exchange rates during the year. Changes in preliminary consolidated shareholders' equity can be analysed as follows:

Equity Group Share as at March 31, 2022 (000's of euros)	17 619.0
Net income for the year	1 271.5
Issuance of shares to repay loan	2 500.0
Rights issue	4 892.0
Expenses	(446.3)
Restatement IAS 32 / Treasury shares	(4 092.0)
Accrual ATRI tokens	(696.5)
Currency translation adjustments	8.9
<b>Equity Group Share as at March 31, 2023 (000's of euros)</b>	<b>21 056.5</b>

## Preliminary consolidated net cash / financial liabilities

At March 31, 2023, the Group had cash and cash equivalents of €752.6K.

IFRS 16 (Restatement of leases) has been applied, resulting in the recognition of assets of €1,973.1K and a liability of €2,015.5K (of which €1,771.9K long-term and the balance short-term).

## Number of shares outstanding

At March 31, 2023, there were 250,704,483 shares outstanding.

In addition, there are 6,114,687 share warrants (BSAs), 3 BSAs entitling their holders to purchase 1 new CBI share at a price of €1.40 no later than March 31, 2024. If all these warrants were exercised, 2,038,229 new shares could be created. The number of CBI shares likely to be in circulation is therefore 252,742,712.

The table below shows the breakdown of these shares as at March 31, 2023.

	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 6,114,687 outstanding warrants are exercised, 3 warrants entitling the holder to purchase 1 new CBI share at a unit purchase price of €1.40 until 31 March 2024



**Disclaimer:** *The realisation of projects, as well as their operating budgets and financing plans, remains fundamentally subject to uncertainty, and failure to realise the underlying assumptions may have a significant impact on the value of assets and liabilities.*

#### **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 launching AlphaVerse, a blockchain technology-based virtual world, or metaverse. CBI shares are listed on the E2 compartment (Public offer) of the Euronext Growth Paris stock exchange. Learn more at [www.cbicorp.io](http://www.cbicorp.io) and [www.alphaverse.com](http://www.alphaverse.com).

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