



BIGBEN INTERACTIVE

Société anonyme governed by a Board of Directors with share capital of €39,437,006
Registered office: 396/466, Rue de la Voyette, CRT 2, 59273 Fretin, France
Registration number: 320 992 977 RCS Lille Métropole
(the "Company")

UNIVERSAL REGISTRATION DOCUMENT



This universal registration document (URD) was filed on 7 July 2020 with the Autorité des Marchés Financiers ("AMF") as the competent authority in respect of regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.



The URD may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if accompanied by a securities note and, where applicable, a summary and any supplements to the URD. The whole is approved by the AMF in accordance with regulation (EU) 2017/1129.

This URD was prepared by the issuer and its signatories are liable for its content.

Copies of this universal registration document are available free of charge from Bigben Interactive's registered office at 396/466, Rue de la Voyette, CRT 2, 59273 Fretin, and can be downloaded from the AMF's website (www.amf-france.org) and Bigben Interactive's website (www.nacon.fr).

GENERAL INFORMATION

The Universal Registration Document (URD) describes the Company as it exists on the date this URD was registered.

The URD, prepared in accordance with appendix I of Commission delegated regulation (EU) no. 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, presents the statutory financial statements for the period ended 31 March 2020 and the corresponding consolidated financial statements.

It incorporates by reference the consolidated financial statements for the periods ended 31 March 2019 and 31 March 2018, which are presented in the registration document filed with the AMF respectively on 19 June 2019 under approval number D. 19-0581 and 18 June 2018 under approval number D. 18-0585. Those financial statements were the subject of an audit report issued by the Company's statutory auditors.

Forward-looking statements

The URD contains information about Bigben Interactive's prospects and development strategy. Such information is sometimes identified by the use of the future tense, the conditional mood or forward-looking terms such as "consider", "envisage", "think", "aim", "expect", "intend", "should", "have the ambition of", "estimate", "believe", "wish", "could", or the negative forms of the same terms as the case may be, or any other variant or similar expression. This information does not constitute historical facts and must not be construed as warranting that the anticipated events and data mentioned will actually materialise. The information is based on data, assumptions and estimates that the Company considers reasonable. It is liable to change or be altered due to uncertainties concerning the technological, economic, financial, competitive and regulatory environment. The information is mentioned in various sections of the URD and includes data relating to Bigben Interactive's intentions, estimates and objectives concerning, in particular, the Company's markets, products, strategy, commercial roll-out, growth, results, financial position and cash position. The forward-looking information in the URD is provided only at the URD's filing date.

Barring any statutory or regulatory obligation that may apply (including regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse), the Company makes no undertaking to publish updates to the forward-looking information contained in this URD in order to reflect any change relating to its objectives or to events, conditions or circumstances on which the forward-looking information in this URD is based. The Company operates in an environment that is highly competitive and subject to ongoing technological change. It may therefore be unable to anticipate all risks, uncertainties or other factors that may affect its business activity, their potential impact on its business activity or the extent to which the materialisation of a risk or combination of risks could produce results significantly different from those mentioned in any forward-looking information, it being understood that none of that forward-looking information is a guarantee of actual results.

Information about the market and the competition

The URD contains, particularly in Section 5 "Business overview", information about Bigben Interactive's business and its competitive position. Some information contained in the URD is information available to the public that the Company considers to be reliable but that has not been verified by an independent expert. The Company cannot guarantee that a third party using different methods for collating, analysing or calculating business segment data would obtain the same results. Given the rapid changes in the technological and competitive environment, this information may prove inaccurate or out-of-date. Accordingly, trends in Bigben Interactive's business activities may depart from those presented in this URD. The Company makes no undertaking to publish updates to that information, except as part of applicable legislative or regulatory obligations, including those arising from regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

Risk factors

Investors are invited to read carefully the risk factors presented in Section 3 “Risk factors” of this URD before making any investment decision. If some or all of these risks were to occur, that could have an adverse impact on Bigben Interactive’s activities, results, financial position or outlook. In addition, other risks not yet identified or not considered material by the Company at the date of the URD could also have an adverse impact.

Rounding

Certain figures (including figures expressed in thousands or millions) and percentages in this URD have been rounded. The totals presented in this URD may slightly differ from those which would have been obtained by adding together the non-rounded values of those figures, as the case may be.

Convention

For greater clarity, the name NACON will be used to designate Bigben Interactive's former Gaming division except where duly stated otherwise in the historical sections.

Contents

Contents	4
1. PERSONS RESPONSIBLE	6
1.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT	6
1.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT	6
1.3 PERSON RESPONSIBLE FOR FINANCIAL REPORTING	6
1.4 INFORMATION FROM THIRD PARTIES	6
1.5 APPROVAL OF THE UNIVERSAL REGISTRATION DOCUMENT	6
2. STATUTORY AUDITORS	7
2.1 STATUTORY AUDITORS	7
2.2 INFORMATION ABOUT STATUTORY AUDITORS THAT HAVE RESIGNED, BEEN REMOVED OR NOT BEEN RE-APPOINTED	7
3. RISK FACTORS	8
3.1 RISKS RELATED TO THE BUSINESS	10
3.2 RISKS RELATED TO THE COMPANY'S FINANCIAL POSITION	15
3.3 MARKET RISK	18
3.4 RISKS RELATED TO THE COMPANY'S ORGANISATION	21
3.5 REGULATORY AND LEGAL RISKS	23
3.6 NON-FINANCIAL RISKS	27
3.7 INSURANCE AND RISK COVERAGE	28
4. INFORMATION ABOUT THE COMPANY	29
4.1 CORPORATE NAME OF THE ISSUER	29
4.2 PLACE OF REGISTRATION AND REGISTRATION NUMBER	29
4.3 DATE AND TERM OF INCORPORATION	29
4.4 REGISTERED OFFICE, LEGAL FORM, LEGISLATION GOVERNING THE BUSINESS ..	29
5. BUSINESS OVERVIEW	30
5.1 MAIN ACTIVITIES	30
5.2 MAIN MARKETS	47
5.3 SIGNIFICANT EVENTS IN THE GROUP'S TIMELINE	51
5.4 STRATEGY AND OBJECTIVES	54
5.5 RESEARCH AND DEVELOPMENT, PATENTS, LICENCES, TRADEMARKS AND DOMAIN NAMES	58
5.6 COMPETITIVE POSITION	63
5.7 INVESTMENTS	64
6. ORGANISATION STRUCTURE	107
6.1 LEGAL STRUCTURE	107
6.2 GROUP COMPANIES	109
6.3 MAIN INTRA-GROUP TRANSACTIONS	112
7. EARNINGS AND FINANCIAL POSITION	115
7.1 FINANCIAL POSITION	115
7.2 OPERATING INCOME	122
8. CASH POSITION AND CAPITAL	124
8.1 INFORMATION ON THE COMPANY'S CAPITAL, LIQUIDITY AND FUNDING SOURCES	124
8.2 CASH FLOW	127
8.3 INFORMATION ON THE COMPANY'S BORROWING TERMS AND FUNDING STRUCTURE	129
8.4 RESTRICTIONS ON THE USE OF CAPITAL	130
8.5 FUNDING SOURCES REQUIRED FOR THE FUTURE	130
9. REGULATORY ENVIRONMENT	131
10. TRENDS	134
10.1 MAIN TRENDS SINCE THE START OF THE CURRENT FINANCIAL YEAR	134
10.2 TRENDS, UNCERTAINTIES, CONSTRAINTS, COMMITMENTS OR EVENTS THAT MAY MATERIALLY AFFECT THE BIGBEN GROUP'S OUTLOOK	134
11. EARNINGS FORECASTS AND ESTIMATES	135
12. ADMINISTRATIVE AND MANAGEMENT BODIES	136
12.1 DIRECTORS AND EXECUTIVE OFFICERS	136
12.2 CONFLICTS OF INTEREST IN THE ADMINISTRATIVE AND MANAGEMENT BODIES	146

13.	REMUNERATION AND BENEFITS	147
13.1	REMUNERATION AND BENEFITS.....	147
13.2	AMOUNTS SET ASIDE BY THE COMPANY FOR THE PAYMENT OF PENSIONS, RETIREMENT BENEFITS AND OTHER BENEFITS TO CORPORATE OFFICERS.....	158
14.	OPERATING PROCEDURES OF THE ADMINISTRATIVE AND MANAGEMENT BODIES ...	159
14.1	MANAGEMENT OF THE COMPANY	159
14.2	INFORMATION ON AGREEMENTS BINDING THE COMPANY'S EXECUTIVES AND/OR CORPORATE OFFICERS AND THE COMPANY OR ANY OF ITS SUBSIDIARIES	159
14.3	BOARD OF DIRECTORS, SPECIALIST COMMITTEES AND CORPORATE GOVERNANCE.....	159
14.4	STATEMENT ON CORPORATE GOVERNANCE	161
14.5	INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES	162
15.	EMPLOYEES.....	166
15.1	NUMBER OF EMPLOYEES AND BREAKDOWN BY COMPANY.....	166
15.2	EQUITY INTERESTS AND STOCK OPTIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT	166
15.3	OWNERSHIP OF THE COMPANY'S CAPITAL BY EMPLOYEES	167
16.	MAIN SHAREHOLDERS	168
16.1	OWNERSHIP OF SHARES AND VOTING RIGHTS.....	168
16.2	VOTING RIGHTS OF THE MAIN SHAREHOLDERS	169
16.3	CONTROL OF THE COMPANY	169
16.4	AGREEMENTS THAT MAY LEAD TO A CHANGE OF CONTROL	170
16.5	PLEDGES	170
17.	TRANSACTIONS WITH RELATED PARTIES	171
17.1	INTRAGROUP TRANSACTIONS AND TRANSACTIONS WITH RELATED PARTIES ...	171
17.2	STATUTORY AUDITOR'S REPORT ON REGULATED AGREEMENTS	171
18.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, FINANCIAL POSITION AND EARNINGS	172
18.1	HISTORICAL FINANCIAL INFORMATION	172
18.2	INTERIM AND OTHER FINANCIAL INFORMATION	258
18.3	AUDIT OF HISTORICAL FINANCIAL INFORMATION	258
18.4	PROFORMA FINANCIAL INFORMATION	269
18.5	DIVIDEND POLICY.....	269
18.6	LEGAL AND ARBITRATION PROCEEDINGS.....	269
18.7	MATERIAL CHANGE IN THE FINANCIAL OR TRADING POSITION.....	270
18.8	OTHER INFORMATION	270
19.	ADDITIONAL INFORMATION	273
19.1	SHARE CAPITAL.....	273
19.2	MEMORANDUM AND ARTICLES OF ASSOCIATION	277
20.	MATERIAL AGREEMENTS.....	280
21.	DOCUMENTS AVAILABLE TO THE PUBLIC.....	281
22.	DRAFT RESOLUTIONS ON THE AGENDA OF THE NEXT SHAREHOLDERS' GENERAL MEETING.....	282
23.	GLOSSARY	297
24.	CROSS-REFERENCE TABLES.....	299

1. PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Fabrice Lemesre, Chief Executive Officer of the Company.

1.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"I hereby certify that, having taken all reasonable care to ensure that such is the case, the information contained in this Universal Registration Document, to the best of my knowledge, conforms to the facts and contains no omission likely to affect its import.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all the companies included in its scope of consolidation and that the management report contained in this universal registration document presents fairly in all material respects trends in the business, results and financial position of the Company and all the companies included in its scope of consolidation and that it describes the main risks and uncertainties to which they are exposed."

Fretin,
7 July 2020

Fabrice Lemesre
Chief Executive Officer of the Company

1.3 PERSON RESPONSIBLE FOR FINANCIAL REPORTING

Fabrice Lemesre
Chief Executive Officer of Bigben Interactive
396/466 rue de la Voyette, CRT 2, 59273 Fretin, France

Telephone: +33 (0)3 20 90 72 00
Fax: +33 (0)3 20 87 57 99

1.4 INFORMATION FROM THIRD PARTIES

None.

1.5 APPROVAL OF THE UNIVERSAL REGISTRATION DOCUMENT

This universal registration document was filed on 7 July 2020 with the Autorité des Marchés Financiers ("**AMF**") as the competent authority in respect of regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.

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This URD was prepared by the issuer and its signatories are liable for its content.

2. STATUTORY AUDITORS

2.1 STATUTORY AUDITORS

Principal Statutory Auditors

Fiduciaire Métropole Audit (FMA) represented by Mr François Delbecq,
26, boulevard du Général de Gaulle, 59100 Roubaix

First appointed on 30 September 2005 and last re-appointed by resolution passed at the Company's shareholders' meeting on 21 July 2017 for a term of six financial years ending at the shareholders' meeting to be held in 2023 to vote on the financial statements for the financial year ending 31 March 2023.

KPMG Audit IS represented by Mrs Stéphanie Ortega
Tour Eqho, 2, avenue Gambetta, 92066 Paris La Défense cedex

First appointed on 8 November 1998 and last re-appointed by resolution passed at the Company's shareholders' meeting on 22 July 2016 for a term of six financial years ending at the shareholders' meeting to be held in 2022 to vote on the financial statements for the financial year ending 31 March 2022.

Deputy Statutory Auditors

Créquy Conseils Expertise & Audit represented by Mr François Créquy
51, rue Jean Jaurès, 59710 Ennevelin

Appointed on 21 July 2017 for a term of six financial years ending at the shareholders' meeting to be held in 2023 to vote on the financial statements for the financial year ending 31 March 2023.

Salustro Reydel
Tour Eqho, 2, avenue Gambetta, CS 60055, 92066 Paris La Défense cedex

Appointed by resolution passed at the Company's shareholders' meeting on 22 July 2016 for a term of six financial years ending at the shareholders' meeting to be held in 2022 to vote on the financial statements for the financial year ending 31 March 2022.

2.2 INFORMATION ABOUT STATUTORY AUDITORS THAT HAVE RESIGNED, BEEN REMOVED OR NOT BEEN RE-APPOINTED

None.

3. RISK FACTORS

The Company operates in a changing environment that involves risks, some of which are out of its control. Investors are invited to take into account all information in this URD, including the risk factors specific to the Group as described in this Section, before deciding whether or not to subscribe for or acquire shares in the Company. The Company has reviewed the key risks specific to the Group that may have a material adverse effect on its business activity, financial position, earnings and outlook.

However, investors' attention is drawn to the fact that the list of risks described below is not exhaustive. Other risks or uncertainties that are unknown or that the Company did not regard, at the URD's filing date, as capable of having a significant adverse impact on the Group, its business activity, financial position, earnings or outlook, may exist or could become material factors capable of having a significant adverse impact on the Group, its business activity, financial position, earnings, development or outlook.

Method of analysing risk factors:

Pursuant to the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, this Section describes the material risks that could, at the URD's filing date, have an adverse impact on the Group's business, financial position, reputation, earnings or outlook, notably as identified during the Group's risk mapping process, which assesses their materiality, i.e. the magnitude of their negative impact and the probability of occurrence after the impact of any mitigating action plans.

The Company has summarised its risks into the following five categories in no particular order of importance. Within each of the risk categories, the risk factors that the Company regards as the most material at the URD's filing date are mentioned first. The occurrence of new events, both internal and external to the Company, may therefore alter this order of importance in the future.

For each of the risks described below, the Company has applied the following procedure:

- presentation of the gross risk as it exists within the Company's business operations;
- presentation of measures taken by the Company to mitigate that risk.

The net risk is measured after the application of those mitigation measures.

The Company has assessed the materiality of the net risk, based on a combined analysis of two criteria: (i) probability of occurrence and (ii) magnitude of its negative impact.

The materiality of each risk is assessed below, based on the following qualitative scale:

- Low
- Average
- High

(Probability of occurrence, magnitude of negative impact and materiality are assessed after any mitigating action plans)

SUMMARY TABLE			
Risk	Probability of occurrence	Magnitude of negative impact	Materiality of net risk
Risks related to the business			
Risks related to potential delays in the development and marketing of the main products developed by the Group	Average	High	High
Risks related to lower-than-expected sales of a high investment game	Low	High	Average
Risks related to reliance on third-party technology	Low	Average	Average
Risks related to sourcing and production of accessories	Low	Average	Average
Risks related to inventories and their management	Average	Average	Average
Seasonal variations in business during the year	Average	Average High for Accessories and Audio Low for Games	Average
Specific impact of the Covid-19 pandemic on the video games and audio/telco universe	High	Low Average for Accessories and Audio products Low for Gaming	Average
Risks related to the Company's financial position			
Risks related to acquisitions	Low	Average	Average
- Financial and general risks related to acquisitions	Low	Average	Low
- Risk of goodwill impairment	Low	Average	Average
Liquidity risk	Average	Average	Average
Currency risk	Low	Average	Low
Market risk			
Risks related to reliance on manufacturers of consoles and games platforms	Average	Average	Average
- Risk of non-accreditation as a publisher or non-authorisation on console manufacturers' digital platforms	Average for Accessories Low for Games	High for Accessories Low for Games	High for Accessories Low for Games
- Risk related to closed console systems			
- Risk of additional costs generated by the release of new generation consoles			
- Risks related to non-compliance with console and platform manufacturers' technical requirements			
Risks related to the competitive environment	Average Average for Mobile Accessories and Audio Low for Games and Gaming Accessories	High	Average
Risks related to the company's organisation			
Risks related to attracting and retaining key personnel	Average	High	High
- Risks related to seeking and retaining talent			
- Risk related to acquisitions: integration of employees			
- Reliance on key people			
Risks related to the influence of the shareholders over the Company	High	Low	Average
Regulatory and legal risks			
Risks related to tax incentives such as the Video Games Tax Credit (<i>Crédit d'Impôt Jeu Vidéo</i> – CIJV)	Low	High	Average
Risks related to intellectual and industrial property	Average	Average	Average
Risks related to legal and administrative proceedings	Average	High	Average
Risks related to the General Data Protection Regulation (GDPR)	Low	Low	Low
Material non-financial risks (NFS)			
Health and safety of employees and third parties in the workplace	High	High	High

3.1 RISKS RELATED TO THE BUSINESS

3.1.1 Risks related to potential delays in the development and marketing of the main products developed by the Group

The Company may experience delays in development programmes for new products (games and accessories), whether developed in-house or by sub-contractors. Any delay relative to the original schedule would have a negative impact on Bigben Interactive's revenue and earnings, and on its growth prospects.

Summary table of the number of games developed in-house and outsourced over the last four years:

	31/03/2017	31/03/2018	31/03/2019	31/03/2020
In-house developments	6 (Kylotonn + Eko)	5 (Kylotonn + Eko)	5 (Kylotonn + Eko + Cyanide)	14 (5 "in-house" studios)
Outsourced developments	5	7	12	5

Risks related to delays in the development of a game

(Applies to the NACON Group, Bigben Interactive's subsidiary for video games development and publishing)

The Company may decide to delay or extend the development of a game if the quality of its developments is judged to be inadequate or if the Company believes it more appropriate, for example for marketing reasons, to coincide the release of a new game with an external event to improve its visibility (e.g. sports games such as Tennis marketed at the same time as a high profile competition or tournament). In 2018/19, for example, NACON announced the postponement of two games (*Warhammer Chaosbane* and *Sinking City*) until the first quarter of 2019/20 in order to improve them and align them to NACON's expected quality standards. Furthermore, NACON may decide to delay the release of a finished game for timing reasons (for example, waiting for a time when no other major rival games are being released).

However, as a general rule, the commercial success of a video game depends largely on sticking to the development schedule.

The consequences of delaying the development of a game would be as follows:

- the Company could incur development expenses that were not originally foreseen;
- the Company may not be able to quickly redeploy the internal teams allocated to or working on the delayed game to other Company projects;
- the game's release date could be delayed to a period that would not give the new title optimum visibility, which could have an impact on its commercial success;
- sales of the video game would be delayed which, in the case of a major title, could have an impact on the achievement of the budget and related targets.

The impact of a delay in releasing a game (loss of revenue and/or reputation) is the same whether the game is developed in-house or outsourced.

The advantage of in-house development is that the Publishing division's teams are more quickly aware of any problems that may arise, whether technical or otherwise, and can more easily prepare a 'marketing response'.

In an outsourced development, the additional costs related to a release delay are borne by the studio (unless agreed otherwise by the parties).

The Company uses the following procedures to prevent or mitigate the risks of a delay in the development and marketing of a game:

For in-house developments:

- compliance with a strict production process whereby the Publishing team is informed of any difficulty experienced by the development teams;
- maintaining a high level of expertise in handling the game engines used by the development teams.

For outsourced developments:

- drastic selection of third-party studios based mainly on their track record and regular monitoring of progress in their work.

To date, as stated in Section 7.1.2, the Covid-19 pandemic has not caused any major delay in the Group's schedule of new releases.

Risks related to delays in the development and marketing of an accessory

The consequences of a delay in releasing a gaming or mobile accessory or a major audio product would be as follows:

- the Company could incur additional development expenses or expenses caused by having to supply the products urgently, for example by air freight, in order to make up the delay in marketing;
- the Company may not be able to quickly redeploy the R&D teams allocated to or working on the delayed product to other Company projects, as the case may be;
- the accessory's release date could be delayed to a period that would not give it optimum visibility, which could have an impact on its commercial success (for example, after Christmas or after the official release of a new smartphone);
- revenue flows from the sale of the accessory would be delayed.

The Company uses the following procedures in order to prevent or mitigate the risks of a delay in the development and marketing of a major product:

- a rigorous project management process with a strong focus on compliance with deadlines and relations with the production plants, particularly concerning 'quality assurance' aspects, when the project moves into the production phase;
- optimum anticipation in its supply chain of deliveries to international distribution hubs, using either sea freight or air freight (where timescales dictate).

Materiality of this risk

The Company assesses the materiality of this net risk as "high", based on the following analysis:

- more than 50% (and expected to be 70% in less than three years) of its games and 100% of its accessories and audio products are developed in-house, which lowers the probability of occurrence of a delay to "medium". The Company is therefore more quickly aware of any delays and has the time to prepare a commercial 'counter-attack';
- the negative financial impact on the Company is assessed as "high" because postponing the release of a high-contribution game or accessory to a future financial year could have a negative impact on its current year earnings, its outlook and objectives.

3.1.2 Risks related to lower-than-expected sales of a high investment game

Despite efforts made, a game that requires heavy investment in development (about €5 to 10 million) could fail to achieve the expected sales given the expenditure incurred. In this case, it could affect the Company's financial position, earnings, objectives and growth outlook.

In a context of broadly increasing development costs, the Company assesses the materiality of this net risk as "average", based on the following analysis:

- the success of a game partly depends on exogenous circumstances over which the Company has no control (fad effect, popularity with gamers unpredictable, etc.); and
- although the Company believes it now has a large enough video game line-up (new releases from its own studios and a large back-catalogue¹ of old titles) to limit its reliance on a game that requires heavy investment, lower-than-expected success could have a substantial negative

¹ NACON definition: digital video games released in prior financial years.

short-term impact on the Company: impact on revenue and profitability (especially in the first year, since digital revenue in future years could then partially or totally offset the initial investment).

3.1.3 Risks related to technological changes affecting video game development

The video games sector has seen many technological innovations during the past few years and the rate of innovation remains sustained.

The development studios belonging to the NACON Group, a Bigben Interactive subsidiary, use various specialised software tools commonly used in the video game world, including several game engines. Although the Group does not consider itself to be reliant on a particular technology, its development teams may be unable to adapt sufficiently quickly to a new technology (in particular a new game engine). In this case, the Group's business, earnings and outlook could be significantly affected.

The Group considers that it has adopted a balanced policy as regards the use of development tools. Its studios either:

- use off-the-shelf software (single-use or per-project licences, with or without a time limit, with or without royalties payable on the basis of various indicators such as the number of copies of the game sold or the number of platforms used); or
- develop their own game engine.

The development studios also develop or buy middleware components that are bolted on to the game engine's upper layers (vegetation, particle effects, sound effects, etc.). With other non-material fixed costs such as middleware, licence fees paid represent less than 10% of the total development cost of a game and do not therefore impact on its profitability.

To anticipate technological innovations, the Company ensures that it has in-house expertise capable of adapting to successive upgrades of off-the-shelf software to maintain its ability to develop games for any platform.

The Company assesses the materiality of this net risk as "average", based on the following analysis:

- the effectiveness of adaptation and training measures taken by the Company to understand changing game development technology helps to mitigate the probability of occurrence of this risk to "low", but
- a sudden inability to adapt to game technologies making future developments outdated or obsolete could nonetheless have an "average" negative impact on the Company over a three-year horizon (impact on revenue and profitability).

3.1.4 Risks related to sourcing and production of accessories and Audio products

In terms of accessories and Audio products, the Group is 'fables' (i.e. it does not have its own manufacturing plants) and does not operate any manufacturing facilities. The Company uses around 30 sub-contractors based in Asia for the manufacture, assembly and shipment of its products, except for the Pro Controller®, for which it uses a leading sub-contractor in the market. In order to comply with NACON's manufacturing and product quality criteria, the Company also appoints on a voluntary basis external inspection firms to perform regular audits of the manufacturing facilities it uses.

A geopolitical problem, a breakdown in contractual relations with one of those sub-contractors, or a sub-contractor's difficulties in meeting its contractual commitments, especially in terms of production, product quality, volumes, or delivery times could lead to stock outages, higher manufacturing costs or higher transport costs, thus having an adverse impact on the Company's business, development, earnings and financial position.

This risk materialised during the Covid-19 health crisis in China in early 2020. The Chinese production plants operated on go-slow for a month and a half before returning to normal. The Group is making efforts to preserve or further diversify its supply and transportation sources to limit this risk in the future.

The top five suppliers represented 40% of the Group's total purchases and external charges in 2019/20.

Of those five suppliers, an Asian manufacturing plant accounted for 7.5% of the Group's total purchases and external charges.

The change from one year to the next depends on product releases (e.g. release of accessories for Nintendo Switch in 2018).

The Company assesses the materiality of this net risk as "average", based on the following analysis:

- the Company has carefully selected the partners to which it sub-contracts the manufacture and shipping of its products and has alternative options should one of them fail;
- the Company has a dedicated supplier relationship management team in Asia.

All of these measures contribute to reducing the probability of occurrence to "low".

The Company believes that the magnitude of such a risk would have an "average" negative impact on its revenue, costs and profitability; it would only be affected in the short term because, even if all its current suppliers were to fail in turn, it would only take a few months to have its products manufactured by other Asian or non-Asian suppliers.

Given NACON's financial results, which were little affected by the slowdown in production during the Covid-19 crisis, it was agreed that the materiality and probability of occurrence of this risk would not be raised.

3.1.5 Risks related to inventories and their management

The Company has a 28,000 m² logistics platform at Lauwin-Planque in northern France for its business operations. Thanks to the operational and technical investments made by Bigben Interactive, its centralised organisation and experienced workforce, the Company can handle increasing business volumes while meeting the requirements of its distributor customers. Close monitoring of product sales enables the Company to calibrate its orders and hold only enough stocks to meet customer needs on a quarterly basis.

Although the Company believes that its inventory management system is adapted to its business activity, it remains exposed to the risk of supplier execution failure, stock outages or transport company failure, as well as certain force majeure risks. Should a problem arise in the logistics platform management, or should the Company over- or under-estimate demand from a distributor customer, or should there be even a temporary breakdown in the supply chain, this could have a material adverse effect on the Company's reputation, business, earnings and financial position.

There is an agreement to charge back logistics services (warehousing, order preparation and shipment) provided by the Lauwin-Planque logistics warehouse, owned by Bigben Interactive, to NACON and its subsidiaries (see Section 6.3).

Apart from these inventory management risks related to physical games and gaming accessories, the Company is also faced with the risk of obsolescence of products held in inventory. This risk arises from a mismatch between volumes of products ordered from suppliers and volumes of orders received from customers. The life of a product, which is often short, forces the Company to monitor its inventories closely, including prior to a product launch.

The following table shows the value of inventories and amounts written down over the past two years:

In thousands of euros	Gaming	Mobile	Audio	2019/20	2018/19
Gross value	39,196	34,746	13,077	87,019	76,834
of which physical inventories	37,749	34,671	13,032	85,452	74,586
of which goods in transit	1,447	75	45	1,567	2,248
Impairment loss	(11,777)	(8,068)	(1,120)	(20,965)	(19,187)
Net value	27,419	26,678	11,957	66,054	57,647

Inventory levels at end-March 2020 were affected by Covid-19 and the severe slowdown in sales of physical products at end-2019/20, as well as the recovery in RIG™ headsets in March 2020, which led to an increase in this balance sheet item.

The Company therefore endeavours to optimise its inventory management according to seasonal business constraints and product sourcing times (just-in-time production and shipping, accurate continuously updated sales forecasts to facilitate 'reservations' of available stocks, etc.).

The Company assesses the materiality of this net risk as "average", based on the following analysis:

- the Company believes it has taken the requisite measures to understand customer needs and monitor inventory turnover closely, contributing to mitigating the probability of occurrence to "average"; and
- furthermore, holding old unsaleable stocks that are not yet fully written down would have an "average" negative impact on the Company's costs and profitability.

3.1.6 Seasonal variations in business during the year

Historically, Bigben Interactive's business was highly seasonal with sales skewed sharply to the end of the calendar year (particularly the Christmas period).

Historical figures show the importance of the third quarter (October to December) even though its weighting has decreased over the years:

- in 2014/15, the third quarter represented 40% of annual revenue;
- in 2015/16, the third quarter represented 36.8% of annual revenue;
- in 2016/17, the third quarter represented 35% of annual revenue;
- in 2017/18, the third quarter represented 32.6% of annual revenue;
- in 2018/19, the third quarter represented 33% of annual revenue;
- in 2019/20, the third quarter contribution fell to 32%.

This seasonal effect mainly impacts Gaming accessories, sales of which are highly correlated with sales of consoles, with a sharp skew towards the Christmas period. It also impacts Audio and Mobile accessories, sales of which traditionally rise sharply at the end of the calendar year or when a new major smartphone is released. Video games are less exposed to this seasonal effect as the Company mainly develops AA video games, which are often released outside of the Christmas period monopolised by AAA game releases. This trend could be accentuated by digitalisation of the market and growth in the number of games downloaded throughout the year.

Given the importance of the year-end festive period on the Company's business, a decline in the fourth financial quarter (January to March) could lead to lower revenues and higher inventories and costs, with the associated impairment risks.

The Company assesses the materiality of this net risk as "average", based on the following analysis:

- the probability of occurrence is considered to be "average" for Games and Accessories, but particularly Accessories and Audio products:
 - o as regards video games, its subsidiary NACON has an increasingly large back catalogue and a release schedule for new games spread across the year, which contributes to mitigating the seasonal effects outside of the Christmas period;
 - o as regards accessories and Audio products, the Company believes that premium accessories are aimed at experienced consumers with the financial resources to purchase them at any time of the year.
- as regards the magnitude of this risk: the estimated impact of seasonal variations on the Company's revenue and profitability is taken into account when preparing the Company's budgets and targets. However, should the seasonal effect be stronger than expected:
 - o for accessories and Audio products: its impact would be assessed as "high" because although premium accessories are aimed at experienced consumers with the financial resources to purchase them at any time of the year, sales of accessories nonetheless remain highly correlated with sales of consoles and smartphones, which occur mostly during the Christmas period; lower-than-expected sales during that period could therefore have a significant impact on accessory sales;
 - o for games: the impact is assessed as "low".

3.1.7 Specific impact of the Covid-19 pandemic on the video games and audio/telco universes

See Sections 7.1.2 and 10.1 on the consequences of the Covid-19 pandemic on consumer behaviour and one-off trends in the Company's sales during this period.

3.2 RISKS RELATED TO THE COMPANY'S FINANCIAL POSITION

3.2.1 Risks related to acquisitions

As part of its external growth policy, the Group believes it is exposed more specifically to two types of risk: risks related to the Company's external growth strategy, and the risk of goodwill impairment given the serial acquisitions made in prior financial years.

The Company assesses the materiality of this net risk, which is divided into two sub-risks as described below, as "average".

3.2.1.1 Risks related to the Company's external growth strategy

(See Note 1 to the consolidated financial statements in Section 18.1.6)

In 2018/19, the Bigben Interactive Group made several acquisitions of third-party companies. Although the Group is currently focusing on strengthening its teams to build up the production capacity of its own development studios, it may in the future consider acquiring new companies or technologies according to market opportunities.

As part of its external growth policy, the Group could be exposed to the following risks:

- risks related to the integration of its employees and retaining key people (see Section 3.4.1);
- financial risks:
 - o failure by the target companies to achieve their business plan;
 - o disclosure of unfavourable facts or events affecting the targets despite the due diligence performed prior to the acquisitions;
 - o dilution of existing shareholders if the acquisitions are made totally or partially by issuing new shares of the Company to the shareholders of the targets.

If one or more of these risks were to occur, it could have a material adverse impact on the Group's business, financial position, earnings, development and outlook.

Note that past acquisitions made by the Company have not had a highly dilutive effect on existing shareholders. Any post-acquisition contingent consideration has always been paid in cash to avoid any subsequent dilution of existing shareholders. As an indication, the estimated amount of contingent consideration the Company could have to pay for acquisitions already made is €2.4 million at 31 March 2020.

It should be noted that the growth policy of Bigben Interactive and its subsidiary NACON does not necessarily focus exclusively on external growth and therefore new acquisitions have not been factored into their business plan and associated targets. They are currently focusing on strengthening their teams.

The Company assesses the materiality of this net risk as "low", based on the following analysis:

- the Company applies very strict selection criteria before validating an acquisition and its recent acquisition track record does not reveal any major financial problem, thus reducing the probability of occurrence to "low";
- the negative impact of this risk in current market circumstances (impact on the Company's cash position and profitability) could be assessed as "average" in light of its net earnings or percentage dilution.

3.2.1.2 Risk of goodwill impairment

Goodwill is the difference between the acquisition price and the fair value of the company acquired. It may be positive or negative.

The goodwill carried on Bigben Interactive's consolidated financial statements arises very largely from the acquisition of five development studios in 2018 and 2019.

In the consolidated financial statements, goodwill is not amortised in accordance with IFRS 3 "Business Combinations" and IAS 36 "Impairment of Assets". However, goodwill is tested for impairment at the level of the cash generating unit to which it has been allocated (as goodwill alone does not generate an independent stream of cash) whenever there is an indication of impairment, i.e. a significant change in market conditions, a sharp deterioration in earnings or negative net equity, and at least once a year on the closing date. Any impairment losses are taken to the income statement. The sensitivity table in the notes to the annual consolidated financial statements (Section 18.1.6, Note 1) highlights the assumptions that could call into question the amounts of goodwill currently carried in the financial statements.

This risk appears to be low due to the fact that the Gaming market indications and the comparables analysis performed at the time of the acquisitions appear to show that the consideration paid for the development studios acquired in 2018 and 2019 was not overestimated. However, the fair value of goodwill is determined on the basis of a large number of forward-looking assumptions and judgement-based estimates, which may prove to be inaccurate and the risk of a future impairment loss cannot be completely eliminated in the long term.

The Company assesses the materiality of this net risk as "average", based on the following analysis:

- the studio acquisitions were made recently in line with market prices and the video games market is growing, thus reducing the probability of occurrence to "low";
- were the risk to occur, its negative impact (impact on the Company's non-recurring expenses, profitability and intangible assets) would be "average" in light of its net earnings.

However, the Company will remain vigilant and may raise the risk level to "high" should the gaming market begin to decline.

3.2.2 Liquidity risk

(See Notes 10, 29 and 36 to the consolidated financial statements)

Liquidity risk is the risk that the Group will be unable to meet its financial obligations through its available resources, which comprise resources generated by its business activities and those obtained from third parties.

The Company has specifically reviewed its liquidity risk and considers that it is able to meet its future financial obligations.

At 31 March 2020, following the €103 million of funds raised by its subsidiary NACON's IPO (after expenses), the Group's cash amounted to €118.1 million and its total debt to €43.4 million.

In accordance with the Group's financing policy, the subsidiaries are financed mainly by short-term advances and factoring facilities.

The financing terms (other than factoring) enjoyed by the Company's subsidiaries depend on the lenders' perception of the Company's financial robustness.

The loan agreements entered into by the Company and its subsidiaries contain various covenants.

The covenants to be met by NACON SA at 31 March 2020 were:²

Covenants	Target value	Status
Interest cover ratio (EBITDA/interest expense)	> 6	Met
Net leverage ratio (Net debt/EBITDA)	< 2	Met

The Group considers that it complied with the applicable covenants at 31 March 2020. Consequently, debt is positioned in line with its short-term and medium-term due dates in the consolidated financial statements.

The Company regularly evaluates its financing and liquidity needs based on its free cash flow and capital expenditure and working capital needs. It is in regular contact with its banking partners and negotiates appropriate financing facilities with them.

The Company assesses the materiality of this net risk as "average", based on the following analysis:

- the probability of occurrence is assessed as "average", as the NACON Gaming and Bigben Audio/Telco divisions manage their cash separately and the Group considers that, at the URD's filing date, it had sufficient cash and free cash flow to implement its strategy and meet its Gaming financial covenants;
- the negative impact of this risk (impact on cash position and profitability) could be assessed as "average" in light of its net earnings.

3.2.3 Currency risk

(See Notes 33 and 34 to the consolidated financial statements in Section 18.1.6)

The proportion of revenue billed in currencies other than the euro (mainly USD and GBP in the United Kingdom) represented about 21% of Bigben's total 2019/20 revenue and less than 5% of its total 2018/19 revenue. On the other hand, almost 50% of the Group's purchases in 2019/20 and 2018/19 were denominated in USD. The Group's debt is exclusively denominated in euros.

Currency risk is borne mainly by NACON SA and Bigben Interactive SA as they centralise supplies for their European subsidiaries, particularly via their Hong Kong subsidiaries.

In the future, the Group believes that a growing proportion of its revenues will be denominated in USD, mainly due to growth in digital sales and development of its international business. In this case, the Group considers that its exposure to currency risk would be reduced.

As part of its currency management policy, the Group typically uses FX TARN/accumulator contracts, but did not have any contracts of this type at 31 March 2020. FX TARNs/accumulators are complex structured derivatives through which the Group undertakes to buy or sell USD according to a schedule and at rates defined when the contract is signed. The use of TARNs/accumulators is a strategy that aims to accumulate USD at a better exchange rate than the available spot and forward rates in return for uncertainty about the total amount of USD that may be accumulated. In the event of a significant change in the EUR/USD exchange rate (upward or downward respectively depending on whether the Company is buying or selling USD), long or short exposure may increase leading to the recognition of foreign exchange losses on those instruments.

Their mark to market value was nil at 31 March 2020. Mark to market value is normally recognised as a liability under "other creditors".

The consequence of an adverse exchange rate would be the recognition of a foreign exchange loss in financial expenses, which would affect the Company's profitability.

² See introduction to Section 7 for a definition of EBITDA.

The Company assesses the materiality of this net risk as "low", based on the following analysis:

- sensitivity tests show that the Company takes a prudent approach to derivative financial instruments;
- sales in foreign currencies (in particular USD) are expected to increase steadily due to digital game sales and the upturn in US headset business following the acquisition of the RIG® brand from Plantronics Inc, which will offset future purchases in USD (improvement in natural hedging), with both of these factors reducing the probability of occurrence to "low";
- the negative impact of this risk (impact on cash position and profitability) could be assessed as "average" in light of the Company's earnings.

3.3 MARKET RISK

3.3.1 Risks related to reliance on manufacturers of consoles and games platforms

The Gaming market is dominated by a small number of operators: three console manufacturers (Sony, Microsoft, Nintendo) and Steam (PC). New entrants and new games platforms are emerging and should change the relationships of reliance between market operators (see Section 5.4.1).

By way of illustration, the weighting of top console manufacturer customer (Sony) for the NACON Group, subsidiary of Bigben Interactive, is as follows:

- 4.4% of revenue in 2018/19;
- 4.6% of revenue in 2018/19.

For games - risk of non-accreditation as a publisher for consoles

To become a publisher of video games on platforms developed by Microsoft (Xbox One, etc.), Sony (PS3, PS4, etc.) or Nintendo (3DS, Switch, etc.), a publisher has to be accredited through a Publishing Licence Agreement. This licence must be renewed upon every platform change.

Consequently, refusal, withdrawal or non-renewal of a licence would have a negative impact on the Group's business and earnings. That said, it is unusual for a licence to be withdrawn from the publisher once granted.

For accessories – risk related to closed console systems

The latest generations of consoles (Sony PlayStation® 4 and Microsoft Xbox One) introduced closed systems, which put a brake on the development of third-party controllers when they were released in 2014. Without specific agreement from the console manufacturers, the platforms blocked third-party controllers, which were not recognised by and did not work with the console. By contrast, minor accessories such as cables and other external peripherals were not blocked.

So far, negotiations of specific licences on a case-by-case basis with console manufacturers have enabled the Group to limit this risk:

- Thus in 2015, the Group negotiated a specific licence with Sony for its PlayStation® 3, which led to significant tangible sales of dedicated products in financial year 2015/16;
- following the success of its controller for PC pro gamers and the quality of its NACON® brand products, at the end of 2016 the Group entered into an agreement with Sony to develop and sell the Revolution Pro Controller under licence for PlayStation® 4 in the premium segment (see Section 5.1.2.1.2). This agreement was the foundation of its partnership with Sony, and other controllers and PlayStation® 4 licensed products followed, right up the very latest wired controller, Revolution Pro Controller 3 for PlayStation® 4 released in October 2019.

Should the new generation consoles also have closed systems, NACON, which has leading-edge technology for its controllers, would have an advantage over its competitors in terms of renegotiating partnership agreements (see also risk 3.5.2 "Licensing risks").

However, the Company cannot guarantee that all future generations of consoles (PS5, etc.) will have closed systems and does not have any information about whether or not the console manufacturers intend to open up their systems to third-party accessory developers.

For games and accessories - risk of additional costs generated by the release of new generation consoles

The release of 9th generation consoles (PS5, Xbox Series X, etc.) by the end of 2020 is likely to generate additional costs but the Company believes they are manageable.

For games, as is the case each time a new generation of consoles is released, the Company expects to have to upgrade its engines developed in-house (for example, the KT engine used for WRC). However, the Company should not have to bear any cost for using independent technology (for example, the Unreal engine, which represents a variable cost directly related to game sales).

On the other hand, the revenue generated by those games could be higher as they can be sold on two platforms at the same time (PS4 and PS5 for example) given the backward compatibility expected between the two generations of console (PS4 must operate on PS5 but not the reverse).

The Company believes that the costs arising from this change will be lower than the additional revenue obtained from game sales.

As regards accessories, the release of new consoles is only expected to generate minor additional R&D costs (very similar to those incurred when new controllers are developed).

For games and accessories – Risk of non-compliance with console and platform manufacturers' technical requirements

If the Company were unable to meet the technical constraints imposed by console or platform manufacturers, this would have a negative effect on its growth outlook, financial position, earnings and development.

For Games

The Company develops games for leading global console manufacturers Sony, Microsoft and Nintendo, as well as for various platforms (Steam, Epic, etc.). A rigorous process takes the proposed game through various key stages. First, the Publishing team submits the project to the console manufacturer or platform. The console manufacturer or platform, having approved the game concept, ensures that it complies with its specifications. The main risk for NACON lies in any potential changes or additions required by the console manufacturer or platform, which could hold up production of the game or even delay its release, with a potential negative impact on the Company's earnings.

To mitigate the risks of non-compliance with the technical requirements of console manufacturers or platforms, the Company pays heightened attention to the following points:

- its quality control department ensures that all the technical constraints in the console manufacturer's generic specifications are observed throughout the development process;
- it systematically calls on debugging companies that specialise in the pre-certification phases.

For Accessories

Under its partnerships with the console manufacturers (and in particular Sony), the relevant accessory is subject to a rigorous testing process before obtaining the console manufacturer's approval to market the product, or in Sony's case, to sell the product as officially licensed by Sony.

To mitigate the risks of non-compliance with the technical requirements of console manufacturers, the Company pays heightened attention to the following points:

- it proposes very advanced projects during the concept approval phase;
- throughout the development process, it complies scrupulously with the precise specifications drawn up by the console manufacturer and tests a number of prototypes before submitting one to the console manufacturer;
- it prepares a detailed licensing agreement for each region before the marketing phase.

Materiality of this risk

The Company assesses the materiality of this net risk as "average", based on the following analysis:

The probability of occurrence is assessed as "average" for both accessories and games:

- for games: the current trend towards cloud gaming and the creation of new platforms (Epic Games Store, EA Origin, Google Stadia, Xbox Gamepass, PS Plus, etc.), which represent more potential customers, as well as the strong focus on games content rather than the selling medium, should in the future reduce the probability of occurrence of the risk of reliance on console manufacturers to "low";
- while for accessories, the console manufacturers' influential power and the threat of new closed systems to which the Company would not have access remain real risks, keeping the probability of occurrence at "average".

The magnitude of the risk is assessed as "average":

- the negative impact of this risk in current market circumstances (impact on the Company's revenue and profitability) could therefore be assessed, in light of its net earnings, as
 - o "low" for games that are published on many rival platforms; and
 - o "high" for Gaming accessories, whose revenue stream and profitability depend largely on the current relationship with console manufacturer Sony.

3.3.2 Risks related to the competitive environment

The video games and console accessories markets, and the Mobile accessories and Audio products markets, are highly competitive and competition could become even more intense. These markets are evolving rapidly and the Group is faced with competition from various operators. The success of the Company's games could notably be affected by the performance of rival publishers' games.

Furthermore, it is always possible that the Group's competitors will develop accessories with technological or artistic innovations that could influence the habits of consumers, who could turn away from the Company's games, accessories and products. Gamers are highly sensitive to the functionality of gaming accessories as well as game quality and content, while consumers of Mobile accessories and Audio products are more attracted by new features and novelties.

The occurrence of one or more of these possibilities could reduce the Group's market share and have an adverse effect on its business, financial position, development, earnings and outlook. Heightened competition could also force the Group to increase its investment expenditure/development costs in order to market its own games, Gaming and Mobile accessories and Audio products.

The Company nonetheless believes that it can preserve and even gain market shares through various actions, including:

- keeping close to gamers (community managers, attendance at trade fairs and events dedicated to interactive leisure pursuits, etc.) in order to anticipate community trends and expectations;
- seeking to increase its product listing in the large retail chains, either directly in its countries of operation or through local distributors (accessories).

The Company assesses the materiality of this net risk as "average", based on the following analysis:

- there are few operators in the gaming and mobile market and the probability of occurrence is therefore broadly "low":
 - o for NACON gaming accessories, which are based on leading-edge, duly patented technologies, the probability of occurrence is assessed as "low";
 - o for Games: the AA market is made up of niches usually addressed by a single operator at a time, given the revenue potential. If a competitor were to develop a game with a similar theme to a NACON game and market it before NACON, this would reduce NACON's revenue. This has happened in the past, though very rarely, and the probability of occurrence is therefore also assessed as "low";
 - o for Mobile Accessories and Audio products, for which the Group invests heavily in marketing and innovation to set them apart from the many other similar products on the market, the probability of occurrence is assessed as "average".
- however, were it to occur, this risk would have a "high" negative impact (on the Company's revenue and profitability), as consumers would only buy one of the products that are similar.

3.4 RISKS RELATED TO THE COMPANY'S ORGANISATION

3.4.1 Risks related to attracting and retaining key personnel

If the Company were unable to retain its senior management team or other key personnel or to hire new talent, it could be unable to sustain its growth or achieve its commercial targets.

Risks related to seeking and retaining talent

(Applies to the NACON Group, Bigben Interactive's subsidiary for video games development and publishing)

The video games market is highly competitive and good developers are scarce and highly sought after. NACON's success is thus highly reliant on its people, its expertise and the involvement of certain key employees.

The skills required to create video games go beyond coding: they are very recent skills and are evolving rapidly in line with new technology. New types of jobs have emerged in the last ten years (e.g. game designer, sound designer, producer, etc.) making it all the more difficult to recruit people for these jobs as they are little known. Few schools in the world currently offer training in these jobs and not enough people are qualifying to meet demand in the market, with young graduates often preferring to join large, better known development studios at the expense of the smaller ones. To continue its growth, the Company will need to recruit new first-class employees with a strong degree of involvement. NACON is faced with strong competition in France and abroad for hiring, retaining and offering career prospects to highly qualified technical people. Given this intense competition, the Company may be unable to attract or retain these key staff members on financially acceptable terms.

If NACON is unable to attract and retain key personnel, this could prevent the Company from achieving its objectives and could therefore have a material adverse effect on its business, financial position, earnings and development prospects.

Furthermore, should key employees join a competitor, the Group could lose some of its know-how and the risk of losing customers would increase. Such circumstances could have an adverse effect on the Group's business, financial position, earnings and outlook. However, the Group considers that some tasks performed by key employees could be taken over by other employees after a period of training and transition.

NACON therefore has an active human resources policy in terms of recruitment, training and retaining its best people and in terms of identifying new talent through the following initiatives:

- actively seeking experienced people through professional databases and networking;
- regularly taking on interns from the best schools and universities (engineers, video games, 3D, etc.);
- employee empowerment and autonomy;
- an attractive compensation policy, where necessary retaining key people through free shares awards with a continuing presence condition;
- pleasant, friendly workplace, personalised decoration by employees, numerous team building events to involve people in joint projects, meals, festive events, trips abroad to international trade fairs, scouting trips, etc.

Staff turnover in studios within one year of their acquisition by the Group is therefore low. Turnover for all NACON's acquired studios is estimated at about 10%, which is below sector averages (between 20% and 25% according to the Company).

As explained in Section 15.1, the studios (apart from Spiders and RaceWard) have also seen their headcount increase from 227 to 270 employees from 31 March 2019 to 31 March 2020, while NACON's former Bigben scope has risen from 151 to 176 employees.

Risk related to acquisitions: integration of employees

(Now applies mainly to the NACON Group, Bigben Interactive's subsidiary for video games development and publishing)

Any external growth transaction involves employee integration risks. A dissatisfied employee could leave the company and take its know-how and experience to a competitor.

The risk is even greater for NACON, Bigben Interactive's Gaming subsidiary, as the Group's workforce is about 26% made up of employees who were not with the Group before 31 March 2019 and 70% who were not with the Group before 31 March 2018 and who are therefore likely to have less attachment to the Group.

NACON therefore has an innovative integration policy to avoid any shake-up that could potentially destabilise the workforce:

- the founding head of each studio continues to run it in the same way as before;
- each studio:
 - o continues to be managed as an independent studio by the head office Publishing team;
 - o retains its autonomy (financial and organisational);
 - o becomes a creative force through twice monthly Publishing Committee meetings, which bring together the studio heads and the managers and other members of the Publishing team;
- thus there is no change in the day-to-day working lives of studio employees (same job, same workplace, etc.), other than the financial team's reporting of data to the Group;
- employees of these studios, like those of the Group, receive free share awards to help retain them in the long term.

Risk of reliance on key Management Committee members

The Company's success depends in large part on the action and efforts of its Chairman Alain Falc, who is also Chairman and Chief Executive Officer of NACON, supported by the management teams of Bigben Interactive Audio/Telco and NACON and the heads of the development studios.

The loss of their skills and expertise could affect the Company's ability to achieve its objectives and implement its strategy, thus having a material adverse effect on its business, earnings, financial position, growth and outlook.

If the event of a long absence of these key people, the Company ensures that the current teams are able to continue the work in progress, mainly through in-house training of deputies. The Management team is therefore autonomous in terms of the Group's day-to-day management.

Overall materiality of the risk

The Company assesses the materiality of this net risk as "high", based on the following analysis:

- the probability of occurrence is assessed as "average" due to:
 - o strong retention policies for employees and key people (see Sections 13 "Remuneration" and 15 "Employees" of Bigben Interactive's and NACON's URDs), in particular through free share awards (contingent, as applicable, on a continuing service condition and/or the achievement of various performance conditions);
 - o low staff turnover in studios during the year after their acquisition;
 - o the presence of Alain Falc as Chairman of Bigben Interactive and Chairman and CEO of NACON and the fact that he is a leading shareholder in Bigben Interactive means that he has a very strong involvement and vested interest in the Group;
- however, if the events described in this Section were to occur, this could prevent the Company from achieving its objectives and could have a material adverse impact on its revenue and profitability ("high" impact).

3.4.2 Risks related to the influence of the shareholders over the Company

At 31 March 2020, the Company's two main shareholders were the Bolloré Group via Nord Sumatra, with 20.1% of the share capital and 17.7% of the gross voting rights) and Alain Falc, with 13.2% of the share capital and 22.9% of the gross voting rights directly and indirectly.

Sébastien Bolloré and Jean-Christophe Thierry, representatives of Nord Sumatra, also sit on the Company's Board of Directors, while Alain Falc is the Chairman of the Board. In that respect, they exercise significant influence over the Company and more generally the Group.

However, the Company's historically very stable ownership structure and the fact that Alain Falc remains Chairman of the Company's Board of Directors are a mark of the Board's confidence in the management and strategy adopted by the Group.

Furthermore, the Company has a track record of not interfering in the management of its subsidiaries without good reason.

The Company thus assesses the materiality of this net risk as "average", based on the following analysis:

- although the main shareholders play a strategic role within the Group, raising the probability of occurrence to "high", the Company's track record shows that the Group's corporate interest takes precedence when making decisions.
- the Company and its subsidiary NACON SA each have their own operational management team with no common executive officers;
- the occurrence of the events described in this Section could therefore only have a "low" negative impact on the Company (failure to achieve objectives, impact on revenue and profitability).

3.5 REGULATORY AND LEGAL RISKS

3.5.1 Risks related to the loss of certain tax incentives

(Now applies mainly to the NACON Group, Bigben Interactive's subsidiary for video games development and publishing)

Some of the Group's development studios benefit from the French tax credit on video games (*Crédit d'Impôt Jeu Vidéo français* – CIJV) or the Canadian equivalent. These tax credits are tax incentives allowing video game development companies to deduct a proportion of their development expenses for a game from their tax liability.

France:

First introduced in 2008, the French CIJV was increased significantly on 1 January 2017, through:

- an increase from 20% to 30% in the relief rate on the following production expenses:
 - o depreciation or amortisation charges on assets created or acquired new (not including depreciation of properties);
 - o salary paid to writers who contributed to creating the video game under an intellectual property rights assignment agreement, plus the associated social security contributions;
 - o staff costs of the company's employees including the associated social security contributions and staff costs of the technical and administrative employees contributing to the development process;
 - o other operating expenses (purchases of materials, supplies and equipment, rent for business premises and the associated maintenance and repair costs, travel expenses, technical documentation expenses and postal and email communication expenses);
- doubling of the maximum tax credit available to each company (from €3 to 6 million a year);
- increase in the cap on European sub-contracting costs included in the tax credit calculation from €1 to 2 million a year.

Canada:

Amusement Cyanide Inc., the studio based in Quebec (Canada), benefits from a similar tax credit known as the tax credit for multimedia titles (*Crédit d'impôt pour des titres multimédias* – CITM).

An eligible company that has an establishment in Quebec in the taxation year and holds a qualification certificate issued by *Investissement Québec* for the year may claim a tax credit, subject to conditions, with respect to eligible labour expenditures it has incurred and paid in eligible production work on multimedia titles.

The tax credit rate is 37.5% for a title available in a French version intended for distribution, 30% for a title not available in a French version intended for distribution and 26.25% for all other titles. As a general rule, Cyanide's Canadian subsidiary is eligible for the 37.5% rate.

These tax credits are a substantial source of funding for the Group's development studios. The Group's studios recorded tax credits totalling €3.0 million in the financial year ended 31 March 2020 compared with €1.5 million at 31 March 2019 (prorated to the number of months the studios were owned by the Group).

Although the Group's studios are used to applying to the tax authorities and obtaining approval, and despite the recent revaluation of the French CIJV, there is always a possibility that the tax authorities will change the method of determining eligible expenditures and thus the amount the studios will be able to claim. Likewise, although the scheme was extended in 2017, it is always possible that a change of legislation will reduce the future benefit of the CIJV or no longer enable the studios to claim it.

This would limit the financial resources of the Group's studios and game development costs would increase, which could force the studios to review the rate of release of their games and/or restrict the number of games they intend to develop.

The Company assesses the materiality of this net risk as "average", based on the following analysis:

- the French and Canadian governments have shown no inclination to decrease these tax incentives, which generate employment in the gaming market, thus reducing the probability of occurrence, at least in the short term, to "low";
- the negative impact of this risk (impact on profitability) could be assessed as "high" in light of its net earnings.

3.5.2 Risks related to intellectual and industrial property and licensing agreements

Industrial property risk

As regards industrial property, the Group's logos and trademarks are registered in France and some in Europe and/or the rest of the world. The Company has extended the protection of its flagship brands (Nacon®, Force®, Aromasound®, Justgreen®, etc.) and its other trademarks by registering the corresponding domain names. A specialist industrial property firm has been appointed to monitor the Company's trademarks.

Other than for its licensed games and accessories, for which its subsidiary NACON negotiates separate licence agreements, and for the few games distributed or co-published (*Sherlock Holmes*, *Sinking City*, *Bee Simulator*, *AO Tennis 2*), Bigben Interactive and NACON hold the full intellectual property rights to their trademarks and games. Patents, trademarks and models are owned by Bigben Interactive SA and NACON SA while licences are held by Bigben Interactive (HK) Ltd and NACON (HK) Ltd.

Bigben Interactive and NACON perform their own research and development and a part of their production. They have design offices in Hong Kong which are close to the manufacturing sites and can thus monitor the technological risk closely. Bigben Interactive and NACON also have many patents protecting their products (see Section 5.5.4.1).

The Group's patents, trademarks, industrial secrets, know-how and other intellectual and industrial property are extremely important to its business operations. Any infringement of these rights by third parties could have harmful consequences on its business and reputation. The Group relies on intellectual property law in various countries and on contractual agreements with its employees, customers, business partners and other parties to protect its rights in this area. Despite the precautions it takes, third parties may still infringe these rights. Furthermore, the Group cannot guarantee that the rights it has filed or registered, particularly its patents, effectively and comprehensively protect the products it sells. The Group may also be sued by third parties for infringement of their intellectual property rights. Any legal action against the Group relating to its intellectual property rights or those of third parties, regardless of the outcome, could lead to substantial costs and take up much of the management team's time at the expense of the Group's operational development, harm the Group's reputation and, therefore, affect its financial position.

Licensing risks

Over the past few years, the Group has signed some major licensing agreements with Sony for the development of accessories for PlayStation® 3 and PlayStation® 4. As described in risk 3.3.1. "Risk related to closed console systems", it should be pointed out that its subsidiary NACON is reliant to a certain, albeit limited, degree on licences granted by Sony and agreements between the two partners, a notable example being the Revolution controllers. The agreements between NACON and Sony are not exclusive. All developments and associated patents belong exclusively to NACON. The decision to work primarily with Sony was taken in light of the market configuration and the opportunities offered by a partnership between the two companies.

NACON will always keep a close watch on market trends and adapt its strategy accordingly. Loss of these Sony contracts would have a significant impact in the short- and medium-term. However, the Company believes that its subsidiary NACON could obtain a new licence agreement or distribute to other platforms, as the Revolution controller technology belongs to NACON and could therefore be proposed to other console manufacturers or digital distribution platforms if necessary. The Company cannot, however, guarantee that its subsidiary NACON would be able to sign a licence agreement with a company that offers the same revenue growth prospects as the agreements with Sony. Furthermore, it cannot guarantee that distribution through other platforms would give it the same visibility or generate the same revenue and profitability.

Group's revenue from sales of Sony accessories

- 2019/20: €30.2 million (57% of NACON's Gaming Accessories revenue and 11.4% of the Bigben Group's revenue);
- 2018/19: €30.7 million (56% of NACON's Gaming Accessories revenue and 12.5% of the Bigben Group's revenue).

However, the weighting of Sony accessories in the Group's total Gaming Accessories revenue will automatically fall in the future due to future sales of RIG™ headsets.

In the Publishing business, licence agreements are regularly entered into for acquiring rights to use video games matrices.

Lastly, NACON may enter into exclusive distribution agreements with certain games publishers, such as Square Enix (*Final Fantasy*, *Tomb Raider*, etc.) and Milestone (*MotoXGP*) for the distribution of the games they develop. Consequently, a part of the Group's business is reliant on the market release schedule of those publishers.

Furthermore, the licence has been signed for the next three years/game series until financial year 2022/23.

Meanwhile, in the past the Group used to design and manufacture some Mobile accessories for major fashion and luxury goods companies such as Kenzo, Paul Smith, Jeanne Lanvin, etc. Since then, it has moved away from the licensing model to adopt a simple manufacturing model, which consists of manufacturing and supplying products to the brands.

In the licensing business model, the Group also designs and distributes its licensed Audio products for the Thomson brand for example. The Thomson licence has been extended until end-2030.

The Company considers that its reliance on business derived from licensing (whether for gaming or mobile accessories, audio products or more broadly video games) remains relative and dispersed, as Bigben Interactive believes that it is still relatively independent in developing and marketing its products. This is all the more true considering the Group's new strategy focusing on the design and development of new own brands in the premium segment, such as Nacor®, Force Glass®, Force Case®, Force Power® and Aromasound®.

Risks related to video games

Risk of piracy and copyright infringement

In some games, the Company creates imaginary worlds closely reflecting the real world, exposing it to the risk of copyright infringement allegations.

The Company has taken measures to review its games using protocols it believes appropriate for its industry in order to limit copyright infringement risks.

Secondly, the Company's games could be pirated, that is copied or downloaded illegally without payment.

Distribution platforms such as Steam (PC), Playstation Network (PS3, PS4...), Xbox Live (Xbox One, etc.) and Epic require users to log in to benefit from the tools proposed, exchanges and discussions with other gamers through text or voice messages, trophy and avatar display, capture and sharing tools and social media connections. These log-in and ID requirements limit the risk of piracy.

Lastly, its subsidiary NACON's games may be copied by other parties. Like any design company, NACON is vulnerable to copyright infringement (graphic elements or original scenarios, for example). NACON has taken measures to monitor the French and international market and may sue for copyright infringement or unfair competition to protect its rights and obtain cease and desist orders.

Lastly, a Company employee could copy a competitor's game idea, in which case the Company could be held liable for copyright infringement. An action against the Company for such infringement could have an adverse impact on its business, earnings, financial position and outlook.

The Company assesses the materiality of this net risk as "average", based on the following analysis:

- it has a legal department specialising in intellectual property as well as in-house R&D teams; it calls on outside expert firms in the field which continuously monitor the market to make sure that the Group's products, trademarks and logos are not unlawfully copied and that they meet the specifications of the licensors, thus reducing the probability of occurrence to "average";
- the occurrence of the events described in this Section could therefore only have a moderate impact on the Company, bearing in mind that widescale copyright infringement would lead to an immediate fall in revenue which would instantly attract suspicion (failure to achieve objectives, impact on revenue and profitability).

3.5.3 Risks related to legal and administrative proceedings

In the normal course of its business, the Company may be involved in legal, administrative, criminal or arbitration proceedings, particularly as regards competition and intellectual or industrial property. The most significant actions pending that could have an impact on the Company are described in Section 18.6 of the URD. At 31 March 2020, litigation provisions totalled €1,870,000 (see Note 14 to the 2019/20 consolidated financial statements in Section 18.1 of the URD and Note 13 to the 2019/20 statutory financial statements in Section 18.1.1 of the URD).

It is always possible that in the future new proceedings, whether or not connected to ongoing ones, related to the risks identified by the Group or related to new risks could be taken against one of the Group's entities. If those proceedings were to have an adverse outcome for the Group, this could have a material negative impact on its business, financial position, earnings and outlook.

The Company assesses the materiality of this net risk as "average", based on the following analysis:

- it only has business relationships with partners recognised in the market as 'reliable' and its legal department takes great care when drafting contracts to ensure that the contractual provisions protect the company's interests as far as possible, thus reducing the probability of occurrence of this risk to "average";
- but the occurrence of the events described in this Section could have a material impact on the Company (failure to achieve objectives, impact on revenue and profitability).

3.5.4 Risks related to personal data processing - General Data Protection Regulation (GDPR)

The Company considers that it complies with the main provisions of Regulation (EU) 2016/679 of 27 April 2016 ("GDPR") and has called on an external consultant for support in this area. GDPR risks are limited because the Company does not collect sensitive personal data within the meaning of GDPR in its online canvassing activity or its sales to third party platforms. All data collected are identified, with a timeframe for erasure and an associated lawful purpose.

If the Company breaches any regulations applicable to it, or is unable to adapt to the possible adoption of tougher or more restrictive regulations, this could expose the Company to various types of adverse outcomes: financial, civil, criminal or administrative penalties that could go as far as the temporary or definitive closure of the production site.

The occurrence of one or more of these risks would adversely affect the Company's business activities, earnings, financial position and development prospects.

The Company assesses the materiality of this net risk as "low", as it is not especially affected by the GDPR. However, the Company will remain vigilant and may raise the risk level to "average" should its distribution methods change significantly.

3.6 NON-FINANCIAL RISKS

In accordance with Articles L. 225-102-1, R. 225-105 and R. 225-105.1 of the French Commercial Code, the Group has prepared a non-financial statement (NFS) in which it has reviewed its main non-financial risks based on an analysis of their existing materiality, their relevance and the severity of the issues involved in line with the analysis of financial risks (see Section 5.7.4 of this URD).

These risks were identified, assessed and approached using the same methodology used above for operational, legal and financial risks.

In accordance with recital 54 of the Prospectus Regulation, the only risk presented in the NFS considered to be specific to the issuer and material in terms of taking investment decisions within the meaning of the Prospectus Regulation (see AMF position-recommendation 2020-06) is described in Section 3.6.1. below.

The following risks presented in the NFS have not been included in this Section but in Section 5.7.4: See Section 5.7.4. and the Sections duly referred to for further explanations about these risks

Non-financial risk included in the risk factors analysed above

- Human capital development: departure of talent, management of unsuitable skills and human resources (see Section 3.4.1.)

Low materiality non-financial risks

- Quality of life in the workplace: discrimination, deterioration of employee rights, working conditions, health and safety
- Energy management: over-consumption
- Resources and waste management: high waste production, wastage, failure to factor in the life cycle of resources and raw materials used
- Environmental impacts: high greenhouse gas emissions
- Management of suppliers and service providers: non-compliance with responsible purchasing policies

3.6.1 Employee-related risks:

3.6.1.1 Health and safety of employees and third parties in the workplace:

This risk covers a potentially unsuitable working environment, a deterioration in well-being in the workplace or health and safety conditions that could lead to occupational accidents or illnesses.

The health and safety of its employees and partners is a core focus for the Group.

The measures described in Section 5.7.4 have been implemented to further improve the working environment and health of employees.

Overall materiality of the risk

Following the emergence of Covid-19, this risk has been upgraded by Management from "low" to "high". Although many measures described in Section 5.7.4 have been taken to stop the spread of the virus

among employees (working from home, social distancing, providing employees with masks, hand sanitiser, gloves, etc. upon their return to the workplace after lockdown), the probability of occurrence and the impact of such a risk occurring remain "high".

3.7 INSURANCE AND RISK COVERAGE

The Group has insurance policies covering all the general risks inherent in its business operations. It has an 'all-risks' property damage policy including business interruption, insurance for its car fleet and third-party liability insurance covering bodily harm, physical damage and consequential loss. NACON has a Group Master Policy for business and product liability covering the Company and its distribution subsidiaries, in addition to the local policies taken out by each entity. The likely risks have been objectively assessed and appropriately insured.

The Group does not have freight insurance other than for shipments of high unit value goods. However, it selects its freight partners carefully in order to limit the risks.

As regards directors' and officers' liability, NACON's policy covers all of its subsidiaries whether French or foreign. The Group's main regular customers are major European retailers whose solvency is proven, and this limits credit risk for the Group. Other customers, including all export customers, are covered by credit insurance where the Group has exposure.

The Group considers that the nature of the risks covered by its insurance is in line with industry practices and that, to the Company's knowledge, there are no significant exclusions in its policies.

4. INFORMATION ABOUT THE COMPANY

4.1 CORPORATE NAME OF THE ISSUER

The Company's corporate name is Bigben Interactive.

Its trading names are Bigben, Bigben Interactive, Bigben Connected, Nacon and Games.fr.

4.2 PLACE OF REGISTRATION AND REGISTRATION NUMBER

The Company was originally a French *société à responsabilité limitée* registered with the Lille Métropole Commercial Court on 17 February 1981. It became a French *société anonyme à conseil d'administration* by virtue of a resolution passed at the shareholders' meeting of 5 December 1988.

It is registered with the Lille Métropole trade and companies register under number B 320 992 977.

Its legal entity identifier (LEI) is 9695008GVA59G8SVGO83.

4.3 DATE AND TERM OF INCORPORATION

The Company is incorporated for a term of 65 years as of the date of registration with the Trade and Companies Registry, unless wound up early or extended by extraordinary resolution of the shareholders passed in accordance with the law and the Company's articles of association.

4.4 REGISTERED OFFICE, LEGAL FORM, LEGISLATION GOVERNING THE BUSINESS

The Company is a *société anonyme à conseil d'administration* governed by French law and in respect of its operating activities is mainly subject to articles L.225-1 *et seq.* of the French Commercial Code.

Its registered office is at 396/466, Rue de la Voyette, CRT 2, 59273 Fretin, France.

Its contact details are as follows:

Telephone: +33 (0)3 20 90 72 00

Address: 396/466, Rue de la Voyette, CRT 2, 59273 Fretin, France.

Its website is www.bigben.fr. The information on the website does not form part of this URD.

5. BUSINESS OVERVIEW

5.1 MAIN ACTIVITIES

5.1.1 General presentation

As of 2014/15, the Group's financial reporting was based on the main markets addressed by Bigben Interactive, with three operating segments: Gaming (video games publishing and gaming accessories), Mobile (smartphone and tablet accessories) and Audio (audio products mainly under the Bigben Interactive, Thomson, Lumin'Us and Aromasound® brands).

Spin-off of business from Bigben to NACON and NACON IPO

More recently, although there were many synergies between the Gaming, Mobile and Audio segments, this structure was not clear enough to investors in terms of financial communication. The Bigben Interactive Group therefore decided to reorganise its business activities by spinning off its Gaming division comprising Accessories and Video Games to a new company called NACON, the name of its main gaming accessory brand. The spin-off was completed on 31 October 2019 after approval from Bigben Interactive's shareholders and NACON was floated on the stock exchange during the first quarter of 2020, raising €109 million. Bigben Interactive remains NACON's main shareholder with 76.67% of its share capital.

Benefits of the spin-off

- Clear synergies:
 - same market for gaming accessories and video games;
 - many synergies between Audio and Mobile as mobile operators also sell a lot of audio products.
- Clarification of organisation structure and business for clearer financial communication and value creation.
- Two Groups: NACON (Gaming) and Bigben (Audio/Telco), with more autonomy and growth opportunities for each one.

5.1.1.1 The Group's businesses and expertise

Bigben Interactive is a leading player in digital entertainment. It operates in the strategically complementary segments of Gaming, Mobile and Audio.

The Group designs and distributes a diversified range of products and services and is also called upon by many manufacturers for its marketing and sales expertise.

Based on a successful, well-established European presence, Bigben Interactive has gradually extended its distribution network to all five continents.

Recognised for its innovative and creative capabilities, the Group now aims to be among the leaders in each of its markets.



5.1.1.1.1 *BIGBEN INTERACTIVE: Developer and publisher of AA video games*

Through the NACON Group, Bigben Interactive is an integral part of the video games landscape. With its extensive experience as a distributor of video games and then a manufacturer of gaming accessories, the Group rapidly invested in the video games publishing segment with the aim of becoming one of the top European names in the sector.

Bigben Interactive's video game publishing activity, which comprises a design and production department, a dedicated marketing team and a qualified sales force, has been growing steadily.

In 2018 and 2019, Bigben Interactive acquired four development studios selected for their creative expertise and sector approach: Kylotonn Racing, Cyanide Studio, Eko Software and Spiders. In 2019, it also acquired an interest in Italian studio RaceWard.

By positioning itself as a publisher and developer, Bigben Interactive has created its own identity in the AA video games segment, addressing a wide, diverse and international market.

8 development studios in France, Canada et Italy
350 developers



5.1.1.1.2 *BIGBEN INTERACTIVE: designer of physical products*

Bigben Interactive has built up extensive knowledge of its business sectors and has always had a knack for spotting business opportunities at the right time. The company began to develop its own gaming accessories in the 1990s and quickly became a European leader in the sector. With the acquisition of ModeLabs in 2011, it branched out into Mobile accessories. To satisfy an ever-more demanding clientele, Bigben Interactive's engineers, designers and product managers work tirelessly on creating what will be tomorrow's trends.

During the product design and manufacturing stage, Bigben Interactive takes into account the expectations of end consumers in terms of design (colour choice, the latest 'in' materials, etc.), ergonomics and environmental concerns, as well as the expectations of its distributors (packaging, etc.)

This technological and creative know-how enables the Group to obtain high-value licences and create exclusive products for many partners.



For more than 15 years, the strategic subsidiaries of Bigben Interactive and NACON in Hong Kong have been providing support to the Group's research and development teams. They oversee product manufacturing (materials, prototypes, tests) and ensure a high quality of production by maintaining direct contact with the production subsidiaries based in China. Bigben Interactive has forged long-term relationships of trust and transparency with its production partners. They remain in close contact and evolve together in line with each new innovation.

More than **40** engineers, designers and product managers

More than **440** brands, models and patents

5.1.1.1.1 BIGBEN INTERACTIVE: product distributor

Logistics

Bigben Interactive has a professional integrated logistics operation run jointly by Bigben Hong Kong and Bigben in the north of France, a genuine gateway to Europe.

Thanks to its unique order centralisation system, the Group can guarantee delivery to its partners in record time no matter what the transport method required.



Network

Each year, the Group is called upon by a wide range of well-known manufacturers and publishers for its sales and marketing capabilities and the quality of its distribution network. Bigben Interactive's sales forces set the standard in their field, providing customised solutions to meet the needs of customers and local partners selected for their expertise.

Its distribution network now has almost 400 distributor customers across 115 countries.

5.1.1.2 Presentation of the Management Committee

5.1.1.2.1 Management Committee

The Group Management Committee is as follows:



Fabrice LEMESRE
CHIEF EXECUTIVE OFFICER
HEAD OF AUDIO



Michel BASSOT
CHIEF OPERATING OFFICER
CHAIRMAN BBC TELCO



Anne-Catherine MOULIN
CHIEF FINANCIAL OFFICER



François BOZON
CORPORATE SECRETARY



François PENIN
HEAD OF LOGISTICS

5.1.1.2.2 A highly-experienced top management team

An experienced Management Committee:



Fabrice Lemesre, Chief Executive Officer

Fabrice Lemesre joined the Bigben group in 1985. He spent a large part of his career in the supply chain business, where he held many key positions in logistics, sourcing and purchasing. In 1991, based on his extensive business expertise and excellent knowledge of Bigben's product markets, he became head of the Watches and Business Gifts business, which he developed successfully until 2005. A challenge seeker, he then created the Audio division and was directly responsible for product development and sale, diversifying the product range to meet the requirements of the large retail chains. He was appointed Chief Executive Officer of Bigben Interactive in March 2020.



Michel Bassot, Chief Operating Officer

Michel Bassot began his career with FNAC in 1984 where he managed the auto-radio business within FNAC's specialist stores. He then moved to the head office to set up the purchasing department for telecoms products and services, which he managed for 10 years. He then joined Ericsson as Sales Director for the mobile telephony division and then

continued his career in the telecoms industry with global manufacturer LG Electronics, where he developed the operator and major accounts business.

He joined ModeLabs in 2007 as Brand Director to develop premium mobile phones for the selective distribution channel. He then joined the Bigben Group in 2013 and became chief executive of Bigben Connected in 2014. Thanks to his expertise in design, distribution, retail and the consumer electronics market, he propelled the mobile accessories subsidiary into the ranks of the European leaders, mainly by premiumising the line-up and creating own brands.



François Bozon, Corporate Secretary

François Bozon joined Bigben Interactive in October 2000. Having played an active role in developing, then restructuring and consolidating the finance department, he became Group Chief Financial Officer in 2006, a position he held for almost 10 years. Since then, he has taken on the role of corporate secretary with enlarged responsibilities.

He is a graduate of the Institute Politiques de Paris and holds a law degree from Paris Assas university. He began his career in industrial risk with German insurer Gerling-Konzern. He then worked in various financial roles with international responsibilities at Banque Worms from 1983 to early 1995 when he joined the investment banking division, specialising in market and financial transactions for issuers in France and elsewhere until 2005. In this role, he was responsible for Bigben Interactive's initial public offering in 1999.



Anne-Catherine Moulin, Chief Financial Officer

Anne-Catherine Moulin holds a degree from the Ecole Supérieure de Commerce de Strasbourg (IECS), a European Master in Business Sciences from Heriot Watt University in Scotland and is a Chartered Accountant (ICAS 2001). She began her career in 1997 as an auditor with Ernst & Young and then joined press group Johnston Press plc, listed on the London Stock Exchange, as financial controller. She returned to France in 2004 to head up the management control and internal control departments of pharma company Schering, where she was involved in its merger with the Bayer group. She then joined the Finance Department of the Lesaffre group, a global yeast manufacturer, where she was head of SAP Finance Controlling tasked with rolling out SAP in the international subsidiaries, later becoming Head of Management Control for Western Europe. She joined the Bigben Interactive group in 2015 as Chief Financial Officer and coordinated the acquisition of the four development studios and the initial public offering of its gaming subsidiary NACON.



François Penin, Head of Logistics

François Penin holds an engineering degree (ISA 1992). He began his career in the agri-foods business and then spent five years in the retail industry before moving back into the industrial sector. He joined Bigben Interactive in 2002 as head of Logistics and was responsible for developing the system serving customers and the group's various subsidiaries in Europe.

He and his team are based at the group's 29,000 m² logistics centre at Lauwin-Planque. The logistics activity covers sourcing, order preparation, packaging and reverse logistics.

5.1.2 Presentation of the product offering by market addressed

5.1.2.1 Gaming

Bigben Interactive's subsidiary, the NACON Group, produces accessories for gaming consoles (controllers, headsets, keyboards, mouse devices, microphones, memory cards, protective covers, cases, etc.), publishes and develops video games and distributes products either on an exclusive or non-exclusive basis. These Gaming activities contributed about 47.0% of consolidated revenue in 2019/20, i.e. about €123.9 million (versus €105.5 million the previous year, a significant 17.5% increase).

5.1.2.1.1 Developer and publisher model and video games range

The Group historically published its video games by outsourcing to development studios but its approach changed in 2017 with the acquisition of interests in five studios within two years.

Bigben Interactive's investment in video games development studios



Bigben Interactive's strategy via the NACON Group is to become an integrated video games publisher in the AA segment, seeking to specialise in niche markets that are more or less neglected by the industry majors.

While the large global publishers focus on developing and selling titles with sales targets often in excess of 3 million copies, NACON is positioned in the AA segment, which mainly comprises expert type games with sales of between 200,000 and 3 million copies and a development budget of between €1 and 20 million per game (source: IDG), 10 to 20 times lower than the average development budget for AAA games. This segment is not really addressed by the majors because it does not generate sufficient sales volumes to cover their fixed costs. It therefore offers many opportunities for a company like Bigben Interactive, with a sales price comparable to that of a AAA game on release.

Bigben Interactive is now making the natural transition from two separate business activities – publisher and independent studio developer – to integrated developer-publisher, a business model that enables it to capture 100% of the value chain. Considered as a pioneer in this changing world of AA games, Bigben Interactive has integrated the skills and strategic assets required to strengthen the upstream activities of its Gaming business.

The developer and publisher model adopted by NACON, sub-group of Bigben Interactive, a new market standard



Its acquisition strategy since 2017 is thus based on integrating studios with recognised expertise in the genres targeted by the Group (Racing, Sports, Simulation, Adventure, Action, RPG³ and Narrative) and technical expertise such as the proprietary KT Engine developed by the KT Racing studio.

As part of the Bigben Interactive Group, their designers can benefit from the sales and marketing strengths of a recognised publisher of AA games while preserving the creative and intrapreneurial mindset of a small company.

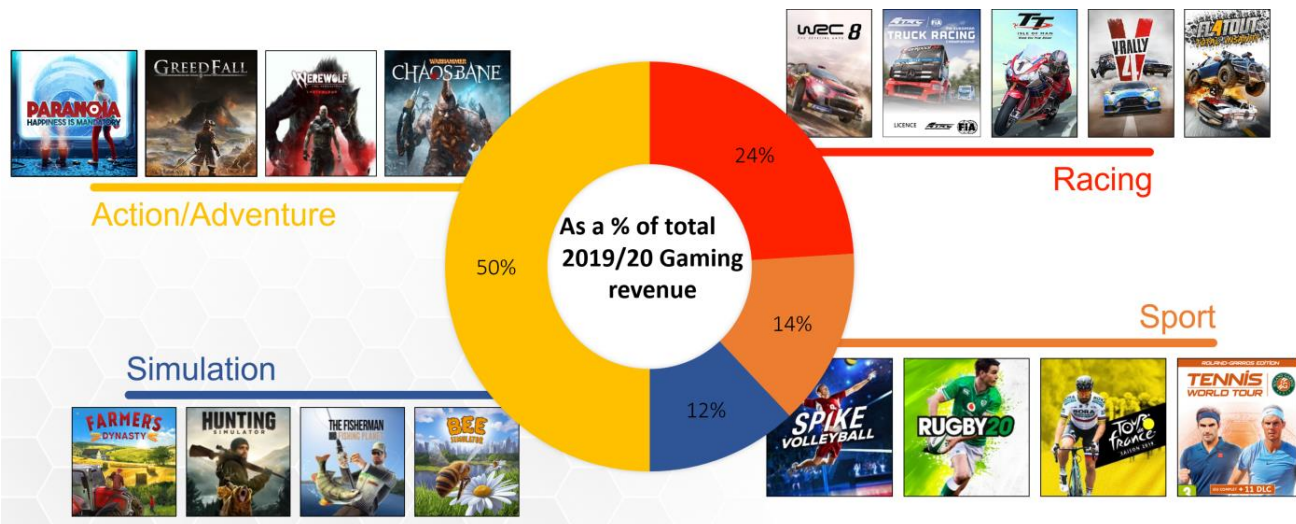
A presence across the entire value chain gives the Group better control over the development of new games, with a view to improving the quality of games produced and reducing the execution risk related to release delays or cancellations. This integration strategy also enables Bigben Interactive to generate synergies between studios (access to powerful engines, shared middleware, etc.) to reduce production costs and secure its intellectual property assets.

Faced with growing demand for content in the video games market, this proactive strategy will enable Bigben Interactive to increase its production capacity and offer a broad range of high-quality games and build up a strong, diversified catalogue. In order to achieve this, the NACON Group works with a dozen other partner studios in addition to the five integrated studios that work exclusively for the Group. This enables it to release 10 to 15 new games a year, with a total of almost 30 games under development at any one time.

A very broad and balanced line-up

With the studios acquired in the past two years, Bigben Interactive now has one of the largest line-ups of AA video games, with more than 100 games developed for consoles and PC including 10 for which it owns the copyright (*Pro Cycling Manager*, *Rugby 20*, *Styx*, *Tennis World Tour*, *V-Rally*, etc.) and more than 200 licensing agreements a year (*WRC*[®], *Tour de France*[®], *Warhammer*[®], etc.). The line-up can be divided into four strategic ranges – Racing, Sport, Simulation and Adventure.

³ Role-playing games.



Digital sales

Apart from the opportunity of exploiting the most open segment addressed by the mid-publishers, the boom in sales of video games in digital form offers the Group some undeniable advantages. Digital sales, which account for 57% of software sales for consoles in France (source: SELL, February 2020), imply immediate 24/7 availability for customers of all products published, included the oldest back catalogue titles, which are generally more available in physical retail stores.

Furthermore, the business model induced by digital distribution eliminates manufacturing and inventory costs while reducing the number of intermediaries, thus improving the publisher's margin.

In response to this strong trend towards digitalisation, the Group invests in this market and its titles can be downloaded on many digital platforms including Steam, PlayStation Store, Nintendo eShop, Apple's App Store and Epic Games.

Capitalising on game series

The Group also intends to capitalise on its development investments by creating game series or sequels. The Company believes that the experience acquired through years of R&D (and millions of investment) will not only enable it to improve the technical aspect of its games and its critic scores (Metacritic, etc.) but will also be a genuine barrier to entry for competitors who would be obliged to invest heavily and accumulate several years of development experience to achieve a similar technical and quality level.



Building a profitable line-up

The officially announced line-up is as follows:

2020/21 line-up

	APR '20	MAY '20	JUNE '20	JUL '20	AUG '20	SEPT '20	OCT '20	NOV '20	DEC '20	JAN '21	FEB '21	MARCH '21
RACING		TT Isle of Man 2 14/05 Switch				WRC 9 01/09 PS4/X1/PC	MONSTER TRUCK CHAMPIONSHIP 01/10 PS4/X1/PC/Switch	WRC 9 01/10 PSS/Xbox Serie X				
SPORTS		Le Tour de France Pro Cycling Manager 2020 04/06 PS4/X1/PC				TENNIS WORLD TOUR 2 17/09 PS4/X1/PC	HANDBALL 21 29/10 PS4/X1/PC					
ADVENTURE							WEREWOLF 05/11 PS4/X1/PC	Game not announced		ROGUE LORDS PS4/X1/PC/Switch	Game not announced	VAMPIRE SWANSDORF PSS/PS4/X1/XX/PC
SIMULATION		HUNTING 2 25/06 PS4/X1/PC				HUNTING 2 24/09 Switch						Game not announced
		FARMERS DYNASTY 11/06 Switch										

The Company's line-up includes high potential and therefore high budget games (over €5 million) as well as lower cost games with an easily reachable profitability threshold. As of 2020, Bigben Interactive, through the NACON Group, believes that it will be able to start selling games still under development in its in-house studios. In view of the positive scores received by these studios for their previous games, the Company can expect to develop high quality games in the future with excellent sales potential.

5.1.2.1.2 Gaming accessories

Bigben Interactive, through its subsidiary NACON, believes that it is one of the leading European players in third-party gaming accessories (i.e. not made by console manufacturers), notably with products such as controllers for home consoles, headsets (enabling gamers to communicate during online play) and many other products. Its accessories are mainly designed for the major console manufacturers (Sony, Microsoft and Nintendo).

Accessories for handheld consoles

Bigben Interactive historically manufactured accessories for Nintendo users (Wii, DS, DSi XL, 3DS, Wii U). There was strong demand at this stage for its range of products developed especially for Nintendo consoles. Following the success in 2017 of the latest generation console Nintendo Switch™, NACON was able to use its historical know-how to market a broad range of dedicated accessories, which were highly successful as of 2017/18.



Accessories for home consoles and PCs

The Group now, of course, also makes accessories for Sony and Microsoft platforms and its product range covers all functionalities in those environments.

The accessories market is driven by the massive popularity of video games and the large number of

consoles and platforms in use. However, in the past, the closed systems of the latest generations of Sony's PlayStation® 4 and Microsoft's Xbox One released in 2014 had put a brake on the independent accessory manufacturers like Bigben Interactive.

In 2015, therefore, the Group negotiated a specific licence directly with Sony for its PlayStation 3 consoles, which led to significant sales of accessories manufactured under Sony PlayStation™ licence in financial year 2015/16.

Birth of the NACON® brand



To counter the threat of reliance on the console manufacturers, Bigben Interactive's Gaming Accessories division developed a premium brand called NACON® for PC gamers. This brand very quickly attracted its followers and acquired a strong reputation. Bigben Interactive created the first controller designed especially for pro gamers. It was named "world's best PC controller" by the specialist press for its quality and personalisation options.

Range of video game accessories for core gamers (NACON®):



A blue-chip partnership with Sony

Premium segment:

Based on the success of this PC pro gaming controller and the quality of the Group's NACON® brand products, Sony approached NACON at the end of 2016 to develop an eSport controller for the PS4 console using its expertise in pro gamers' requirements. The first licensed PlayStation® 4 Revolution Pro Controller was developed and sold by NACON and was instantly successful. Since then, several million units of each Revolution Pro Controller version have been sold, including:

- *Revolution Pro 2 controller for PlayStation® 4*
- *Revolution Unlimited Pro Controller, the NACON® brand's flagship product*
- *Revolution Pro 3 wired controller for PlayStation® 4*

Revolution Unlimited Pro Controller, the brand's flagship product



Entry level segment:

Other than its premium products, NACON addresses the entire market through other products, including Arcade Stick, NACON Compact controller, Asymmetric Wireless controller and other products for use by video game fans (cases, etc) under PlayStation® 4 licence.

Since their launch, combined sales of the entry level Compact and Asymmetric Wireless controllers have reached 1.5 million and they continue to be one of the Group's bestsellers, especially now that worldwide

sales of PS4® consoles have exceeded 108.9 million.⁴

NACON: a premium product tailored to each segment of the controller market

NACON thus aims to provide all gamers with the best controller in their segment:



*Unaudited data

The fact that one of the major names in video games, Sony, has chosen to work with NACON is a guarantee of quality.

Moreover, this partnership goes beyond a classic partnership as NACON staff work directly with Sony's technical, design and marketing teams to make sure they comply with Sony's specifications.

NACON has thus become one of Sony's main European and global partners. NACON does not distribute Sony products but develops products under Sony licence.

A partnership that strengthens NACON®'s reputation and brand image

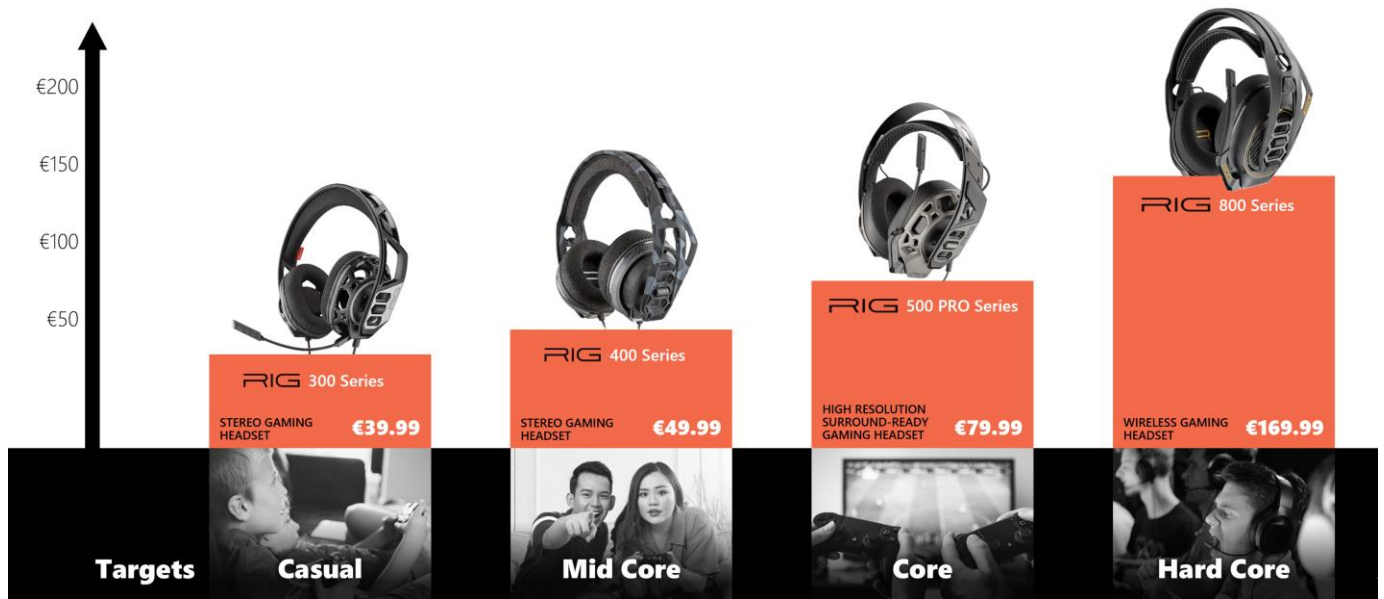
By making a point of providing high quality, safe products and given this partnership with SONY, NACON® has established itself as one of the leading brands in console accessories.

The new RIG™ headset range

Following its acquisition of the gaming headset business and RIG™ brand from Plantronics Inc. (ex Poly) in early 2020, NACON has developed a new range of headsets. Like NACON® controllers, the RIG™ range aims to provide all gamers with the best headsets in their segment:



⁴ Source: Sony figures at 31/12/2019 according to <http://www.jeuxvideo.com/news/1177505/sony-a-expedie-108-9-millions-de-ps4-dans-le-monde.htm>



Sales of RIG™ headsets began in early 2020/21 in the USA and Australia, bearing in mind that the acquisition was completed on 20 March 2020, strengthening and rounding out the NACON Group's range of accessories.

Lastly, the Group had also developed products for set-top boxes for telecoms operators such as Orange, SFR and Bouygues.

eSport

Bigben Interactive very quickly integrated eSport in its marketing strategy to consolidate the reputation of its premium accessories. A partner to the major eSport tournaments, Bigben Interactive has also developed an ambassador and influencer programme with the major eSport names to strengthen the pro gamer's credibility and influence over the occasional gamer, and to contribute to the development of its new products.

The eSport phenomenon



In April/May 2020 during the Covid-19 lockdown period, eSport tournaments were organised based on the Group's games to replace physical tournaments. Some of them, such as the TWT Mutua Madrid Open, were hugely successful and attracted the participation of many tennis stars. These events bear

witness to the marketing synergies between the subsidiary NACON's Games and Accessories businesses.

During lockdown: major eSport virtual tournaments replaced physical tournaments

 <p>VIRTUAL RUGBY IN THE USA</p> <p>Physical matches replaced by online matches between athletes Broadcast live on Twitch</p>	 <p>MUTUA MADRID OPEN</p> <p>Spain's biggest tennis tournament goes virtual Tennis stars compete on TWT (Rafael Nadal, Andy Murray, Angelique Kerber)</p>	 <p>ONLINE CHALLENGES BETWEEN RALLY DRIVERS</p> <p>Media broadcasts supported by WRC Promoter Community meetings for all rally fans</p>	 <p>VIRTUAL IOM TT RACES 2020</p> <p>Support from the competition's official sponsor and the Isle of Man A genuine online race for gamers and riders</p>
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5.1.2.2 Mobile accessories

In early 2010, and then with the acquisition of the ModeLabs group in 2011, the Group entered the mobile telephony accessories and connected objects market. This market is very active and driven by the success of Apple products (iPhone and iPad) and more broadly by smartphones in general (Samsung, Huawei, etc.).

The number of accessories proposed upon the release of each new smartphone has grown steadily over the past few years. The complexity of managing line items and volumes sold meant that the logistics activity had to be scaled up. In this context, the Group was able to build up logistics expertise that would support its expansion in its other product lines. Accessories are managed as fast-moving consumer goods with a short lifetime. Sales are directly correlated with the release of new smartphones and therefore require an extremely proactive and flexible approach.

Thanks to the ModeLabs Group's historical specialisation in the mobile telephony industry, Bigben Interactive has been able to adapt its product ranges to the specific requirements of the different sales channels and to customer demand. The Group is now positioned as a major player in the smartphone accessories market in France.

In the last few years, the telephony market has continued to evolve, driven by the success of smartphones, which has led to a growing demand for accessories especially in protection and convergence (sound, data, games). Today, the Mobile business represents almost 40% of the Group's activity, with revenue of €104.8 million in 2019/20, down slightly by 4.6% on the previous year after uninterrupted growth over several years.

In 2018/19, the segment was affected by a relative decline in sales of smartphones due to a tendency for consumers to keep their smartphones for longer. On the other hand, the success of Force Glass® protective screens, the ramp-up of Force Case® protective cases and the successful launch of the high-performance Force Power® battery charger and cable range confirm the strong momentum of premium accessory sales as consumers seek to protect their ever-more costly smartphones. Furthermore, at the end of 2018/19, Bigben Interactive began to feel the initial benefits of its distribution agreement with Orange in the Spanish market.

Range of Force Case® brand mobile accessories:



Range of Force Power® brand mobile accessories:



More recently, during 2019/20, Bigben Interactive continued to innovate and launched Force Moov®, the first generation connected and insured electric scooter. This new generation product completely redefines urban micro mobility and includes a smartphone mount for GPS navigation, which is now essential to all forms of transport. Force Moov® turns a smartphone into a dashboard showing GPS data, speed, mileage and notifications from onboard apps. A world first, Force Moov® also includes an all-in service pack, with insurance against breakage and theft, legal assistance, personal data protection and third-party liability for a period of two years, demonstrating the quality and marketing innovation capability of the Group's dedicated teams.

Likewise, Bigben Interactive also released a new range of smartphone protection accessories in 2019/20 under the brand name Justgreen®, which addresses consumers who are concerned about social and environmental responsibility. These biodegradable and compostable products have also helped to offset the decline in the Group's business in this segment due to market trends.

Range of Justgreen® brand mobile accessories:



During the Covid-19 crisis, Bigben Interactive quickly developed and released a range of disinfectants capable of eliminating 99% of germs found on smartphones and other everyday objects such as keys, spectacles, etc. It is an ingenious product range mainly aimed at the consumer market. The main innovative products in the range are a kit containing 10 masks and a sanitising spray, and a UV steriliser that is more effective and economic than cleansing wipes.



The range is now sold in all mobile phone shops (operators and specialised stores) and in large retail chains. To meet the potentially very high demand, Bigben secured substantial volumes in order to make them available to its resellers as quickly as possible.

Lastly, also during 2019/20, Bigben Interactive extended its coverage of the European market, winning a contract from Orange Poland to supply mobile accessories and connected objects sold through all Orange consumer and business sales channels. This agreement bears witness to the quality of Bigben Interactive's commercial strategy in its Mobile segment and demonstrates its ability to position itself as a strategic partner to the large retail chains and mobile operators in France and abroad.

Bigben Interactive won the Orange Poland contract partly because of the richness and quality of its product catalogue and partly because of the excellence and innovative nature of its supply chain model. It has unique know-how in supply chain management thanks to its substantial investment in developing its Vendor Management Inventory (VMI) solution adapted to Orange Poland's technical and commercial requirements.

Unique in the market, this solution will enable all Orange Poland stores to be replenished automatically guaranteeing permanent product availability.

Launched in 2010 by subsidiary Bigben Connected, the VMI solution is widely used by Bigben Interactive's customers in France, More than 800 sales outlets currently use this key innovation in connected retail.

Apart from this latest major commercial success for the Group, the impending arrival and roll-out of 5G technology should create a more favourable market environment for the Mobile business.

5.1.2.3 Audio products

Audio, the Group's historical segment, was given a new lease of life a few years ago as part of Bigben Interactive's business line-up. The strategy was to develop original models for the mass consumer market combining technology and design and meeting customer expectations. For example, Bigben Interactive developed the multimedia tower during that period.

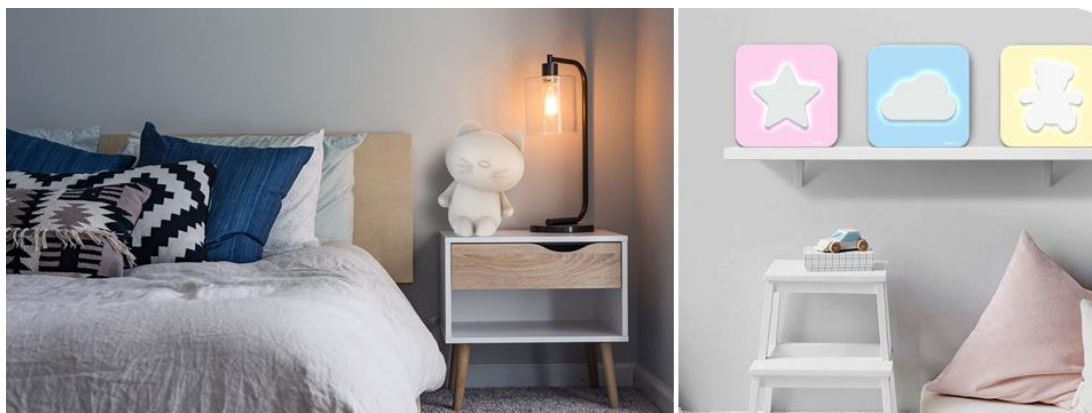
It now develops and sells a broad range of products including connected speakers, hi-fi systems, multimedia towers, sound bars, mp3 players, micro sound systems, radios, radio CD players, turntables,

etc. Apart from its expertise in product development, the Group also uses its marketing capability for the Audio business, focusing on the functionalities and original features of its products to set them apart from the competition.

More recently, the Group acquired the licence to sell products under the Thomson brand, an extremely well-known consumer brand. This agreement was an active growth driver for the Audio segment leading to market share gains and a sustained performance in 2014/15 (revenue growth of almost 40% to €31.5 million), which continued into 2015/16 with further growth of 14.2% to €36.0 million.

In 2016/17, in a persistently highly competitive market for audio towers, the Audio business suffered a 8.6% decline in revenue to €32.9 million. This performance nonetheless masked the growing success of licensed Thomson products (40.4% growth), for which the licence has been extended until end-2030. Then in 2017/18, despite a slight market decline, the Audio business regained market share with 13.0% revenue growth to €37.1 million. This growth was driven mainly by the success of the Group's new Lumin'Us range of luminous speakers and a ramp-up in referencing of the Thomson range.

Several very open product ranges for the Group, with brands such as ColorLight and Lumin'Us:



In 2018/19, Audio business revenue fell sharply by 18.7% to €30.2 million, mainly due to a major market shift towards connected products such as voice-activated devices (e.g. Amazon's Alexa) and by a sharp baseline effect following the previous year's launch of new product ranges. The Group managed to reverse the trend in 2019/20 with 15.2% growth in revenue to €34.8 million. This growth was driven by the launch of many new products during the year, in particular the new Aromasound® range (aromatherapy devices with sound functionalities) and by the opening of new sales channels.

Several Aromasound® products launched in 2020:



Roll-out of the range

First full range of aromatherapy devices offering audio functionalities



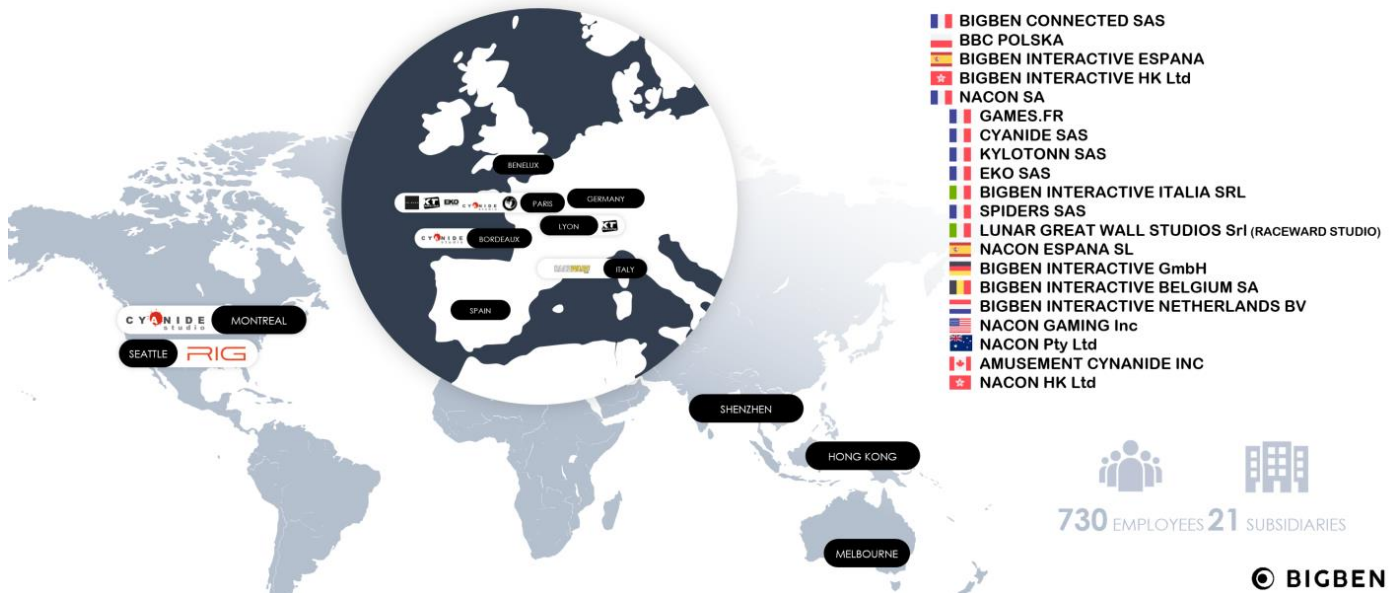
National billboard campaign from 2 to 8 December 2019
1,300 billboards – 8m contacts

5.1.3 Global presence

5.1.3.1 Group entities

The Bigben Group has several subsidiaries and entities across Europe, Asia and North America.

A global presence



5.1.3.2 Extensive commercial coverage:

Bigben works with commercial partners that have extensive coverage in their territories and also relies on a genuine strategy of logistics and marketing cooperation in developing its distribution network. All subsidiaries and distributors therefore benefit from a strong focus on product tracking and the development of sales-aid tools adapted to regional differences.



IMPLANTATION 16 Subsidiaries SALES NETWORK 115 Countries

5.2 MAIN MARKETS

The section below contains information about the Company's markets, much of which is based on global data and estimates provided by IDG (September 2019).

5.2.1 The Gaming market

5.2.1.1 Digital as a means of growth

Gaming has gradually become the largest market in the entertainment world, alongside the historical TV, cinema and music markets.

The gaming market in which NACON operates is now considered to be the second largest market in the entertainment economy in terms of value. With more than \$164 billion of revenue in 2018 and \$177 billion in 2019, the video games market has overtaken cinema and music combined (source IDG).

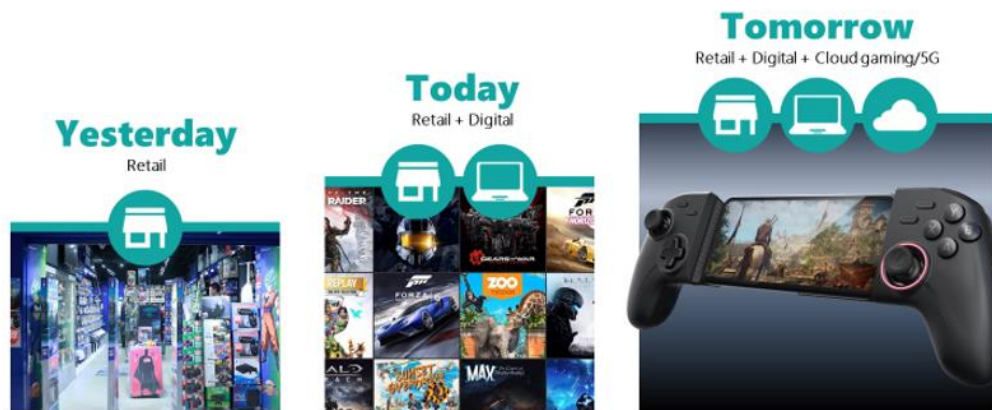
Like music and video, the gaming market has evolved radically in the past ten years. Digitalisation has changed habits permanently. It is by making video games constantly more accessible through an increasing number of digital content distribution platforms on PC and console and through the rapid growth in mobile gaming, which now represents almost 50% of the global market. The contribution of digital sales to global video games sales has risen from 41.2% in 2015 to 64.4% in 2018 and this trend is expected to continue and reach 79.2% in 2023 (source IDG).

Growth of digital sales as a proportion of total video games sales



Source IDG – global sales

The popularity of gaming is likely to spread even further and faster over the next few years with the imminent arrival of 5G and, therefore, cloud gaming. This will be a major industry disruption, enabling people to play games on their smartphone that were previously only available on console and PC.



The increasing number of distribution channels emerging as a result of these changes is likely to lead to more intense competition with the arrival of new digital platforms (Epic Games Store, Google Stadia, Apple, Amazon, etc.) alongside historical players like Steam in the PC gaming universe and Sony's PlayStation Store and Microsoft's Xbox Live in the console universe. This change will generate growing demand for exclusive content, which will be a decisive factor differentiating the operators from the competing platforms. In this respect, the one-year exclusivity agreement entered into by NACON with Epic Games for the PC version of three games in its end-of-year catalogue (*WRC 8*, *Paranoia: Happiness is Mandatory* and *Bee Simulator*) illustrates this trend, which is expected to gather pace in the years ahead.

The growing popularisation of video games in the last few years has also driven the emergence of new concepts, such as eSport. This is the name given to professional competitive gaming, in which competitors play video games while being watched by a live or online audience. Like 'traditional' sportsmen, these pro gamers are sponsored by brands and clothing and accessory manufacturers. Large eSport gatherings are therefore a valuable way for manufacturers of gaming accessories to showcase and promote their products to the general public through sponsorship agreements with pro gamers.

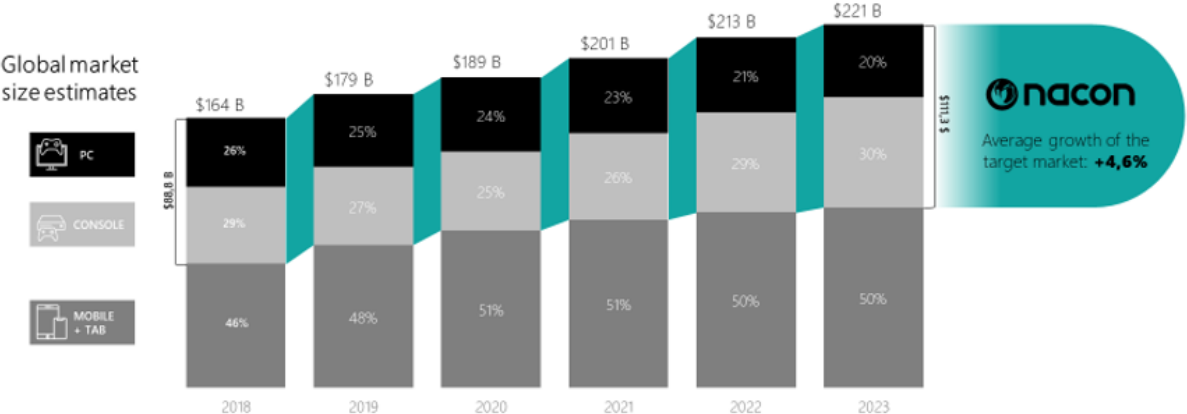
5.2.1.2 A market expected to grow significantly in the years ahead

The gaming market has been through a period of major transition over the past few years, with each period of transition traditionally coming with the release of a new generation console, in this case the eighth since consoles first came on the market. With the success of Sony's PlayStation 4, Microsoft's Xbox One and Nintendo's Switch™, the global market is now going from peak to peak, reaching \$164 billion of sales in 2018 (including hardware, physical and digital games). The market is expected to reach \$179 billion in 2019, an increase of 9.1% compared with 2018.

Apart from consoles, the market is largely supported by the resurgence of PC gaming and by the boom in smartphone and tablet gaming, with mobile gaming representing almost 50% of the market in 2018.

The diagram below gives an overview of the breakdown of this revenue by segment and by geographical area and expected trends in 2023.

The various video game markets and environments, and markets addressed by NACON, a Bigben Interactive sub-group



All segments of the gaming market are growing.

The mobile segment (smartphone and tablet) is still growing rapidly in line with the continued strong growth in smartphone sales. The same titles remain the most successful: *Candy Crush*, *Clash Royale*, *Pokémon* and *Dragon Ball Z* (number 1 in 2018). The mobile environment now accounts for almost half the global market in terms of video game platforms (about 46% market share in 2018), versus about 29% for consoles (home or handheld) and 26% for multi-player PC. However its market share is expected to stabilise at about 50% in the years ahead.

The console market and its environment (games and accessories) is still a long-term growth market but is marked by very pronounced cycles, with the launch of each new generation of console acting as a catalyst.

Consoles are the second largest segment and the most dynamic, with revenue of \$46.9 billion in 2018. This segment is expected to reach \$67.0 billion in 2023, which represents an estimated CAGR of 7.4% over the period 2018 to 2023.

PC gaming had declined steadily during the 2000s and only accounted for a very small share of the market. However, the growth of Steam in the western world and Free to Play in Asia, and, to a lesser extent, the advent of eSport triggered a new boom in PC gaming from 2010. This has led many market operators to move back into this segment, including NACON. In 2018 PC gaming recorded its ninth consecutive year of growth in France, with sales of €1,237 million in the year (for the entire PC gaming ecosystem, notably thanks to the big hit game Fortnite).

PC games thus generated global sales of \$41.9 billion in 2018, making it the third largest segment. Over the period 2018-2023, this segment is expected to grow at a compound annual growth rate of 1.1%, reaching \$44.3 billion in 2023.

5.2.2 The Mobile market

5.2.2.1 A mature consumer market, including for smartphones:

In France and Europe, the mobile telephony market, in particular smartphones, has been stagnating if not retreating for the past few years, after several years of hypergrowth. In 2016, the market actually fell for the first time ever, with total sales of 23.1 million units in France, a tangible decline of 6%. Smartphone sales in France totalled 20.2 million units, also down compared with 2015 due to competition from reconditioned phones, sales of which totalled about 1.9 million units in 2016.

This trend continued in 2017, with a further 4% decline in smartphone sales to 19.4 million units in France (2 million reconditioned phones). The decline continued in 2018 and 2019 with sales of 18.2 million units (down 6% versus 2017) and 17.3 million units (down 5% versus 2018). In terms of value, the telephony business (excluding subsidies) remains significant in France, although down (€7.3 million in 2019 versus a high of €8.3 million in 2017), driven mainly by the innovative features of the latest models on the market (iPhone X) and dedicated accessories (drones, external batteries, earbuds, etc.).

More recently, the global smartphone market remained under pressure in 2018 and 2019, with sales volumes of about 1.4 billion units (source: IDC), down 4.1% in 2018 and 1.4% in 2019, due to a more pronounced decline of 10% in the Chinese market. Those trends could accelerate in 2020 due to the Covid-19 effect.

In this market environment, apart from its efforts to gain market share in France, Bigben Interactive decided to expand its Mobile accessories business internationally, with developments in Spain and, more recently, Poland.

5.2.2.2 Mobile accessories, a market correlated with smartphones and tablets

The market for mobile accessories is correlated to the number of smartphones and tablets owned but it is also a fast-moving consumer market due to fashion trends, a short lifetime, constant innovation and genuine added value for consumers, etc.

Accessory sales peak when a new smartphone or tablet is purchased or replaced. End customers accessorise their smartphones and tablets at the time of purchase to protect them (cases and covers), add to them (chargers, earbuds), extend their use (hand-free kit for driving) and explore and use all functionalities and features (data cable, etc.).

After a period of use, consumers may also wish to buy new accessories for new uses, such as Bluetooth earbuds, cable or PC dongle to save folders and photos to a PC, car mounts, etc.

Each smartphone or tablet has its own accessory requirements. In general, a smartphone has a range of between three and 12 dedicated accessories, i.e. specific to that model. It also has a range of compatible generic accessories.

Thus, while there has been no further growth in the mobile telephony business since 2016, the trend for dedicated accessories (protection, chargers, etc.) has remained positive with 2% growth to €450 million in France in 2017 (versus €435 million in 2016 and €400 million in 2015). This is all the more the case for companion accessories (headsets, speaker docks, wearables) with revenue of €310 million in 2017, up 15% versus 2016 (GfK data, February 2018). The dedicated accessories market declined to €420 million in 2018 and to €407 million in 2019 while the wearables market continue to rise, reaching €350 million in 2018 and €481 million in 2019 (Source: GfK "*Equipement de la maison 2018-2019*").

Despite the decline in accessories due to declining sales of smartphones, Bigben Interactive remains fully confident in its Mobile accessories in particular given the continued premiumisation of the smartphone market (rise in the average price of a smartphone from €358 in 2016 to €374 in 2017, €419 in 2018 and €420 in 2019). In this environment, smartphone owners are bound to continue buying dedicated accessories.

5.2.3 The Audio market

Apart from Bigben Interactive's activities in Gaming and Mobile accessories, it is important to note that the Audio business contributed €34.8 million representing 13.2% of the Group's total revenue in 2019/20.

This market had enjoyed an upturn in the last few years, in particular for products covered by the Group (audio-video, headsets and home hi-fi), while the consumer electronics market had been declining steadily, with an even sharper fall in 2017 (18% for all technical goods, according to GfK).

The market for Audio products targeted by the Group was supported by the success of portable products such as headsets and headphones, and mini wireless speakers, as well as by sales of home hi-fi products such as sound bars and audio systems with excellent sound quality. This led to sales of €630 million in France in 2017, down about 9%. which was better than the market as a whole.

More recently, 2019 was without a doubt the year of audio headsets, with sales of 11.2 million units in France worth a total of €539 million according to GfK (more than 30% growth in value).

Bigben Interactive does not have detailed data for 2018 and 2019, when the market changed radically, but considers the market to be buoyant and likely to benefit in the future from the boom in connected technology.

Thanks to the emergence of music streaming platforms such as Deezer and Spotify, which offer unlimited access to a vast catalogue of titles, listening to music has become massively popular across the world, driving demand for connected audio devices controlled by the smartphone via its 5G, Wi-Fi and Bluetooth multi-connectivity. So there is now a genuine 'Audio/Telco' market, the boundaries of which go well beyond the smartphone and speaker, as the Audio function is now developing through new product categories such as voice assistants, as voice command gradually becomes as important as writing.

More than just synergy between usages, Bigben expects to see the emergence of hybrid connected objects based on their place and usage to improve the user experience. The home and well-being are the main new areas in which this underlying trend will be expressed.

5.3 SIGNIFICANT EVENTS IN THE GROUP'S TIMELINE

5.3.1 Background

Bigben Interactive, based in Fretin-Lesquin, northern France, was created 38 years ago. It now has a workforce of almost 650 employees. It was initially a distributor of electronic goods and audio products before successfully diversifying into multimedia and video games and building up an international reputation.

In 1981, Alain Falc launched a business in the design, sub-contracted manufacturing and distribution of electronic goods. He very quickly anticipated technological advances in the booming video games market. At the end of 1990s, the group began to expand internationally with the acquisition of several distribution companies (United Kingdom, Benelux) and the creation of a subsidiary in Germany and a design office in Hong-Kong. Expansion continued in 2013 and 2014 with the creation of subsidiaries in Spain and Italy. Thanks to this strategy, the group became a leading French player in the market for third-party console accessories (i.e. not made by console manufacturers) in the early 2000s, later becoming a European leader.⁵

Bigben Interactive was floated on the Paris stock exchange in October 1999 to raise funding for its international expansion.

From the 2000s, Bigben Interactive continued its diversification strategy by adding video games distribution and publishing to its business activities, giving it a solid position with the big players in this market.

⁵ Source: Company.

In 2011, Bigben Interactive acquired Paris-based company ModeLabs, which specialised in smartphone accessories (covers, travel cases, etc.). This was a fruitful strategy as smartphone accessories, now sold by Bigben Connected, are a dynamic business for the Group and a showcase for its partnerships with leading global brands.

In 2016, Bigben Interactive forged a prestigious partnership with Sony Interactive Entertainment to sell its accessories under the Nacon® brand, including its Revolution Pro Controller under PlayStation® 4 licence. In 2018/19, the Group acquired four major development studios – Cyanide, Kylotonn, Eko Software and Spiders – and acquired an interest in a fifth studio, Lunar Great Wall Studios (RaceWard) in Italy.

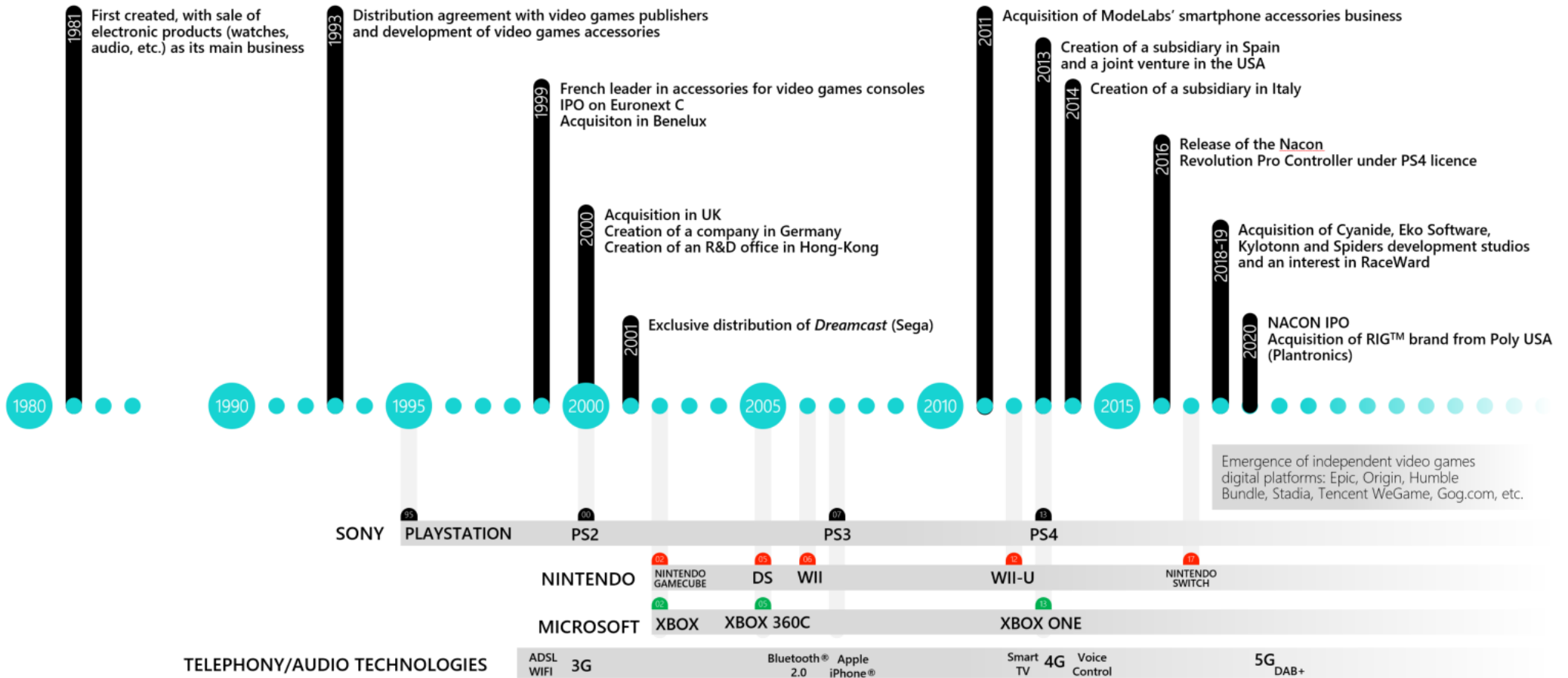
On 31 October 2019, the Bigben Interactive group completed the spin-off of its Gaming division (Video Games and Gaming Accessories) to a subsidiary called NACON, which was then floated on the stock exchange on 4 March 2020, raising €109 million.

In early 2020, NACON acquired the RIG™ brand from Plantronics Inc. (Poly), an iconic global brand in the gaming headsets market.

5.3.2 Significant events in the Bigben Group's development

These major stages in the Bigben Group's development illustrate its ability to adapt to changes in its markets, and in particular the emergence of new technologies. Initially a medium-sized operator in its markets, its proactive approach, flexibility and vision have been key success factors in its growth strategy (see Section 5.4 "Strategy" of this URD).

Significant events in the Bigben Group's timeline



5.4 STRATEGY AND OBJECTIVES

The two industries historically served by Bigben Interactive (video games and audio products) have been a recurring source of cross-fertilisation in terms of marketing and promotion. At the time of its diversification into video games during the 1990s, Bigben Interactive used its know-how in technical conception, design and sourcing previously acquired in the watches and gifts business to gradually develop robust relationships with the major retailers.

Twenty years later, Bigben Interactive capitalised on its leading position in gaming accessories to diversify its consumer product range by finding a new distribution channel for its audio products.

The acquisition of the ModeLabs Group in 2011 and four video games development studios (Kylotonn, Eko Software and Spiders) in 2018 gave the Group a solid presence in three market segments, Gaming, Mobile Accessories and Audio Products.

Today the Group has:

- business assets (Development, Publishing and Distribution) serving three separate markets (Gaming, Mobile and Audio);
- intellectual property assets, with strong own brands (Nacon®, Force Glass®, Force Case®, Force Power®, Force Moov® and Aromasound®), major licence agreements (Thomson and Sony's PlayStation® 4) and, more recently, proprietary video game titles following the acquisition of Cyanide, Eko Software and Spiders (*Pro Cycling Manager*, *Styx*, *The Council*, *How to Survive 1 & 2*, etc.), with a strengthened culture in terms of patents;
- internal organisation assets, with short decision-making channels and the agility to respond swiftly to developments in its markets. Furthermore, Bigben Interactive has significantly developed its international capabilities over the past few years.

On this basis, Bigben Interactive intends to continue its product innovation strategy and invest heavily in the next few years, in particular:

- in the Gaming segment: promotion of about 100 AA video game titles, benefiting from vertical integration of the value chain (design, development and distribution), plus new innovations in accessories under the Nacon® and RIG™ brands;
- in the Mobile segment: the booming market in protection products under the Force Glass®, Force Case®, Force Power®, Force Moov® and Justgreen® brands;
- in the Audio segment: revamp of Bigben Interactive's product ranges and continued sales of Thomson licensed products and the development of new product segments such as the end-2019 launch of Aromasound®.

As a reminder, although there were many synergies between the Gaming, Mobile and Audio segments, this structure was not clear enough to investors in terms of financial communication. The Bigben Interactive Group therefore decided to reorganise its business activities by spinning off its Gaming division comprising Accessories and Video Games to a new company called NACON, the name of its main gaming accessory brand. The spin-off was completed on 31 October 2019 with retroactive accounting and fiscal effect as of 1 October 2019, after approval from Bigben Interactive's shareholders, and NACON was floated on the stock exchange during the first quarter of 2020, raising €109 million. Bigben Interactive remains NACON's main shareholder with almost 76.67% of its share capital.

5.4.1 Strategic plan out to 2023

When the 2019/20 results were announced in May 2020, Bigben Interactive unveiled its medium-term strategy plan "Bigben 2023", which sets out the following objectives for each business segment:

- GAMING:

Vertical integration for control over game "content" creation

Having integrated more than 350 developers (Kylotonn, Cyanide, Eko Software and Spiders) in

2018/19 and 2019/20, Bigben Interactive has major ambitions and, through its Gaming subsidiary NACON, aims to become a global leader in the AA segment thanks to its integrated positioning as developer and publisher. By covering the entire value chain from design through to sale of a game, NACON is following market trends and capturing the entire financial value of the game. The acquisition of well-known independent studios has also given it the core expertise of talented developers and strategic assets.

NACON's action plan to achieve its objective of becoming a global leader in AA games is:

- achieve critical mass:
 - o by continuing its studio acquisition strategy
 - o or through organic growth of existing studios
- continue its strategy of content creation by investing massively in creating proprietary content (over €120 million in the next three years, which will lead to a change in the average budget per game). This content will enable NACON to:
 - o enrich its back catalogue
 - o and thus generate digital sales and additional recurring revenue
 - o which could potentially significantly improve its profitability
- editorial diversification: new genres and new niches
- seize the opportunities provided by digitalisation:
 - o exclusivity agreements with distribution platforms
 - o step up 'live ops' - monetisation of existing games through downloadable content (DLC), additional content and functionalities, microtransactions, additional avatars/cars/accessories, subscriptions, etc.
 - o move into cloud gaming



Continuation of the product leadership strategy in gaming accessories International expansion

Meanwhile, the Group will capitalise on its major strategic partnerships with Sony to gain market share in the gaming accessories market. Lastly, the acquisition of the RIG™ brand from Plantronics Inc (Poly) in early 2020 (gaming headsets) will give the Group a strong foothold in the North American gaming accessories markets. NACON also aims to increase its sales of accessories in its traditional retail channels, which could soon suffer from a decline in sales of physical games in their stores and could therefore open up more broadly to the Group's accessories.

NACON's Accessories strategy can be resumed as a virtuous circle:



- MOBILE:

In line with the Bigben 2022 and then the Bigben 2023 plan, Bigben Interactive stands apart from the competition by providing a turnkey product and service offering rather than just an accessory. This connected retail approach consists of optimising the profitability of the shelf space devoted to accessories in large retail stores, telecoms operators' stores and specialised mobile telephony stores by combining an unrivalled line-up of more than 3,000 active items with predictive in-store replenishment and on-the-ground management of the sales forces.

This service-based approach is based on four strategic pillars which contribute and will continue to contribute to the growth of the Group's Mobile business.

<p>PREMIUMISATION</p>	<p>SUSTAINABLE DEVELOPMENT</p>	<p>NEW 5G TECHNOLOGIES</p>	<p>INTERNATIONALISATION</p>
<p>with the creation of premium own brands to capitalise on the increase in market value</p>	<p>thanks to a cross-cutting CSR plan covering all product ranges to meet growing consumer demand</p>	<p>and upgrade of smartphones by operators which will boost the market for smartphones & connected objects</p>	<p>thanks to the turnkey product and service offering to manage shelf space devoted to accessories in stores</p>

Through the Bigben 2023 plan, Bigben Interactive's objective for the Mobile business is to consolidate on its international expansion along the lines of its development in Spain and Poland based on the partnership with Orange. While the Force Glass®, Force Case® and Force Power® brands have a solid position in France, success will now come from growth in new brands such as Justgreen®, from international expansion through stronger partnerships with the leading global mobile telecoms manufacturers and from the development of online sales through B2C stores offering the Group's entire product range.

- AUDIO:

The approach to the Audio market is based on strong segmentation and differentiation by use and style to support the new ways of listening to music and the increasing popularity of voice command for smartphones, connected objects and web browsing. Bigben Interactive therefore intends to cultivate a diversified brand line-up whether through own brands or licences.

An Audio strategy focusing on new networks



Consumer appetite for music at all times and the growing use of voice assistants, particularly by young people, have popularised the audio function through many new types of hybrid products somewhere between traditional audio products and household objects (home decor, well-being, etc.). The smartphone's place at the heart of this galaxy of objects designed to play music or do other things with a simple click or a voice command is having the effect of merging the Audio and Telco markets, a change that Bigben Interactive has been able to anticipate by reorganising its two business in those segments into one entity.

The synergies within the Group will be reflected in the acquisition of new distribution channels based around:

- the home (home decor, DIY, gardening, etc.), mainly with the ColorLight brand;
- well-being (alternative medicine, personal development, etc.) with Aromasound;
- leisure (multimedia, sports, outdoors, etc.) with the Thomson brand (licence renewed until 2030) and the various Bigben Audio brands.

Apart from the physical sales networks, Bigben Interactive intends to develop online sales by setting up B2C stores for the Group's brands.

The Lumin'US and Aromasound brands already have an online store dedicated to their products.

5.4.2 Objectives

Based on these broad strategic outlines, Bigben Interactive is targeting revenue of about €350 million and an EBIT margin of 13% in 2022/23, targets confirmed in the Group's latest financial communications.

5.5 RESEARCH AND DEVELOPMENT, PATENTS, LICENCES, TRADEMARKS AND DOMAIN NAMES

5.5.1 R&D capability and expertise

The Bigben Interactive Group's research and development strategy is as follows:

- for games: develop games with a high technical content to make them as appealing and playable as possible but also under well-known brand names that will encourage impulse buying;
- for accessories and audio products: develop innovative accessories that help to make video games feel more real while making them accessible to all gamers; the Group will also apply its technical know-how to its Audio products and Mobile accessories.

To achieve those objectives, NACON has dedicated teams, patented know-how and powerful technology (for accessories), and registered intellectual property or known trademarks, as well as highly reputed external licences.

Although the Group invests heavily in R&D to preserve its technological lead and in licensing, which is essential to make its products more attractive for sale, it is important to understand that their influence on the Group's overall business or profitability is limited: Bigben Interactive is not reliant on any particular patents or licences or on new production processes. If it were to lose one of its licences, including the Sony contract (see risk 3.5.2), it would merely be replaced by another, which the Company believes it could do within a reasonable timeframe. Likewise, if old patents were to fall into the public domain, they would only involve old long-obsolete technologies.

For an overall view of NACON's R&D policy, see also:

- accounting policies for capitalising R&D costs set out in the notes to the notes to the combined financial statements (Note 2);
- the risk factors likely to be impacted by these R&D aspects:
 - o 3.1.1 "Risks related to potential delays in the development and marketing of the main products developed by the Group"
 - o 3.1.3 "Risks related to reliance on third party technology"
 - o 3.3.1 "Reliance on manufacturers of consoles and games platforms / Risks related to non-compliance with the technical requirements of console and platform manufacturers"
 - o 3.4.1 "Risks related to attracting and retaining key personnel"
 - o 3.5.2 "Risks related to intellectual and industrial property and licensing agreements"

5.5.2 Profile of NACON's R&D teams

The technical development teams for hardware products are mainly based in the French entities Bigben Interactive and NACON and the Group's Hong Kong entities.

The teams mainly comprise electronic, mechanical and quality engineers, industrial designers, project managers, DTP operators and people with specific skills in middleware, a basic principle used increasingly by the Company in its product development. The French teams are also very involved in ensuring that the Company complies with the strictest quality criteria and all relevant standards (electronic products, environment, etc.). The Company has created a specific database to monitor these aspects.

The Hong Kong teams are in daily contact with the French teams. They exchange regular reports on progress in product development, including an evaluation of each product, any difficulties experienced, potential improvements and trends in the estimated cost price of the product once industrialised.

In addition to their technological expertise, the teams also have project management skills, using specialist software that ensures good coordination between the teams and strict compliance with development processes.

Bigben Interactive's general philosophy is to be the first in the market for each of its products, based on a correctly priced high-quality product. Compliance with development schedules is therefore crucial.

5.5.3 Bigben Interactive's know-how and technology

5.5.3.1 Tried and tested technical expertise

Bigben Interactive has many strengths and the technological know-how to develop physical products and capitalise on all market opportunities in the gaming accessories, mobile accessories and Audio products universe. The section below aims to highlight its core strengths but does not purport to be exhaustive.

Bigben Interactive is especially well known in the gaming accessories market for its information transmission technology, particularly by radio frequency, a technology that is integrated in many of its products. NACON has used this technology in video games since 2002 and it has been a driving factor in market growth in wireless controllers.

To adapt to trends in consoles, Bigben Interactive has developed specific accessories to improve some flagship products over the past few years, such as accessories for the Nintendo Wii, by combining Bluetooth with radio frequency.

Bigben Interactive has historically specialised in combining video games and accessories which are perfectly adapted to each other. Its technical expertise in terms of mechanics, electronics and connectors is thus expressed to its full based on extremely precise specifications.

In the handheld console market, Bigben Interactive's products meet the needs of gamers in terms of their quality, simplicity and ergonomics. These skills derive from the Company's expertise in resistivity of materials, micromechanics and connectors.

After developing its range of products for Apple's iPhone and iPad, even before the acquisition of the ModeLabs Group, Bigben Interactive capitalised on its technical know-how to open up new, larger volume markets. For example, in the past few years, Bigben Interactive has successfully marketed innovative protection systems with the Force product range (Force Glass®, Force Case®, Force Power® and Force Moov®).

Lastly, Bigben Interactive has also proposed some innovative solutions for charging controllers. Having developed a product to charge controllers using a USB cable instead of an electrical cable, it then addressed the issue of protective silicon covers, which prevented the controllers from being charged on their docking station.

Illustrating its ability to adapt to market requirements, Bigben Interactive was one of the first companies to work with induction-based technology and to develop direct applications in the world of gaming accessories. It also developed an induction-based technology enabling wireless charging of controllers through their silicon cover via electromagnetic waves that do not need physical contact with the batteries inside the controller. This technology was then adapted by the mobile phone industry to develop induction-based chargers for smartphones.

Still in connectors, the Group then developed its expertise in the USB (3.1) standard used mainly for battery charging and high speed data transfer (mainly for smartphones and tablets) and Apple licensed technologies for battery charging and data transfer on the latest generation iPad, iPhone and iPod.

Apart from the know-how and technologies referred to above, it is important to note that the Company pays attention to complying with the strictest standards (see Section 9 of this URD). Furthermore, the Company keeps a very close eye on technological changes enabling it to capitalise on any developments that can be applied to its business.

5.5.3.2 Video games - insourcing of development capability

As explained earlier, the Group's approach in terms of video game development evolved during 2018/19, mainly following the acquisition by its subsidiary NACON of the remaining interest in Kylotonn Games, an interest in RaceWard and 100% of Cyanide, Eko Software and Spiders. Thus apart from the hardware expertise referred to above, Bigben Interactive is now a major player in terms of development capability for AA video games.

Designing a video game requires the use of many types of technology and the expertise of many specialist employees. It also involves a degree of innovation.

Through the NACON Group, the Bigben Interactive Group's studios have some 350 developers and use a broad range of widely available off-the-shelf tools commonly used in the video games world and they may also develop their own software components in-house, which can then be re-used in future projects.

The Group's strategy is to select the best tools available in the market and focus on development software components that give NACON's games real added value.

Among the main off-the-shelf technologies, the production teams use:

- the Unity game engine, a suite of tools that are easier to use than the Unreal engine, and can be used for quick prototyping in the pre-production phase. The cost of a Unity licence is based on the number of users; it is cheaper than Unreal and quickly makes up for its lag in visual output quality. Several games are currently in production using Unity;
- software with specialised functionalities that are compatible with Unreal, Unity and proprietary engines developed by NACON studios: optimised videoreader for games consoles (Bink), reading, real time mixing and sound integration tools (Wwise), character animation and motion capture integration tool (MotionBuilder), quick vegetation display (SpeedTree), real time FX solution for particle effects (PopCorn FX), 3D modelling and rendering app (3DSMAX and Autodesk Maya) and lipsync; and
- Microsoft's integrated software development, optimisation and local and distributed compilation tools (Visual Studio and its plug-ins).

All of this software is easily available in the market, with a single-use licence either per user or per project, without a time limit and with or without royalties payable depending on the number of copies of the game sold.

Alongside this off-the-shelf software, the Company also designs and produces a number of middleware⁶ components or suites of tools for complete development of games in segments where it has strong expertise (racing games at Kylotonn, RPGs at Spiders, Hack'n Slash⁷ and sports games at Eko). By developing specialised in-house tools in a particular games segment, the Group can achieve a very high quality of production as they are used to develop genres which each have highly specific constraints. The same is true of game engines (KT Engine for example) and the related universes (e.g. *Greedfall*).

The Group's development teams work by game but also by area of expertise, enabling it to capitalise on and develop each skill area in the design and technical process (programmers, sound engineers, image specialists, producers, artistic managers, game designers, writers, animators, testers, directors, graphic designers, etc.).

5.5.3.3 R&D, a differentiating factor

Bigben Interactive therefore has some real strengths that set it apart from other market players, at the crossroads of hardware and software, technical development, product marketing and market intelligence.

First and foremost, the responsiveness of a mid-sized company like Bigben Interactive with smallish development teams but totally focused on its three target universes, Gaming, Mobile and Audio, markets in which it has operated for many years. In such rich and complex markets, it is important to be among the first to respond to market trends and quickly integrate them into the company's products.

Lastly, Bigben Interactive looks at the business from a publisher's perspective and sometimes develops products that are peripheral to traditional games intended for gamers, as always with a focus on high quality products.

Lastly, given these elements, Bigben Interactive is now a well reputed player in the industry and works with the largest video games companies which are keen to benefit from its know-how and expertise in developing video game accessories (Sony, etc.), Mobile accessories (Orange Huawei, etc.) and Audio products (Thomson).

⁶ Software that lies between an operating system and the applications running on it.

⁷ RPG involving battling against hordes of monsters.

Thus in gaming accessories, Bigben Interactive believes that it was one step ahead of its competitors in realising that the gaming market would move inexorably towards eSport and ever more technical accessories. Since the early 2010s, Bigben Interactive, through its subsidiary NACON, has invested heavily in R&D, which has enabled it to develop controllers that are now regarded as the 'best in the world' by market experts and the specialist press. Its NACON® brand products are mostly premium products and are all highly popular with gamers.

Its expertise acquired over many years and its innovations, which the Company believes to be duly patented, represent a strong barrier to entry. Leveraging its position as a pioneer, Bigben Interactive believes it has a lead of several years over its competitors.

In order to maintain its technological edge, Bigben Interactive continuously seeks quality and aims to premiumise all its products.

5.5.4 Patents, models, licences and trademarks

5.5.4.1 Patents and models

Bigben Interactive has registered a large number of patents over its innovative products as well as various drawings and models for a broad range of accessories and audio products. The Company has its own legal department and is also supported by expert industrial property advisers to preserve its interests.

Accessories account for most of these patents. The Pro Controller in its various versions is a good example of this; it is the result of twenty years of experience and research and development in this area, combining a distillation of both software and hardware technologies, thus meeting the demanding standards of licensing company Sony, in particular.

Bigben Interactive now holds patents over its console cases, immersive accessories for video games, immersive fitness accessories for video games, equipment and processes for limiting play time on consoles, a driving simulator, etc. Latterly, the Group developed a new crosshair cursor control process for controllers and games console display elements.

All in all, at 31 March 2020 the Group had 140 separate patents, including 35 covering the Revolution controller.

In addition to its registered patents and patent applications, the Group also protects its designs by registering many models of its products available in the market. Thus Bigben Interactive now has more than 250 proprietary models covering controllers, protective covers or cases for handheld consoles, keyboards, earbuds and headphones, hi-fi systems, radios, loudspeakers, DVD players, alarm clocks, etc. The latest patented models are all highly successful ranges: in mobile accessories, the smartphone protection range built around the concept of Force®, encompassing Force Glass® tempered glass screen protectors, Force Case® cases and Force Power® high-performance battery chargers and cables, as well as the Lumin'Us range of Bluetooth luminous speakers in Audio products.

5.5.4.2 Licences

Gaming accessories

The Company has a number of licences for its Accessories business.

- Sony: for developing a range of controllers for PlayStation® 3 and PlayStation® 4 consoles;
- Microsoft Corporation: for developing a full range of accessories for the Xbox 360 and Xbox One consoles;
- Nintendo: for developing a full range of accessories for the Wii console, a licence that also covers the development of accessories adapted to the Nintendo DS and Nintendo Switch™ consoles.

Under these licensing arrangements, the Group is under no circumstances acting as a sub-contractor to the console manufacturer but is an independent developer of its own accessories which it sells with the agreement of those console manufacturers.

Video games

The Group has a number of licences for its publishing business. Through their historical partnerships, the studios also give its subsidiary NACON access to some prestigious licences:

- *Tour de France*[®] and Games Workshop (*Blood Bowl*[®], etc.) for Cyanide.

Lastly, Bigben Interactive, through NACON, may enter into other licensing agreements on an ad hoc basis for acquiring rights to use video games matrices in the Publishing business (e.g. Square Enix). Bigben Interactive, via NACON, pays royalties to the publishers or developers for which it distributes and/or publishes the games, as the case may be. NACON also has a licence for the game matrix and manages the inventory risk at its discretion.

As a general rule, NACON's licences cover Europe with an extension for other countries in the PAL region (Australia, New Zealand, Gulf countries, Asia and Japan).

Audio/Telco

The main point to note in this segment is the flagship licence with Thomson, which has been renewed until end-2030.

The smartphone accessories business, which in the past had generated a portion of its revenues through brand licences (Kenzo, Paul Smith, Jeanne Lanvin, Lancel, etc.), has now turned away from the licensing model in the telco market and adopted a "manufacturer model" consisting of capitalising on know-how acquired in designing and manufacturing branded products and delivering to their selective distribution networks.

5.5.4.3 Trademarks

During its development, Bigben Interactive has built up a large portfolio of trademarks enabling it to address a broad array of audiences.

All of the Group's segments are now firmly positioned in the premium segment, while continuing to appeal to the mass market, therefore guaranteeing the stability of its business. Thus, having built the reputation of the Bigben brand on the values of simplicity, accessibility and innovation in order to provide a range of useful, sleek yet affordable products to as many consumers as possible, the Group is now investing in the premium segment in each of its strategic markets by creating its own trademarks or exploiting exclusive licences.

All in all, at 31 March 2020 the Group had more than 180 trademarks for its gaming accessories or known trademarks in the video games universe, and more than 20 trademarks each for its Mobile accessories and Audio products, covering various countries.

Video games

More specifically for its Gaming business through the NACON Group, Bigben Interactive has many of its own or licensed trademarks, which are very popular with gamers and an excellent driver of sales. It plans to continue using these trademarks in future video game releases.

Own trademarks:

- *V-Rally*
- *Test Drive*
- *Styx*
- *Pro Cycling Manager* (game selling over 100,000 copies for each release)
- *The Council*

Licensed trademarks:

- *Warhammer*[®]
- *WRC*[®]
- *Tourist Trophy Isle of Man*[®]
- *Tennis World Tour*
- *Test Drive's* 100 licensed prestige car marques
- Many known brands (Winchester rifle, etc.) used in fishing and shooting games
- Top 14/Pro D2 in rugby games.

Highly reputed studio tradenames:

- Big Bad Wolf and Rogue Factor (two of Cyanide's secondary studios based in Bordeaux and Canada, each specialising in a different type of game);
- KT Racing (Kylotonn);
- RaceWard Studio (Lunar Great Wall Studios);

- Eko Software;
- Spiders = studios with expertise in their field giving gamers a genuine gaming experience for the type of game they like.

The reputation of these studios is such that their names can almost be considered as a 'trademark' and the studios as writers. A fan of a game developed by a studio which has its own universe (characters, environment, special effects, etc.) knows the studio's name and will be more inclined to buy another game developed by that studio.

Gaming accessories

Since 2014 the Group has restructured its product range and premiumised its products, culminating in the creation of the NACON® brand. More broadly, the NACON® brand is now firmly positioned in the premium segment, while continuing to appeal to the mass market, therefore guaranteeing the stability of its business.

NACON's brand strategy aims to get the following brand message across to consumers:

- NACON® = accessory offering the best value for money for its use (pro or recreational gamer);
- NACON® = guarantee of quality for the games they purchase.

Mobile and Audio:

The Group's trademark portfolio is now based around Bigben for the high-volume segment of each of its markets, NACON® for Gaming accessories, Force Glass®, Force Case®, Force Power®, Force Moov® and, more recently, Justgreen® and Artefakt® for mobile accessories for premium smartphones, and Thomson, Lumin'Us®, Colorlight® and Aromasound® for technical and designer Audio products.

Trademarks and partners in the Mobile and Audio segments:



5.6 COMPETITIVE POSITION

5.6.1 Gaming universe

As explained earlier, Bigben Interactive, through its subsidiary NACON, is positioned as:

- AA publisher of video games;
- manufacturer of premium products in its Gaming Accessories business.

However, to the Company's knowledge, no other competitor apart from the console manufacturers offers consumers both accessories and games.

5.6.1.1 NACON's positioning in the AA video games segment

The gaming industry majors (Ubisoft, Electronics Arts, Activision, Square Enix, etc.) only publish AAA games with huge investment budgets that account for the lion's share of global sales (e.g. success of the FIFA game).

The Group focuses on lower outlay niche games in the AA segment. There are currently no available statistics on this AA segment. It comprises some 15 competitors worldwide:

- France: Focus Home Interactive;
- International: Paradox Interactive AB in Sweden, Embracer Group (ex THQ Nordic AB) in Sweden, Team 17 plc in the United Kingdom and 505 Games in Italy.

NACON also competes with indie studios that are also publishers, such as French studio Quantic Dream.

5.6.1.2 Bigben Interactive's positioning in gaming accessories through NACON

There are no global statistics on market shares of gaming accessories manufacturers as they do not offer comparable product ranges.

NACON considers its major competitors to be:

- Guillemot Corp SA: specialist in Racing and manufacturer of many racing steering wheels;
- Astro Gaming (Logitech subsidiary): manufacturer of PC accessories;
- Razer Inc.: manufacturer of PC accessories;
- Performance Designed Products LLC (PDP);
- POWERA (BD&A's gaming accessories subsidiary);
- HORI.

5.6.2 Mobile universe

Bigben Interactive does not have any meaningful data on competition in the market for smartphone accessories distribution. However, historically, the Group has been the leader in this business in France, with a current market share estimated by management at more than 40%.

During the last few years, Bigben Interactive believes it has made some major market share gains, with the success of its Force Case® protection products and Force Power® cable products, the lasting success of its Force Glass® protective covers and the strong momentum in sales of premium accessories for the latest generation smartphones.

Ascendeo and Straxx are among the Group's competitors in the smartphone protection and accessories universe.

5.6.3 Audio universe

In the Audio products distribution market, the Group is well placed in products such as radio alarms, turntables and speakers, in which Bigben Interactive is among the leading brands in France alongside operators such as Sonos, Philips, Sony and Samsung. However, since 2015, the premium brand Bose has gained significant market share at the expenses of the other operators.

Although Bigben Interactive does not have market data for France, it believes it has a market share of about 5% to 6% of the French market in volume.

5.7 INVESTMENTS

5.7.1 Main investments made by the Group

To achieve its ambitious objective of becoming one of the world's leading AA publishers with a broad content games line-up, Bigben Interactive, through the NACON Group, has focused on investing in increasing its video game development production capacity.

NACON's main investments have thus been in:

- acquiring interests in development studios; and
- allocating bigger R&D budgets to developing new video games.

5.7.1.1 Development studio acquisitions

Having initially developed its publishing business by subcontracting to external development studios, the Group's approach has evolved in the past two years, with the acquisition of several development studios, including 100% of Kylotonn Games (remaining interest not held at October 2018), French studios Cyanide (June 2018), Eko Software (October 2018) and Spiders (September 2019), as well as an interest in RaceWard (Lunar Great Wall Studios) based in Milan.

See notes to the 2019/20 consolidated financial statements "Change in scope".

5.7.1.2 R&D expenditure

During the past few years, the Company's investment budgets have increased to support its strategy in video game development. They accelerated sharply in 2015/16, a trend that has continued in the past three financial years.

Game development costs amounted to €16.9 million in 2016/17, €21.2 million in 2017/18, €34.8 million in 2018/19 and €38.1 million in 2019/20.

These budgets were divided into three main items:

- Staff costs of employees assigned to the research and development of new products and the related additional charges, which amounted to €3.9 million in 2019/20 (versus €2.9 million in 2018/19). None of these expenditures are capitalised, nor are mould costs (€0.8 million in 2019/20 versus €1.1 million in 2018/19), which are directly included in the cost price of the goods;
- Development costs of games published by subsidiary NACON, whether developed in-house or outsourced, which amounted to €32.8 million in 2019/20 (versus €30.1 million in 2018/19). In the medium-term, the Company intends to invest further in game development, reaching €40 to 50 million a year as of 2020/21.

Trends in capex

Capex in €m	31/03/2020	31/03/2019	31/03/2018
Studio development costs	32.8	30.1	17.9

- Average development costs per game are estimated at about €2 million in 2019/20 (€33 million of capex for some 15 games).
- Costs related to the legal protection of the Group's developments amounted to €0.6 million in 2019/20 (versus €0.7 million in 2018/19); NACON also devotes an increasingly large amount of operating expenses to protecting its developments (registering patents, trademarks and models).

5.7.1.3 Other investments

Other Group investments in the last few years have focused on:

- For the NACON Group: developing innovative products in the Gaming Accessories business (NACON® controller for PC and Revolution Pro Controller under licence for Sony's PlayStation® 4) as well as the acquisition of reproduction rights relating to the video game Publishing business (*Warhammer®*, *Tennis World Tour*, etc.);
- For the Audio/Telco entities: acquiring licences (Thomson, etc.).

These investments contribute directly to the Company's strategy as they enable it to increase the development of its own products, which are distributed either under the NACON® brand, the Bigben Interactive brand or one of the Group brands, or through trademark licences.

Apart from these in-house developments of new Accessories, in February 2020 the NACON Group announced the acquisition of the RIG™ premium brand and the RIG™ gaming headsets business. The acquisition was completed on 20 March 2020. Two companies were created to market RIG™ products in the USA and Australia.

This deal will give NACON, and thus the Bigben Interactive Group a foothold in the world's largest market for this type of business and the ability to market all of its dedicated Gaming products more efficiently.

5.7.2 Main ongoing or future investments

Bigben Interactive now wishes to focus its investments on developing its own activities, that is video games developed and published in-house within its Gaming business, Mobile accessories and Audio products.

More particularly, Bigben Interactive, through the NACON Group, has an ambitious programme to invest in developing video games already in its line-up as presented in Section 5.1.2.1.1, and releasing new games currently under development or future games not yet announced. At 31 March 2020, NACON thus had 19 games under development, including 14 in-house in its own studios and 5 in external studios, for a total amount of €51 million.

For the moment, therefore, NACON does not intend to make other significant investments over the years ahead for which the Company's management bodies have made firm commitments, although the Group will keep an eye on any external growth opportunities that fit with its strategic objectives.

Any such investments will be self-financed or funded by bank loans or new share issues.

5.7.3 Information about equity interests

Apart from its wholly owned subsidiaries and the 43.15% interest in RaceWard studio (Lunar Great Wall Studios), NACON does not own any interests in companies likely to have a significant impact on the valuation of its assets and liabilities, its financial position or its earnings.

5.7.4 Environmental factors

The Group aims to apply a sustainable social, environmental and economic policy in all its business activities. Its strategy includes a set of social and environmental requirements in response to the sustainability challenge.

NON-FINANCIAL STATEMENT (NFS)

1. INTRODUCTION

Government order 2017-1180 of 19 July 2017 and decree 2017-1265 of 9 August 2017 implement European directive 2014/95/EU and amend Article 225 of the French Code of Commerce, which requires companies covered by its scope of application to report employee-related, environmental and social information in their management report. The Bigben Interactive Group falls within the scope of these regulations and is therefore legally required to prepare a non-financial statement for 2019/20.

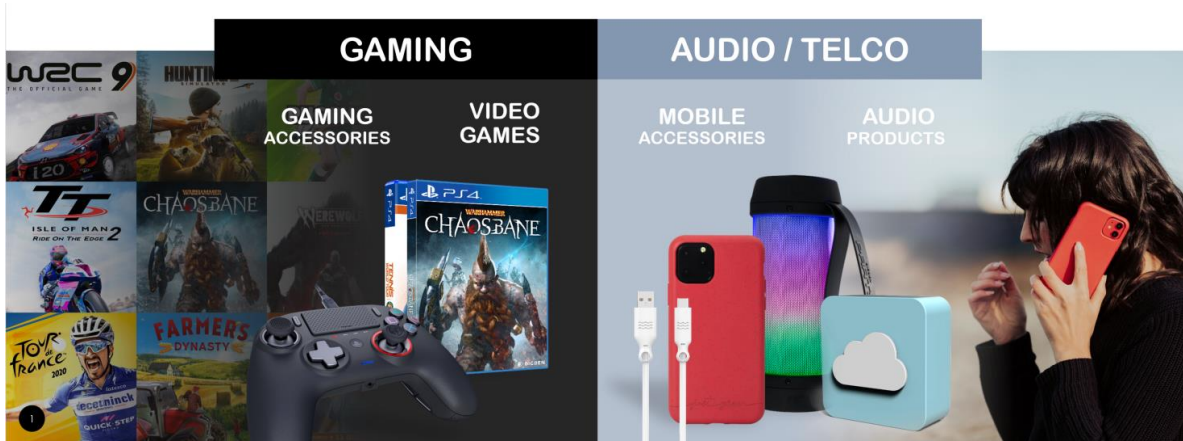
The non-financial statement is structured into four parts addressed in the following sections:

- Description of the Group's business model;
- Description of the key non-financial risks inherent in the Group's business or the use of its products and services, resulting from the materiality analysis performed by the Group;
- Policies implemented to manage those risks;
- Outcome of the policies pursued.

2. BUSINESS MODEL

The main elements of the Group's business model have already been largely described in Section 5 of this URD. However, for the sake of clarity and to avoid numerous cross-references or cross-reference tables, the Group has elected to give a summary description of its business model in the following tables.

2.1. THE BIGBEN GROUP'S MARKETS



The Bigben Group addresses the following markets:

- Gaming, through video games publishing and video games accessories;
- Audio/Telco through its Mobile accessories and Audio products.

2.2. MARKET TRENDS

GAMING

Rapid market digitalisation

The diagram illustrates the rapid digitalisation of the gaming market in three stages:

- Hier (Physical):** Represented by a game store icon and a photo of a physical game store aisle.
- Aujourd'hui (Physical + Digital):** Represented by a game store icon, a laptop icon, and a collage of game covers.
- Demain (Physical + Digital + Cloud gaming/5G):** Represented by a game store icon, a laptop icon, a cloud icon, and a photo of a Nintendo Switch console.

MOBILE

A wait-and-see market

Decrease in smartphone sales/smartphones kept for longer

&

less subsidising of smartphone purchases by telecoms operators

Pending arrival of new technologies (5G, etc.)

AUDIO

Un marché audio en pleine mutation

De plus en plus de technologies embarquées

The diagram shows the transition from traditional audio to smart audio:







- Smart Audio:** Indicated by a blue arrow pointing to a smart speaker. It includes icons for "CONNEXION SANS FIL WIFI" and "COMMANDE VOCALE".
- Traditional Audio:** Indicated by an orange arrow pointing away from a traditional speaker. It includes icons for "RADIO RÉVEL", "BOOBOX CD", and "MICRO CHAÎNE".

Une demande croissante pour les produits connectés « Smart Audio »

Un désintérêt progressif pour l'audio traditionnel

Pending arrival of new technologies (DAB, etc.)

2.3. THE BIGBEN GROUP'S VALUE CREATION MODEL

BIGBEN'S VALUE CREATION			
RESOURCES	OPERATIONAL EXCELLENCE	GROWTH STRATEGY	VALUE CREATION
<p>Human capital</p> <p>734 employees across 10 countries Training budget 0.7% of payroll</p>	<p>Product and marketing innovation: a core component of the Group's strategy since the outset</p> <p>Thanks to the dedicated R&D and Marketing teams with their in-depth understanding of consumer needs and latest technological trends with recognized expertise in the target genres: Racing, Sports, Simulation, Adventure, Action, RPG and Narrative.</p> <p>The quality of the games is reflected in customer satisfaction and Metacritic score: 9/10 in PC/Console.</p> 	<p>GAMING STRATEGY: Build the foundations for future growth to generate EUR 200 million of revenue by 2023</p>  <p>2020-2022 Développer un des leaders du segment AAA</p> <p>2023-2025 A la conquête de nouveaux marchés</p>	<p>Human capital</p> <p>87: number of new hires between March 2020 and March 2023</p>
<p>Intellectual capital</p> <p>A large R&D team and substantial R&D expenditure</p>	<p>Bigben works with the best to develop its products</p> <p>Example: An ambassador and influencer programme to strengthen credibility and pre-game endorsement of the games to avoid piracy. The ambassadors assist in product design for example: pro gamer Kayane took part in designing the Daja Arcade Stick for the PS4™</p> 	<p>MOBILE STRATEGY: Internationalization and continued innovation in sustainable development</p> 	<p>Intellectual capital</p> <p>Innovative, margin-generating products Many patents registered</p>
<p>"Manufacturing" capital</p> <p>Heavy annual investment in developing new games Production capacity of 8 in-house studios and 12 partner studios capable of developing almost 30 games on a continuous basis and launching 10-15 games per year 35,000 m² logistics facility (capacity of 36,000 pallets for 1,000 lines total)</p>		<p>ALERO STRATEGY: Focusing on new networks</p> 	<p>"Manufacturing" capital</p> <p>Category management for our customers thanks to an in-house tool Excellent scores (Metacritic, etc.) for recently-released video games</p>
<p>Financial capital</p> <p>A robust financial structure Net cash surplus of €10.4 million</p>	<p>Social capital</p> <p>As a pioneer, Bigben was a pioneer in: Gaming accessories NACON/Revolution controller development of an analogue joystick to gain access to new customer segments in the gaming world - multiplatform radio-controlled wireless controller - early development of sub-brand/brand/series offerings for Gaming accessories - range of accessories accessories with a lifetime warranty - Alster - multiplatform headset - direct-to-consumer approach (Lumin'Lab) - accessories targeting all devices with connected speakers - Alster/revolvable turntable</p>	<p>Financial capital</p> <p>Target EBIT margin of 15% in March 2023 Continue dividend distribution</p>	<p>Financial capital</p> <p>Target EBIT margin of 15% in March 2023 Continue dividend distribution</p>
<p>Environmental capital</p> <p>Purchase of FSC® and PEFC® compliant products In-kind vehicles accounted for 33% of the total main French subsidiaries' fleet in 2020</p>	<p>Environmental capital</p> <p>Bigben Connected's EcoVadis score: Silver medal with 59/100 in 2020 Reduction in business travel through increased use of video calls, home working arrangements during lockdown Preference for sea freight</p>	<p>Environmental capital</p> <p>Bigben Connected's EcoVadis score: Silver medal with 59/100 in 2020 Reduction in business travel through increased use of video calls, home working arrangements during lockdown Preference for sea freight</p>	<p>Environmental capital</p> <p>Bigben Connected's EcoVadis score: Silver medal with 59/100 in 2020 Reduction in business travel through increased use of video calls, home working arrangements during lockdown Preference for sea freight</p>

3. KEY NON-FINANCIAL RISKS INHERENT IN THE GROUP'S BUSINESS OR THE USE OF ITS PRODUCTS AND SERVICES

The key risks to which the Bigben Interactive Group is exposed are presented in Section 3 of its URD. A special focus is placed on the main non-financial risks covering the following areas:

- Employee-related
- Environmental
- Social
- Human rights
- Anti-corruption and tax evasion

In Sections 3 to 8 below of this Section 5.7.4, the Group describes how its non-financial risks in each of those areas are addressed by policies and reasonable due diligence procedures, providing key performance indicators where appropriate. Appendix 9 on methodology provides information about how those key performance indicators are calculated.

Bigben Interactive, as parent company of the Bigben Group, has been a member of the UN Global Compact since 2016 and renewed its membership in 2019. All of the Group's subsidiaries are covered by its membership.

In the past few years, one of the Group's main subsidiaries, Bigben Connected SAS, has worked hard on its engagement in social and environmental responsibility:

- In October 2016, as a subsidiary of Bigben Interactive, it became a member of the UN Global Compact, thus endorsing the ten principles regarding human rights, international labour standards, environmental protection and anti-corruption. It has expressed this engagement to stakeholders through its 'Responsible Purchasing Policy'.
- In the past few years, Bigben Connected SAS has created a genuine corporate culture based on social and environmental responsibility, first by creating a CSR project team responsible for suggesting ways to raise CSR awareness of all employees, then in 2018 by taking a number of initiatives (e.g. recycling), circulating a social policy and an environmental policy on the intranet accessible to all employees, and maintaining the momentum and enthusiasm created through regular newsletters and encouraging statistics circulated by general management.
- In November 2018, Bigben Connected SAS obtained an EcoVadis score of 58/100 and a silver medal, representing one of the best scores in its sector. It aims to continue its efforts in terms of eco-design packaging with a target score of 65/100, which would make it a candidate for a gold medal.

The EcoVadis score is made up of four weighted assessments in the following areas:

- Environment
- Social and human rights
- Ethics
- Responsible purchasing

See [EcoVadis.com](https://www.ecovadis.com) for more information.

The various commitments and measures taken by Bigben Connected SAS are explained in more detail below.

The relationship between non-financial risks, policies pursued to mitigate them and key performance indicators used to monitor the outcome of those policies are set out in the summary table below.

Non-financial risks, policies and key performance indicators

Risk	Description of risk	Materiality of net risk	Policies pursued to manage those risks	Outcome of the policies pursued			
				Key performance indicators	Units	Period	Scope
Development of human capital	See Section 3.4.1 Departure of talent, management of unsuitable skills and human resources	High	New NACON SA Paris office opened in 2019 to attract and retain talented people in the Paris area; Recruitment of a new head of Human Resources for NACON SA employees; Employees of all business activities at the heart of the Group companies' human resources policies; The rise in the "number of joiners" indicator shows that the Group is still attractive.	Number of leavers	No.	01/04/2019 to 31 /03/2020	Group
				Average compensation per employee	€		
				Average number of training hours per employee	Hours		
				% of average headcount trained	%		
Quality of life at work and diversity	Discrimination, deterioration of employee rights and working conditions	Low	The Group endeavours to avoid all forms of discrimination; Measures taken to improve the working surroundings of Group employees.	Headcount by gender, category, geographical area, age bracket	No.	01/04/2019 to 31 /03/2020	Group
				Number of days absence / Absenteeism	No. / %		
				% of women by responsibility level	%		
				% of employees with disabilities	%		
				Monitoring of collective agreements having impacts on the company's financial performance and on employee working conditions	N/A		
ENVIRONMENTAL							
Energy management: over-consumption	Inefficient energy performance leading to excess consumption in buildings No renewable energy sources in energy consumption leading to a negative environmental impact	Low	No manufacturing plants. Only a logistics centre within Bigben Interactive; Limited energy costs.	Electricity consumption	kWh	01/04/2019 to 31 /03/2020	Group
				Natural gas consumption	m ³		
				Water consumption	m ³		
Resources and waste management	High waste production, wastage, failure to factor in the life cycle of resources and raw materials used	Low	Main waste is packaging material (cardboard, etc.) which is already recycled; Circular economy; Combating food waste.	Paper and cardboard consumption	Kg	01/04/2019 to 31 /03/2020	Group
				Amount of paper and cardboard recycled	Kg		
Environmental impacts: high greenhouse gas emissions	Contribution to climate change through greenhouse gas emissions in all product supply chains: from the manufacturing plant to the end consumer	Low	Focus on sea freight; Hybrid cars make up most of the car fleets of the 3 French subsidiaries; Business travel policy; Goods transport management.	Scopes 1 and 2 CO2 emissions arising from energy consumption of buildings	TCO ₂ eq		
SOCIAL, ACTION IN FAVOUR OF HUMAN RIGHTS							
Supplier and service provider management	Failure to comply with responsible purchasing policies; social, environmental and ethical risks related to the activity of suppliers and sub-contractors; dangers for service providers	Low	Careful selection of suppliers (audits of manufacturing plants and selection of transport companies with excellent CSR scores); Membership of the UN Global Compact; Provisions of Sapin II anti-corruption law in course of implementation.	Monitoring manufacturing plant audits (social data)	N/A	01/04/2019 to 31 /03/2020	Group
				Monitoring transport companies' CSR policies	N/A		
				Monitoring the UN Global Compact principles	N/A		

4. EMPLOYEE-RELATED RISKS, POLICIES PURSUED AND OUTCOMES

The Group has taken measures to mitigate the three employee-related risks referred to in Section 3.

4.1. HEALTH AND SAFETY OF EMPLOYEES AND THIRD PARTIES IN THE WORKPLACE

Following the emergence of Covid-19, this risk has been assessed by Management as "high". Many measures have been taken to mitigate it, as described below.

4.1.1. HEALTH AND SAFETY IN THE WORKPLACE

It is important to note that the Group's business activities generate limited occupational risks.

In France, the various Macron laws have introduced a new staff representative body called the Social and Economic Committee (CSE) to replace the former Health and Safety Committee. The change was made in June 2018 for Bigben Connected and between November 2019 and January 2020 for other French companies.

In France, Bigben Interactive and Bigben Connected continue their risk prevention approach, for Bigben Interactive mainly by updating a single document validated by the Health and Safety Committee in order to define, assess and analyse the risks to which employees might be exposed.

NACON, which was founded in the second half of 2020, will continue to pursue the risk prevention policies pursued by the Bigben Group, mainly by revising and updating a single document validated by the Social and Economic Committee. As a video games publisher and gaming accessories designer and developer, the physical risks that can be identified are related to the nature of the business (sedentary tertiary activity) and to business travel (accidents).

Furthermore, it is important to note that the business activities of these companies generate limited occupational risks.

The Group also continuously seeks to upgrade its equipment at the Lauwin-Planque logistics centre to improve working conditions and reduce musculo-skeletal disorders:

- Computer-aided order preparation system to reduce the amount of walking done by the order preparers;
- Electric pallet trucks to make handling less arduous;
- Individual protective equipment for all risky jobs;
- Training in handling and lifting techniques (three-year plan to cover all staff and repeat training for employees who had an accident the previous year).

In 2017/18:

- Ramp-up of the handling and lifting training;
- Continuation of the 5S plan initiated in 2015 to improve performance and control the environment;
- Continued use of the skills rotation schedule to reduce the amount of arduous work done by employees and make their jobs more interesting.

In 2018/19:

- All employees were trained in handling and lifting techniques;
- The warehouse invested in trolleys to avoid injuries.

Efforts continued in 2019/20 and the Lauwin-Planque heating system was completely overhauled to increase the ambient temperature and thus improve working conditions for employees working in the warehouse.

The French employees of Bigben Interactive and Bigben Connected also receive safety training both to prevent workplace hazards (as part of the applicable regulations) and to train volunteers in first aid. Initial training and refresher courses in first aid are organised regularly. During the past year, some of NACON's employees have also been trained in safety procedures. This initiative will be renewed during 2020.

Bigben Connected takes many measures to protect the health of its employees, such as providing all employees with fresh fruit.

Many other initiatives or obligations exist locally to prevent potential health risks:

- The German subsidiary Bigben GmbH is a member of the BAD association, which is responsible for ensuring that proper procedures are in place to avoid occupational accidents.
- In Belgium, the subsidiary is affiliated to CESI (external occupational prevention and protection service) for occupational health care. However, the subsidiary now only has employees who are not covered by the mandatory medical check-up requirement.
- In Italy, the risk assessment document (DVR) is updated regularly even though the risk is limited and employees regularly receive safety training and medical check-ups.
- In Spain, the subsidiary complies with law 311995 of 8 November 1995 which regulates occupational risks in the workplace and supervision of employee health. It has outsourced this service to FREMAP.
- In Asia, the company complies with the Occupational Safety and Health Council regulations.

Focus on measures taken to protect employees and third parties from Covid-19

The health and safety of its employees is a major preoccupation for the Group.

Apart from the specific work organisation measures described in 4.3.1, the Group took the following measures to protect the health of its employee during the Covid-19 crisis:

- Putting the majority of its employees on home working or short-time working arrangements as soon as the lockdown order was announced in each country in Spring 2020 and introducing contact precautions, wearing of masks and social distancing for all employees whose jobs could not be done from home;
- Implementing a strict lockdown exit plan as of May 2020 to protect the health of its employees and third parties upon their return to the workplace and enabling a gradual resumption of business in compliance with health prevention regulations. The Group's lockdown exit strategy was based on various pillars:
 - Prevention and strict compliance with contact precautions
 - Communication and dialogue
 - Policy for mask wearing in the workplace
 - Adapting working arrangements and work spaces
 - Stepping up cleaning and disinfection measures
- Donating 5% of revenue from its Justgreen® range of recyclable products to three charities, including the Fondation Hôpitaux de Paris - Hôpitaux de France
- Selling a range of health protection products (anti-bacterial protective covers, UV sterilisers for smartphones, masks, health kits, etc.) as part of a public health protection approach to provide consumers with the same products it makes available to its employees;

4.1.2. AGREEMENTS ON HEALTH AND SAFETY IN THE WORKPLACE ENTERED INTO WITH THE TRADE UNIONS OR STAFF REPRESENTATIVE BODIES

No such agreements were entered into during the financial year by the Group's various companies.

4.1.3. OCCUPATIONAL ACCIDENTS (FREQUENCY AND SEVERITY) AND ILLNESSES

The Group is attentive to its employees' health. Thanks to the prevention measures implemented by the company and the relatively low exposure of its business to occupational accidents, it only suffers a limited number of accidents both in frequency and severity.

BIGBEN GROUP

Occupational accidents (frequency and severity) and illnesses

	31/03/2020	31/03/2019
Number of occupational accidents with time off work	3	9
Number of occupational accidents with time off work	4	1
Number of commuting accidents	4	3

4.2. DEVELOPMENT OF HUMAN CAPITAL

The Bigben Interactive Group employs creative talent to publish original video games and develop innovative Audio products and Gaming and Mobile accessories. As such talent is highly sought after, the Group is exposed to potential poaching from other companies should its skills and human resources management prove inappropriate.

4.2.1. GENERAL TRENDS IN THE GROUP'S HEADCOUNT

Attracting, development and retaining talent is a key success factor for the Group. It therefore endeavours to give its employees opportunities to progress, learn and develop their skills and expertise.

At end-March 2020, Bigben Interactive had 734 employees versus 603 at end-March 2019. Headcount rose sharply following the acquisition of Spiders, the interest in RaceWard and the creation in 2020 of Nacon USA, which together employed 66 people worldwide at 31 March 2020.

The breakdown of headcount by business remained stable over the period, apart from Publishing which took on the new employees referred to above. This change aimed to address the Group's need to acquire the skills and people essential to its development, particularly in these core businesses under its new strategy.

BIGBEN GROUP

Total headcount and breakdown by gender, age and geographical area

	31/03/2020		31/03/2019	
	Number	%	Number	%
TOTAL HEADCOUNT	734		603	
Breakdown by business:				
Gaming	434	59.1%	311	51.7%
Mobile	91	12.3%	97	16.1%
Audio	20	2.7%	27	4.4%
Logistics	75	10.2%	77	12.8%
Administration	116	15.7%	91	15.0%

4.2.2. JOINERS AND LEAVERS

Special attention is paid to recruiting new employees as they represent a strength for the company in a rapidly evolving business environment. New people were recruited during the year for the Publishing and marketing activities, more particularly at the Paris premises opened in September 2018 to facilitate recruitment in areas where good people are hard to come by.

In 2019/20, 198 employees joined the Group and 106 left, including 11 dismissals.

<u>Joiners and leavers</u>	BIGBEN GROUP	
	31/03/2020	31/03/2019
Total number of external joiners	198	135
Leavers	106	104
<i>Of which dismissals:</i>	11	6

As well as recruitment websites, the Group may also use social media and headhunting agencies to source suitable candidates.

4.2.3. COMPENSATION AND TRENDS IN COMPENSATION

The Group's compensation policy aims to reward skills, stimulate creativity, encourage employee performance and retain talent.

Salary increases are granted mainly as a result of individual negotiations, based on skills development and/or on new responsibilities assumed.

- At Bigben Interactive and NACON in France, salary increases are approved during mandatory pay negotiation meetings. Furthermore, at Bigben Connected, 70% of managerial positions arise from internal promotions. In all these companies, the provisions of the French Labour Code apply and incentive plans and employee savings schemes are in place. Employees of the French subsidiaries therefore have a long-term vested interest in the development of their company and its results enabling them to build up a capital sum through a tax-efficient employee savings plan. Lastly, Bigben Interactive SA employees have benefited from the so-called "Macron bonuses" granted over the past two years.
- In Benelux, salary increases are based on a government index and on individual negotiations. The company also belongs to Joint Committee 200 and complies with the agreements negotiated by it.
- In Germany, in the manufacturing sector, negotiations take place between the employer organisation WIGADI and the trade union VERDI. Bigben GmbH also has an annual appraisal system and organises two information and consultation meetings with staff a year.
- In Italy, salary increases are based on individual negotiations (annual appraisals based on responsibilities and skills development). Individual bonuses may also be granted based on the subsidiary' results. The company also complies with CCNL regulations (national collective employment agreement) applicable to the Retail sector.
- In Spain, the subsidiary complies with the collective agreement and conducts individual negotiations.
- In Asia, salary increases are based on inflation in the relevant countries and on individual performance.

All of the Group's entities comply with their social security and tax obligations in terms of employee compensation and benefits.

<u>Salaries and promotions</u> <i>in thousands of euros</i>	BIGBEN GROUP	
	31/03/2020	31/03/2019
Salaries for the year	24 843	22 634
Social security contributions	10 109	8 780
Average Salary by employee	34	38

The average gross annual salary of a Bigben Group employee was €34,000 in 2019/20. This is lower than the previous year due to the full-year contribution of the new, younger and less experienced employees hired by the studios.

Employees of the French subsidiaries Bigben Interactive SA, Bigben Connected, NACON SA and of Bigben Belgium also receive other benefits, including luncheon vouchers and, in Belgium, pension savings insurance.

Furthermore, employee share ownership is an excellent way for the Group to give all its employees the opportunity to share in the company's success. Thus, medium to long term compensation may also be granted to the top performing employees or to all employees as part of an active retention strategy. In the past (2008, 2010 and 2011), this has been reflected in the award of free shares or share warrants and was renewed in four new performance share plans covering all employees in 2016, 2017, 2018 and 2019, subject to continuing service and performance conditions. The Group may offer further plans of this type in the future.

4.2.4. TRAINING:

- **Training policies**

In businesses and sectors where continuous innovation, technological progress and expertise are key success factors, training of all kinds is clearly a priority.

A company's value lies in its human and intellectual capital. Rapidly evolving technology is a key feature in the Group's business sector and training is therefore an important issue. The aim is to guarantee the employability of all its employees and the development of their skills and knowledge. In such a sector, it is crucial for employees to keep their knowledge up-to-date in a continuously evolving market. The training policy aims to reconcile the company's needs with the career aspirations of its employees, to find a balance between the individual needs expressed during the annual appraisals and the company's economic profitability challenges.

The policy is implemented through individual actions and through collective training plans. Training needs expressed are validated by management based on their importance for the company's development.

The major recurring training themes in 2019 were technical training related to the Group's areas of expertise and training in business, languages, safety, management and office systems.

The NACON Group's main training themes in 2019 were:

- personal development and communication;
- business and technical;
- languages;
- office systems;
- health and safety;
- legal;
- marketing;
- taxation.

Throughout the year, employees are also invited to attend training sessions, seminars or conferences in their areas of expertise run by partners (lawyers, trade unions, chambers of commerce, banks, external service providers, conferences in schools, etc.).

The Group complies with the regulatory framework in such matters and pursues a policy designed to tailor employee skills to the expected evolution of the Group's business activities.

- **Total number of training hours**

In 2019/20, training expenditure represented 0.7% of total payroll. Thus, 138 employees received at least one form of training, i.e. almost 18.8% of the Group's average headcount. The average number of training hours per employee was thus 4 hours.

	BIGBEN GROUP	
	31/03/2020	31/03/2019
% of payroll devoted to training	0.7%	1.0%
Training expenditure (€)	163,196	218,518
Total number of employees trained	138	146
% of average headcount trained	18.8%	24.2%
Total number of training hours	2,632	2,715
Average number of training hours per employee	4	5
% of employees receiving an annual appraisal	13.4%	18.7%

Although the legal training plan requirement is only 0.1% of total payroll in France, Group companies spent 0.7% of their total payroll on training in 2019/20 and intend to increase this amount next year.

As there is no specialised training in the video games business on a global scale, training often takes place in-house, which explains the fall in this indicator over the past few years, a period when many employees joined the Group following the acquisition of the development studios.

4.3. QUALITY OF LIFE AT WORK AND DIVERSITY

The Group employs creative talent to publish original video games and develop innovative Audio products and Gaming and Mobile accessories. All employees are given the opportunity to develop their skills and entrepreneurial capabilities, encouraged by people who are passionate about their business. This ongoing creativity is expressed not only in the development of new products, but also in the day-to-day working environment.

Employee well-being is one of the core pillars of the Group's overall strategy. The working environment and working time arrangements play a fundamental role in well-being.

4.3.1. POLICIES PURSUED

- **An adapted working environment**

The Group endeavours to develop an appropriate environment in all of its subsidiaries, with many work spaces adapted to everyone's needs (meeting rooms, relaxation areas, cafeterias/refectories) coupled with pleasant surroundings. The Lesquin and NACON's head office has a large glazed courtyard with exotic plants and subsidiary Bigben Connected has a large number of plants at its premises and also has a large private terrace.

The Group also focuses on open space working wherever possible to encourage teamwork and facilitate communication, with managers always available to their teams.

The Group fosters the well-being of its employees by organising and financing various social events during the year to create a genuine relationship with its employees ("Christmas sweater" day, Christmas party, seminars organised by some departments or companies, restaurant invitations, photo shoots with the children of volunteer employees, etc.)

More particularly, in the past few years Bigben Connected SAS has created a genuine corporate culture based on social and environmental responsibility, by taking a number of initiatives in 2018 (e.g. recycling) and circulating a social policy and an environmental policy on the intranet accessible to all employees.

Its social policy promotes four dimensions of well-being at work:

- Mental well-being
- Social well-being
- Physical well-being
- Environmental well-being

These aspects underpin Bigben Connected SAS's human resources policy, which is based on the following core priorities:

- Uniting staff around shared cross-cutting projects;
- Creating a friendly environment for all staff;
- Focusing on internal promotion to managerial positions.

- **Working time arrangements**

The Group's policy is to allow employees some flexibility in their working time arrangements while complying with the applicable local legislation:

In normal times:

- In France, the legal 35-hour working week applies to the company's employees. The organisation of this working week is defined in a 35-hour working week agreement and varies according to the company's departments.
- Under the agreement, flexible working time is applied in the Logistics department, based on a high and low season according to the company's activity level. At the Lauwin-Planque site, this is reflected in 9 days off during the low season, which are recovered through longer working hours in the high season. At the Lesquin head office, the working week for administrative staff is 37.5 hours with a daily break of 30 minutes.
- In Benelux, the week consists of five days of 7.6 hours, i.e. 38 hours a week. The reduction in working time is confined to 33% of the workforce per department in the form of a rolling schedule with the option of taking one day a week in home working.
- In Germany, the working week is 38.5 hours (agreement with VERDI/NRW trade union) with a daily break of 45 minutes.
- In Italy, the working week is five 8-hour days with a daily break of one hour.
- In Spain, the working week is 40 hours.
- In Asia, there are no regulations, as these countries are currently at the stage of drafting applicable laws. Bigben gives its Asian employees between 12 and 15 days annual leave.

During the Covid-19 lockdown (from mid-March 2020), all subsidiaries took measures to protect the health of their employees, by encouraging home working or other job protection measures introduced by their respective governments (e.g. short-time working, sick leave, etc.).

In France, the Group reorganised its business during the Covid-19 crisis to protect the health and safety of its employees. Departments that could continue to operate through home working arrangements did so. Other departments had to shut down during lockdown and therefore adopted short-time working arrangements. Short-time working reflected two different realities: either complete shut-down or a reduction in normal working hours.

- During this period, NACON was able to put approximately just under one third of its employees on short-time working, with a few exceptions where employees had children to care for, but continued to operate mainly through home working.
- The development studios operated with a home working rate of more than 90%.
- Only a small number of Bigben Connected and Bigben Interactive employees were put on short-time working, mainly in those functions affected by the slowdown in activity (sales force, logistics, etc.).

The same trend was identified in the international distribution subsidiaries.

- **Employee relations**
 - **Staff information and consultation, negotiation procedures**

Social dialogue is the responsibility of staff representatives in countries where this is provided for by law.

- In France, the various Macron laws have introduced a new staff representative body called the Social and Economic Committee (CSE). The CSE is a new organisation that combines the three existing staff representative bodies: the trade union delegates, the works council and the health and safety committee. Its role is to express the voice of the employees and to take their interests into consideration in decisions relating to the company's management and business and financial developments, working arrangements, professional training and production techniques.
 - Bigben Interactive and Bigben Connected employees have been represented by their CSEs since, respectively, January 2020 and November 2019. The CSE is informed and consulted in accordance with the applicable regulatory framework. Its members meet with the human resources department monthly to discuss the company's operation, trends and future directions. Collective agreements may be entered into with the CSE and the trade union delegate (Bigben Interactive).
 - At NACON, a CSE was created and its members elected for a four-year term in January 2020. Meetings take place every two months.
- In Germany, cooperation between the social partners such as employers and trade unions is of the utmost importance. The trade unions are free to negotiate and form alliances as they see fit. The company is included in the structure covering the tertiary sector. Negotiations take place between the employer organisation WIGADI and the trade union VERDI. Bigben GmbH organises two staff information and consultation meetings a year. Collective bargaining agreements are entered into with the trade union VERDI.

The subsidiaries in Benelux, Spain, Italy and Asia do not have trade union representation due to their small workforce. However, they comply strictly with the relevant legislation in their respective countries;

- Bigben Benelux belongs to Joint Committee 200 and applies the agreements negotiated by it.
- Bigben Italy complies with the CCNL regulations (national collective employment agreement) applicable to the Retail sector. Under Italian law, internal agreements that differ from those imposed by the CCNL may be negotiated. They are known as "integrative agreements".
- Bigben Spain is covered by the collective agreement for the Wholesale industry no. 28014085012007.
- There are no collective agreements in Hong Kong.

- **Report on collective agreements**

The Group complies with the collective regulations applicable to its business, over and above local employment law, national and industry agreements. In France, Bigben Interactive, Bigben Connected and NACON SA are covered by the collective agreement for the Wholesale industry no. 3044. The development studios are covered by the Syntec collective agreement no. 3018 (technical design firms, engineering consultants and consulting firms). No collective agreements were entered into during the year.

4.3.2. OUTCOMES

- **Absenteeism**

The increase in absenteeism in absolute terms compared with the previous year was mainly due to the change in scope of consolidation and the full-year effect of the acquisition of the new development studios. Annual absenteeism remains extremely low at 3.4%.

BIGBEN GROUP		
<u>In days</u>	31/03/2020	31/03/2019
TOTAL NUMBER OF DAYS ABSENTEEISM	5 913	4 372
Sick leave	3 494	2 612
Maternity leave	809	732
Occupational and commuting accidents	131	119
Unpaid leave	1 096	516
Paternity/parental leave	384	394
ABSENTEEISM	3,4%	3,1%

Days absence are defined in business days.

Occupational accident = fatal or non-fatal accident occurring during or due to work according to local practices. Occupational accidents taken into consideration are those declared to and being handled by the competent authorities.

Absenteeism is based on end-of-period headcount and a year of 235 business days.

- **Equal treatment**

Diversity within the Group is inherent to the creativity and innovation the company needs to stay at the cutting edge of innovation and technology. The process of publishing a video game or developing a gaming or smartphone accessory or an Audio product requires a team of people from a diverse range of backgrounds and training to work well together. Cultural, gender and age diversity is a source of creativity and helps the teams to better understand consumer expectations and address their needs worldwide.

- **Policies to combat discrimination**

BIGBEN GROUP					
<u>Total headcount and breakdown by gender, age and geographical area</u>					
		31/03/2020		31/03/2019	
		Number	%	Number	%
TOTAL HEADCOUNT		734		603	
Breakdown of headcount by:					
Employment type	Full-time	685	93.3%	556	92.3%
	Part-time	49	6.7%	47	7.7%
GRADE	Managers	296	40.3%	201	33.3%
	Other	438	59.7%	402	66.7%
CONTRACT TYPE	Permanent	660	89.9%	529	87.8%
	Fixed-term	74	10.1%	74	12.2%
	Other (temporary staff, internship) ⁽¹⁾	28		36	
GENDER	Women	238	32.4%	209	34.7%
	Men	496	67.6%	394	65.3%
GEOGRAPHICAL AREA	France	564	76.8%	467	77.5%
	Rest of Europe	99	13.5%	74	12.2%
	Asia	29	4.0%	27	4.5%
	Other	42	5.7%	35	5.8%

⁽¹⁾ Not included in total headcount

The breakdown of headcount by employment contract type and by gender has changed radically over the period to address the Group's need to acquire the skills and people essential to its development,

particularly in the gaming business core to its new strategy. This resulted in an increase in permanent contracts and managerial grade staff.

At 31 March 2020, the non-French subsidiaries represented about 23.2% of the Group's total workforce versus 22.5% at 31 March 2019. The employees of those subsidiaries have local employment contracts.

The Group uses temporary staff mainly at the Lauwin-Planque logistics centre for seasonal needs and takes on people through its partner Loginov (Artois Chamber of Commerce and Industry) enabling them to obtain a certificate as a qualified order preparer. These employees are then taken on as temporary staff. Fixed-term contracts may be used as a recruitment tool with a view to their subsequent conversion to a permanent contract.

The Group does not have a specific policy but encourages cultural diversity.

It operates in 10 countries across several continents and fosters the cultural diversity crucial to obtaining a sound understanding of consumer needs and better adjusting its products to cultural differences.

- **A balanced age pyramid**

The breakdown of the workforce by age is as follows:

<u>Age pyramid</u>		BIGBEN GROUP			
		31/03/2020		31/03/2019	
Age bracket	25 and under	84	11.4%	67	11.1%
	26 to 35	306	41.7%	259	42.9%
	36 to 45	210	28.6%	169	28.1%
	46 to 55	104	14.2%	82	13.6%
	56 and over	30	4.1%	26	4.3%

The Group has employees in all age brackets. However, 81.7% of them fall into the 20-45 age bracket reflecting a young workforce consistent with the young video games and mobile telephony industry.

The profile remains broadly stable due to the offsetting effects of a rise in length of service and the large number of relatively young employees joining during the year following the acquisition of development studios or new recruitments.

- **Gender equality measures**

The Group has a total of 734 employees, 32.4% of whom are women and 67.6% men. The proportion of women has fallen slightly compared with the previous year due to the acquisition of new development studios with a largely male workforce.

Men and women have the same access to training and skills development. The Group is committed to equal treatment of men and women, and there is no discrimination either at the recruitment stage or in terms of promotion. Women account for 58.9% of managers.

Although the development studios have a largely male workforce, there is no discrimination against women. For example, Cyanide scored 87/100 in the Gender Equality Index for 2019.

Accessibility to key positions is also a key issue for companies such as Bigben Connected, where 58% of employees are women.

BIGBEN GROUP

Breakdown of headcount by gender

	31/03/2020	31/03/2019
% of women in top management positions	22.6%	17.4%
% of women in middle management positions	36.4%	45.8%
% of women with managerial grade	23.4%	30.3%
% of women with supervisory grade	36.3%	43.4%
% of women with clerical or administrative grade	36.0%	33.5%

Top management is defined as members of the Group's Management Committee, including the heads of the subsidiaries.

Middle management is defined as those people with key responsibilities in the company and with line management responsibility for at least one person (including interns not included in headcount).

Managerial grade is defined as employees with key responsibilities in the company whether or not they have line management responsibility for other employees.

Supervisory grade is defined as employees with responsibility for heading up a team, but with less responsibility than employees with managerial grade.

○ **Measures in favour of disability employment and inclusion**

The Bigben Group employs 13 people with disabilities.

<u>Employment of persons with disabilities</u>	31/03/2020	31/03/2019
Number of persons	13	13
Rate of employment	1,8%	2,2%

At 31 March 2020, Bigben Interactive and Bigben Connected employed 9 people qualifying under the disability employment requirement, representing 10.66 units during 2019/20 (versus 9.33 units for 9 employees in 2018/19). At 31 March 2020, the NACON Group employed 4 people qualifying under the disability employment requirement, representing 0.34 + 0.50 (reduction) units during 2019/20.

Furthermore, during the year, these French companies used services provided by support through work organisations corresponding to 0.40 units (versus 0.98 units the previous year).

The Group frequently uses these organisations for sub-contracting assignments, such as repackaging. They enable people with disabilities to work in a sheltered environment if they are not able to work in the ordinary working environment.

Thus, of the two French subsidiaries subject to the requirement to employ 6% of workers with disabilities, i.e. Bigben Interactive and Bigben Connected, only Bigben Connected did not fully meet its obligations and therefore paid the AGEFIPH an indemnity of less than €18,000 in 2019. In addition, the waste recycling contract with the company Elise, which employs people on inclusion and disability employment programmes, enabled Bigben Interactive to add a further 0.16 units.

The legal requirement for the number of disabled employees is based on headcount at 31 December 2019. Due to its recent creation, NACON was not able to pro-rate across the year and therefore the basis for calculation was 92 at 31 December 2019 with a legal requirement to employ five disabled workers.

Although NACON had two part-time disabled employees, they had to be pro-rated as of 1 November 2019. It was therefore short of 4.16 people after reduction to meet its obligations and had to pay the AGEFIPH a contribution of €17,000. NACON intends to take the necessary measures in 2020 to comply with its legal obligations in terms of disability employment.

Furthermore, the head of Bigben Interactive SA's Publishing division forged a partnership with the association Game Lover in 2017 and the partnership has been continued since then. Game Lover, which is part of the Papillons Blancs association based in the Hauts de France region of northern France, brings together some ten people with disabilities who publish a news blog about video games. The partnership

aims to address a number of impairments (visual, psychomotor, cognitive and mental, poor 3D perception, autism, etc.) suffered by some gamers in order to find ways of making video games more accessible for them. Additional expertise is provided by an accessibility specialist from the Conservatoire National des Arts et Métiers (CNAM). This altruistic and charitable approach on Bigben's part should also enable it to anticipate the federal law on video game accessibility due to be passed in the United States in 2020.

Accessibility issues are also a priority for the new studios acquired by the Group and appear regularly on the agenda for their meetings.

Lastly, Eko Software and the company Pidiem organised a half-day of team awareness raising open to all employees and they have also arranged individual support for employees with an interest in issues involving disability and health in the workplace.

5. ENVIRONMENTAL RISKS, POLICIES PURSUED AND OUTCOMES

The Group has taken measures to mitigate the three environmental risks referred to in Section 3.

The Group has no production plants as its manufacturing requirements are sub-contracted. It does not have an in-house environmental management department.

It addresses environmental issues and, as applicable, environmental assessment or certification approaches, on a project basis managed by the existing teams concerned. In other words, environmental issues are overseen by various departments such as administration, logistics, R&D and marketing.

However, in the past few years Bigben Connected SAS, one of the Group's major subsidiaries, has created a genuine corporate culture based on social and environmental responsibility, by taking a number of initiatives in 2018 (e.g. recycling) and circulating a social policy and an environmental policy on the intranet accessible to all employees.

Bigben Connected SAS's environmental policy is based on a lifecycle approach to the potential environmental impacts of its business and sets out the following priority objectives:

- Limit consumption of non-renewable natural resources;
- Limit consumption of energy and particularly fossil fuel energy;
- Limit consumption of water;
- Reduce greenhouse gas emissions;
- Reduce air pollution;
- Reduce water pollution;
- Reduce waste production and improve waste recycling and processing.

For each of those objectives, Bigben Connected SAS has implemented best practices and circulated them to all employees in newsletters or regular communications.

As a result of this approach, in November 2018 Bigben Connected SAS obtained an EcoVadis score of 58/100 and a silver medal, representing one of the best scores in its sector.

The EcoVadis score is made up of four weighted assessments in the following areas:

- Environment
- Social and human rights
- Ethics
- Responsible purchasing

See [EcoVadis.com](https://www.ecovadis.com) for more information.

5.1. ENERGY MANAGEMENT: OVER-CONSUMPTION

5.1.1. POLICIES PURSUED

- **Sustainable use of resources**

The Group raises employee awareness about saving electricity and heating, and many premises have already taken action to limit their energy consumption and use of their air-conditioning and lighting systems:

- Air-conditioning and lighting in the head office and all subsidiaries are switched off at night and during the weekends;
- Several premises, including Bigben Interactive SA and Bigben Connected, have motion detectors or automatic light control systems to adjust lighting to employee needs;
- The Lauwin-Planque site is currently looking at the possibility of replacing its lighting with LED bulbs during 2020/21;
- Some premises have a policy of timer-based air-conditioning systems, particularly in the southern European subsidiaries where this is a key issue. The Spanish subsidiary's building is classified as an "intelligent centre" and has a natural, solar-powered air-conditioning system. Since June 2017, the Belgian subsidiary has rented offices in a co-working space. It no longer manages its own energy supply but makes sure that it switches off all its electrical and electronic devices;
- The subsidiaries are increasingly purchasing more energy-efficient equipment. Some, such as Germany, focus on LED lighting for its energy-efficient properties and its more efficient lighting.

Bigben Interactive SA has invested in a roof-mounted photovoltaic installation on the first section of its Lauwin-Planque logistics centre, which produces 1.2 MWh in a full year. The installation is operational and was connected to the ERDF grid in May 2017. The sale of electricity to ERDF began in November 2017. The company decided to use its electricity production for its own needs and to sell the remainder to ERDF at the floor rate of €0.0617 per kWh.

In accordance with the French DADDUE law, which implements various provisions of European law and requires certain categories of company to undergo an energy audit, the French subsidiaries were also audited. The audit report drawn up by Akajoule was duly filed on the ADEME platform in July 2016, proving that the Group meets the regulatory requirements until July 2020. The recommendations made were duly analysed with a view to reducing future energy expenses. The audit will be repeated in 2020 when the Covid-19 lockdown restrictions have been lifted.

5.1.2. OUTCOMES IN TERMS OF SUSTAINABLE USE OF RESOURCES

- **Water consumption and water supply based on local constraints**

Group companies only occupy premises for office or warehouse use.

The Group's water consumption is therefore limited to the usual consumption for these types of premises.

<u>Water (m³)</u>	<u>31/03/2020</u>	<u>31/03/2019</u>
Head office	554	119
Logistics	945	1 280
Subsidiaries	376	430
TOTAL	1,875	1,829

Water comes directly from the local water supply networks and the Group thus automatically complies with the water regulations applicable in its various countries of operation.

The Group raises employee awareness about saving water.

The sharp increase in Logistics consumption in 2018/19 was due to the need to refill the Lauwin-Planque fire water pond after the 2018 heatwave and to the extension of the cooling down period for sprinkler motors under the fire prevention plan.

- **Energy consumption, measures taken to improve energy efficiency and use of sustainable energy**

Group companies only occupy premises for office or warehouse use.

The Group's energy consumption is therefore limited to the usual consumption for these types of premises.

Bigben Connected occupies a building classified as "low consumption" and Lauwin-Planque occupies a 29,000 m² warehouse with enhanced insulation comparable to RT 2012 standards, thus reducing expenditure on gas heating. In 2019/20, the Lauwin-Planque heating system was completely overhauled to provide better working conditions for employees. A highly efficient boiler was installed, which should generate a better energy yield in the future.

<u>Electricity (kWh)</u>	31/03/2020	31/03/2019
Head office	425,532	274,522
Logistics	918,715	940,428
Subsidiaries	517,708	236,897
TOTAL	1,861,955	1,451,847

<u>Gas (en m³)</u>		
Head office		
Logistics	26,254	79,069
Subsidiaries		
TOTAL	26,254	79,069

The rise in electricity costs is due to the new development studios acquired by the NACON sub-group. The Lesquin head office has not used gas since 2017.

5.2. RESOURCE AND WASTE MANAGEMENT

5.2.1. POLICIES PURSUED

- **Employee training and information on waste management**

The Group raises employee awareness about environmental impacts by communicating about issues such as printing, waste sorting (batteries, plastic, electronic equipment, etc.), lighting, and the need to reduce water, electricity and paper consumption.

Employee awareness and training is organised locally by each subsidiary.

Initiatives taken by Bigben Interactive SA at its Lesquin head office include:

- In February 2018, a partnership with service provider Elise for selective sorting waste bins. This was accompanied by a communications and awareness campaign among Bigben Interactive SA's employees;
- In summer 2018, installation of a new HVAC system, reducing heating and air-conditioning expenditure in the offices;
- In March 2019, installation of air-conditioning in the common parts with a cold/warm air optimization system to prevent energy loss due to the glass walls and to regulate the temperature of the courtyard, corridors and entrance hall. This not only provides greater comfort for employees but also reduces heating and air-conditioning consumption in the offices.

Initiatives taken by Bigben Connected SAS include:

- In June 2018 at the Paris premises, introduction of selective waste sorting with the company Les Joyeux Recycleurs. This is explained in more detail below. The Chief Executive Officer of Bigben Connected SAS himself regularly reports on recycling statistics to all employees, congratulating them and encouraging them to continue their efforts.
- In the past few years, Bigben Connected SAS has created a genuine corporate culture based on social and environmental responsibility, first by creating a CSR project team responsible for suggesting ways to raise CSR awareness of all employees, then circulating a social policy and an environmental policy on the intranet accessible to all employees.

- **Pollution prevention measures**

- **Measures to prevent, reduce or remedy environmentally serious air, water or soil pollution**

As the Group has no production sites, it is not concerned by environmentally serious air, water and soil pollution and has not implemented any specific measures.

The Group:

- produces very little hazardous waste as defined in the applicable legislation;

Bigben Interactive SA:

- collects and recycles printer cartridges through Conibi;
- collects and recycles batteries through Screlec when it does not donate them to associations. In December 2018, the company donated 120 kg of batteries to a local primary school as part of the "Piles Solidaires" campaign.

Bigben Connected:

- collects and recycles printer cartridges through Xerox's dedicated Ecobox service;
- uses ecological printer models, such as Xerox ColorQube 9302;
- is not concerned by accidental spillages given the nature of its business;
- only consumes water on a domestic basis.

- **Noise and other forms of pollution specific to a business activity**

There is no noise pollution specific to the Group's business activity.

Its subsidiaries generate very little noise as they are mainly based in logistics or tertiary zones and only operate during the daytime. However, trucks arrive at and leave the Lauwin-Planque logistics centre on a daily basis, but this does not cause any nuisance to neighbours as it is located in a logistics zone.

- **Ground use**

No specific measures have been taken by the Company, apart from the usual measures for the Lauwin-Planque logistics centre which is an environmentally classified facility, as was previously the case for its former logistics centre in Libercourt, operational until autumn 2011.

- **Resources devoted to preventing environmental risks and pollution**

As the Group does not have any manufacturing facilities, it is not concerned by environmental risks and pollution related to industrial activities and has not devoted any specific resources to this matter. However, it has taken all measures necessary to prevent accidental pollution risks at its Lauwin-Planque logistics centre and has a specific insurance policy.

The Group remains attentive to regulatory developments in its countries of operation.

- **Amount of provisions and guarantees for environmental risks**

No provisions have been set aside or guarantees given for environmental risks.

- **Implementing a circular economy**
 - **Waste prevention and management**
 - ✓ **Measures to prevent, recycle, reuse, upcycle and eliminate waste**

The Group works continuously to optimise the form and size of its product packaging to limit packaging waste and endeavours to recover and reuse cardboard boxes as far as possible.

The Lauwin-Planque warehouse sorts its products and separates the reusable or recyclable metal and plastic parts of its products and any reusable or recyclable packaging from the non-recyclable parts that will be destroyed.

As regards recycling, the French subsidiaries outsource the collection, processing and recycling of:

- packaging waste to Eco-Systèmes for packaging of products sold on the French market;
- waste electrical and electronic equipment (WEEE) to Eco-Systèmes and Envie 2E for Bigben Interactive SA and Eco-Logic for Bigben Connected, for products sold on the French market;
- paper, cardboard, plastic waste and used batteries generated by the business to various service providers for recycling.

As mentioned above:

- In February 2018, Bigben Interactive SA forged a partnership with service provider Elise for selective sorting waste bins at its Lesquin premises. Paper, plastic bottles, plastic cups, ink cartridges, aluminium cans and small WEEE are sorted. In 2019/20, a total of 2,887 kg of cardboard, 244 kg of plastic and 57 kg of various metals were recycled.
- In June 2018 Bigben Connected SAS introduced selective waste sorting with the company Les Joyeux Recycleurs. Recycling boxes (paper, plastic cups, coffee capsules, aluminium cans and plastic bottles) were installed in its premises. Les Joyeux Recycleurs:
 - empties the boxes every two weeks;
 - certifies that the waste has been properly recycled and posts a monthly report on quantities collected near the boxes;
 - pays 5 euro cents to the inclusion association Ares Atelier for every kilo collected.

Ultimately, 626 kg of various waste was recycled in 2019 (versus 264 kg in 2018), which is the equivalent of five trees saved, 438 coat hangers, 81 fleeces, 11 scooters or 1,492 aluminium cans. The subsidiary's target is to exceed 700 kg in 2020.

Waste management is a core issue for Bigben Connected. This is reflected in its recent launch of the Justgreen® range of fully recyclable mobile accessories and its commitment to The SeaCleaners association which works to reduce sea pollution.

Furthermore, Bigben Connected continued its recycling efforts in 2019/20, as by September 2020 all of its own brands will have eco-design packaging showing the following indicators:

- Zero plastic
- 20% less mass
- 100% recyclable

These initiatives not only demonstrate the Group's objective of recycling as much of its waste as possible to minimise its environmental footprint, but should also help to create local jobs in waste recycling, in particular for people on disability employment and inclusion programmes.

In addition, the French subsidiaries continuously raise employee awareness about reducing their office paper consumption by encouraging double-sided printing (printer default setting).

At Bigben Connected:

- The gradual introduction of paperless customer and supplier invoices began in 2016, as well as order taking via EDI, which customers are encouraged to use. In early 2017, customer invoices began to be sent by pdf, reducing the volume of paper and printing from 90% to 65% and thus reducing the company's carbon footprint.

- As regards unsaleable products (smartphone accessories), scrapping of product inventories in the distribution platforms is the direct responsibility of each site. It is organised by the suppliers or by the sites' warehouse managers. The products are destroyed (by grinding and compacting) under the control of official organisations and sent to external companies for burning, burying or recycling.

At Nacon SA:

- Recycling projects initiated by employees (e.g. recovering plastic capsules or paper for donation to charity) have been actively supported by the company in the past. In 2018, for example, 120 kg of batteries were donated to a school in Carvin as part of the "Piles Solidaires" charity campaign.

Most of the international subsidiaries and development studios claim to recycle or selectively sort their used paper, paper cups, batteries and spent ink cartridges. Aware of the ecological impact of their waste consumption, they take advantage of local or national waste recycling programmes either through selective sorting in their premises or in collection areas or by calling on specialised service providers:

- In Germany, the company complies with German rules on processing household and office waste with selective sorting organised by waste type (paper, plastic and residual waste). Furthermore, the company has appointed a specialised firm to process all packaging waste generated by the distribution of its products to retailers and it complies with the "VerpackV" packaging regulations. It has also implemented EDI processes to reduce its paper consumption.
- In Belgium, the company takes measures to limit its packaging waste. The closure of its warehouse during the year has reduced packaging generated by inflows of goods. In terms of recycling, the company is also a member of Valipac (secondary and tertiary packaging management), Fost-Plus (primary packaging management), Bebat (battery recycling) and Recupel (waste electrical and electronic equipment management).
- In Spain, the company has outsourced the collection, processing and recycling of electrical and electronic waste to Reinicia for products marketed in Spain. It also encourages the use of digital documents to reduce paper consumption.
- In Italy, the company recycles packaging received, paper, batteries, cardboard and plastic in line with the municipal regulations and has implemented best practices in double-sided printing. In 2016/17, it also began to reduce paper consumption by digitalising documents. Since 2017, the subsidiary has been a member of CONAI (consortium for recovering and recycling packaging) and the ECOEM consortium for waste electrical and electronic equipment management.

- o **Combating food waste**

Due to the nature of its business, the Group is not concerned by food waste issues. It does not have any company restaurants. However, most of its premises provide refectories or rest rooms where staff can eat. Food consumption is therefore limited to the individual needs of each employee or company guest. Nor is the Group concerned with combating food insecurity or respect for animal well-being and responsible, fair and sustainable food.

- o **Biodiversity protection**

All of Bigben's premises are based in urban areas and none are close to any rich biodiversity areas.

5.2.2. OUTCOMES

- **Consumption of commodities and measures taken to improve their effective use**

The increase in paper and cardboard consumption is due partly to an increase in the Group's packaging activity at the Lauwin-Planque centre.

	<u>Paper and cardboard (kg)</u>	31/03/2020	31/03/2019
Consumption	Head office	1,524	1,500
	Logistics	169,231	130,832
	Subsidiaries	3,752	3,015
	TOTAL	174,507	135,347

In France and Germany, the company has a service contract for recycling suppliers' and distributors' packaging. The Lauwin-Planque warehouse works with Dhesdin, Veolia and Deroo. Most of the subsidiaries have implemented selective sorting of paper, plastic and other waste. The Italian subsidiary follows the municipal waste sorting programme.

	<u>Paper and cardboard (kg)</u>	31/03/2020	31/03/2019
Recycling	Head office	2,887	3,518
	Logistics	181,600	226,880
	Subsidiaries	2,793	2,760
	TOTAL	187,280	233,158

5.3. ENVIRONMENTAL IMPACTS – HIGH GREENHOUSE GAS EMISSIONS

5.3.1. POLICIES PURSUED

Bigben is not directly affected by the impacts of climate change due to its geographical location. Its head office and logistics warehouses are based in the north of France. The Group's other premises are offices based in Europe, Canada and Hong Kong. Consequently the risks related to climate change impacts are limited.

As Bigben is a wholesaler, the main sources of emissions are employee travel and events organised by the Group, as well as waste and energy consumption.

Greenhouse gas emissions generated by the energy consumption of buildings have been calculated and are presented below.

- **Business travel policy**

Due to the nature of its business, Group employees take part in many trade fairs in France and across the world. The Group's travel policy is to use only the train in France and direct flights for international travel. It also encourages the use of audio and video conferencing (e.g. Skype, Teams, etc.) to replace certain trips to subsidiaries.

The French subsidiaries, together with their fleet rental partners, take measures to reduce the carbon content of their vehicle fleet. Their policy is to limit the environmental impacts of their vehicle fleet by using less polluting models. For example, the French subsidiaries, Bigben Interactive, Bigben Connected and NACON, have 17 hybrid models in their fleet of 52 vehicles, representing 33% in 2019/20.

- Bigben Connected has eight hybrid vehicles out of a total 28;
- Bigben Interactive has three out of a total 8;
- NACON has six out of a total 16.

Some international subsidiaries have also taken similar initiatives:

- Bigben Benelux has set limits for CO₂ emissions in its car policy;
- Bigben Italy and Bigben GmbH have fleets of Euro 4, 5 and 6 classified cars.

- **Goods transport management**

The Group's objective in transport management is to ensure that products are delivered to all customers worldwide as promptly as possible while reducing the environmental impacts of its transport activities at the fairest possible cost.

Its manufacturing sub-contractors are based in Asia, which therefore requires sea or air freight between China and mainly Europe and the United States.

The Group has chosen to outsource its transportation needs while maintaining strong in-house expertise in service provider management. Lastly, the selected transport companies themselves largely determine the amount of greenhouse gas emissions through the equipment they use (age of fleet, eco-driving training, vehicle speed limiters, tyre technology, ability to measure emissions, etc.).

The main ways to reduce emissions from the transport activity is to limit the use of air freight in the event of stock-outs. The supply departments at the Lauwin-Planque logistics warehouse are required to monitor needs daily in order to maximise shipping loads.

The Group also monitors actions taken by its partners and works with operators that place a strong focus on reducing CO₂ emissions.

This is also the case for subsidiaries that use local logistics providers in order to serve certain customers that have specific requirements. For example, Germany uses the transport company DPD, which certifies "Zero emissions" when distributing its parcels.

5.3.2. OUTCOMES

<u>CO₂ emissions (kg CO₂e)</u>	31/03/2020	31/03/2019
Emissions related to electricity (<u>kg CO₂e</u>)	169,778	155,154
Emissions related to gas (<u>kg CO₂e</u>)	57,759	173,952
TOTAL	227,536	329,106

6. SOCIAL RISKS, POLICIES PURSUED AND OUTCOMES

The Group has taken measures to mitigate the social risk referred to in Section 3.

In a voluntary approach, the Group has also documented other social measures it has taken in terms of both regional inclusion and consumer safety.

6.1. MANAGEMENT OF SUPPLIERS AND SERVICE PROVIDERS

6.1.1. POLICIES PURSUED

- **Purchasing policy and consideration of CSR aspects in negotiations with suppliers and sub-contractors**

Purchasing policies are centralised, taking into account both operational issues and purchasing volumes. There is not, as yet, any formal purchasing policy at Group level as regards environmental, employee-related or social issues.

However, each company endeavours to consider social and environmental issues in its own purchasing policy. The corporate social responsibility approach of suppliers and sub-contractors is thus one of the criteria taken into consideration during contract negotiations.

Selection of sub-contractors excluding transport

The Group uses sub-contractors for its product manufacturing needs. It also uses sub-contractors for studies, promotional and marketing services.

Sub-contractors are required to comply with all laws and regulations regarding the environment and social responsibility and are encouraged not to use environmentally hazardous materials or substances. In addition, they are also required to provide evidence of their compliance with safety and quality assurance regulations.

In Asia, Bigben Hong Kong and NACON Hong Kong performs audits of all its partner production plants to ensure that they comply with their social responsibility obligations. Since 1 April 2017, a social audit has been added to the quality audit, using a social audit form.

Lastly, waste collection and recycling is outsourced to "eco-organisations" such as Eco-Systèmes in France.

Selection of transport providers

The Group monitors actions taken by its transport partners and works with operators that place a strong focus on reducing CO₂ emissions and on their contribution to sustainable development and social responsibility.

- **Monitoring the UN Global Compact principles**

As indicated in Section 7, the Group adheres to and promotes the following ILO fundamental conventions:

- Freedom of association and collective bargaining
- Elimination of discrimination in respect of employment and occupation
- Abolition of forced labour
- Effective abolition of child labour

Furthermore, in October 2016, the Group became a member of the UN Global Compact, thus endorsing the ten principles regarding human rights, international labour standards, environmental protection and anti-corruption.

6.1.2. OUTCOMES

Selection of sub-contractors excluding transport

Most of the production plants that manufacture Bigben products are ISO 9001 certified (quality management system) while others are certified SA8000, a social accountability standard that promotes decent working conditions. In the absence of SA8000 certification, others are members of the Business Social Compliance Initiative (BSCI), which brings together companies committed to improving working conditions in their international supply chains. All of Bigben Connected's partner production plants are SA8000 certified or members of the BSCI, which seems to have become more popular than SA8000 since 2017/18.

Selection of transport providers

In 2019/20, the Group mainly worked with the following transport firms, all of which have an exemplary CSR policy:

Chronopost, its top transport partner, restructured its CSR commitments in 2015 around a new policy called *DrivingChange*, which is based on:

- A set of fundamental commitments: human rights, working standards (safety, disability, diversity, gender equality) and the environment (waste management, paper policy, ISO 14001 certification); and
- Four objectives related to its core business:
 - carbon neutral delivery at no extra cost to the consumer;
 - intelligent urban delivery;
 - support from innovative entrepreneurship;
 - reconciliation between the company and civil society.

In 2019, Chronopost obtained an EcoVadis score of 68/100 (Gold level since 2017) and is among the top 10% in its sector.

The Group's second transport partner, Sogétra (subsidiary of Bolloré Logistics) launched its Powering Sustainable Logistics programme in October 2018:

- Through this international programme, Bolloré Logistics contributes to the UN's Sustainable Development Goals.
- Its objective is to increase Bolloré Logistics' environmental and social value throughout the supply chain. As a local growth driver in over 100 countries, Bolloré Logistics endeavours to support its customers in their sustainable international growth and to underline its commitment to sustainable world trade.

The Group's third transport partner, 59 Express, a subsidiary of Geodis, was again recognised for its CSR achievements in 2018 by the world's main CSR rating agency, EcoVadis, which assesses the social and environmental performance of global supply chains. Geodis obtained gold level with an overall score of 70/100 for its CSR approach, putting it among the top 1% of the 30,000 companies in the road haulage category. Geodis intends to go even further in terms of CSR. In early 2018, it announced a global target of reducing its greenhouse gas emissions by 30% by 2030.

The Group's fourth transport company, Kühne & Nagel, places a strong focus on environmental issues. Its Net Zero Carbon plan aims to reduce CO₂ in its transport and logistics services worldwide. Apart from its own carbon neutrality, Kühne & Nagel provides its customers with solutions for calculating and reducing the carbon footprint of their logistics chain, using big data and predictive analysis as well as digital platforms that select the most CO₂ efficient routes and transport methods.

The Group's fifth transport partner, TNT International, is also a member of the UN Global Compact. It has developed an environmental programme that puts environmental and energy issues at the heart of its business approach, taking into consideration the expectations of its employees, customers, partners and suppliers. The programme is based on three pillars:

- innovative vehicles and buildings;
- employee engagement;
- an effective operational model (optimisation of its network, delivery routes and transport methods, anticipation of a shift in urban policies towards sustainable urban logistics).

6.2. REGIONAL INCLUSION

6.2.1. POLICIES PURSUED AND OUTCOMES

- **Employment and regional development**

The Group contributes to developing local employment, mainly through limited recourse to sub-contracting and therefore creating local jobs, and by choosing to locate its head office and its logistics warehouse in the Hauts de France region of northern France.

The Group also endeavours to support the local economy through the services it uses.

- Bigben Interactive, Bigben Connected and NACON SA use local suppliers for the following services:
 - marketing, printing, photography, venue bookings for photo shoots and model bookings;
 - services provided by approved inspection organisations: one of the inspection firms used for support in issuing European product conformity certificates and self-testing (following tests performed in Asia) is based in the Lille metropolitan area and more specifically in Lesquin (Iryos, formerly By Expert);
 - manufacture of essential oils for the Aromasound range (manufactured by a French company in the Loire department);
 - events and the supply of stands, furniture (e.g. Force Glass™ furniture) and advertising material, and running the SmartAddict mobile trends blog;
 - sourcing of various products (anti-bacterial sprays, etc.);
 - supplies and computer equipment from local Paris supplier, La Maison de la Micro;
 - server hosting services purchased by Roubaix-based company OVH, which is also recognised for its eco-responsible and ecological commitment;

- all other services provided as part of a competitive quality/price relationship.
- Bigben Interactive SA also generally gives priority to French service providers for rapid prototyping services.

The Group has taken a proactive approach to youth employment and inclusion in the past few years.

- A policy of encouraging apprenticeship, work/study and internship contracts has been developed by the French subsidiaries for the past few years. At end-March 2020:
 - Bigben Connected had five work/study employees, one apprentice and one intern, making a total of 7 young people in training. It also took in many interns on job shadowing experience. The interns and work/study employees mainly come from local schools.
 - Bigben Interactive has one work/study employee and also took in many interns on job shadowing experience.
 - During the year, NACON received four middle school pupils on job shadowing experience and three interns for a period of more than one month. At present, it has two interns and one apprentice. The interns and work/study employees come from local schools such as Efficom, ISEN, e-artsup, Gaston Berger, etc.
 - The studios took on many interns during the year to train them in the video games development business (there were still 20 of them at end-March 2020) and some internships have resulted in a fixed-term or permanent contract.

In addition, the French subsidiaries renewed their commitment in 2019/20 to several actions specifically aimed at students and young graduates, such as:

- Bigben Connected
 - There are many partnerships between the Paris teams and various schools:
 - The head of Customer Accounts has a close relationship with the Privé Passy Saint Honoré Paris XV high school and she has also been the examiner for the oral exam on customer and supplier relationship management for the SME Management Assistant vocational diploma.
- Bigben Interactive SA

Gaming:

- There are many partnerships between the Gaming Publishing teams at the Lesquin head office and Rubika (SupInfoGame and ISD), a school belonging to the Valenciennes Chamber of Commerce:
 - The Publishing division's head of Marketing gave lectures in marketing and business to 5th year students on the Masters 2 programme at SupInfoGame 2017/18. This experience will be repeated in the future. One of more members of the Publishing division were also end-of-year jury members or speakers.
 - Many design and development projects have been run with ISD students in the past 10 years (e.g. development of accessories for the PS Vita, simulator projects, "made for iPhone controllers" project, etc.).
 - The Lesquin head office has recruited many ISD students to the Publishing and Accessory Design departments in past years, and have taken on others as interns.
- The Accessories Design department also works regularly with EDNA (Nantes Atlantique School of Design) and recruited one of its students in January 2018.
- NACON SA partners the AMOS sports management school, which includes an eSport training module and which inaugurated its new buildings in Lille on 20 March 2018. An employee from the Gaming Publishing team also gives lectures in sports marketing to Masters 1 and 2 students.
- Partnerships are also being forged with:
 - ENJMIN Angoulême (national school of gaming and interactive media): the head of Production will be the end-of-year examiner;
 - ECV Bordeaux: participation in the 2020 Video Games jury;
 - Pole III D, where a member of the Publishing team was also the examiner in 2018/19;

- ILEM, in partnership with the Cyanide and Big Bad Wolf studios;
- participation of two people from the Publishing Paris division in the ISART event.
- The studios acquired in 2018 have also committed to partnerships with various schools:
 - Eko Software's creative director lectures at ISART Digital, an international school for Video Games and 3D-FX Animation based in Paris, Montreal and Tokyo;
 - Cyanide and Big Bad Wolf employees are involved with various schools, such as the ILEM.

Marketing:

- There are many partnerships between the DTP department and various schools:
 - With Esupcom school of communications in Lille
 - In the past, the head of DTP has been involved with the school as member of the jury that assesses the end-of-course projects presented by Masters students;
 - Working groups have been proposed regularly to students in the past to get them involved in concrete topics. The topics covered in 2017 were:
 - Discovery report on the NACON® and Thomson® brands
 - Launch study for the new Revolution Pro Controller under a PlayStation® 4 licence from Sony
 - Design of new motifs for Audio speakers
 - With ISCOM, Aston Lille and IAE:
 - Recruiting students on apprenticeship or work/study contracts
 - With MJM Graphic Design
 - In the past, participation in speed recruitment
 - NACON SA partners Paris Gaming School, a training school for jobs in e-Sport based in Paris. In 2017/18, this partnership gave the company an insight into the expectations of professional gamers and an opportunity to test its prototypes while equipping students with NACON equipment.

In general:

- In the past, a member of the Publishing team has been the examiner for the IESEG business school first year entrance exams.
- Lastly, in the past, the company has worked frequently with engineering schools, and notably the ISEN, on development projects.

In Italy, the subsidiary works regularly with several institutions (vocational training centres (Ial and Promos), Eurolavoro, high school) to encourage work experience for students. Two students from these schools were hired in 2016/17 and the company took on five girls on the school/work experience programme (ASL) in 2019/20.

These partnerships illustrate the Group's aim of attracting and hiring talented young people and making them aware from the outset of the issues and responsibilities inherent in our subsidiaries' business activities and the reality of jobs in this sector.

Furthermore, the French companies used to allocate the apprenticeship tax to regional educational institutions (ISEN in Lille) and intends to resume this practice in 2020 following the recent reform on training and work/study, which had eliminated the apprenticeship tax in 2019. They also work with several local support through work organisations, Bigben Interactive with ESAT APEI in Dainville (Pas-de-Calais) for packaging operations and Bigben Connected with ESAT AFLPH for office supplies.

- **Neighbouring and local populations**

Due to its nature as a distribution company, Bigben does not have direct impacts on neighbouring and local populations.

- **Dialogue with stakeholders (community, associations, social institutions)**

The Group does not have a specific policy although initiatives taken in 2018/19 reflect its commitment in this respect. Partnership actions, whether with local schools, associations or government agencies, all aim to invest in teaching skills related to new technologies and the world of gaming, audio and telephony.

The Publishing division in particular is involved in many partnerships:

At national level:

- Through its group contribution, which includes the recently acquired development studio and the head office Publishing team, NACON is also a member of the trade union for the video games industry, SELL. The head of Production for the KT Racing studio (Kylotonn) is also a representative on SELL's Board of Administration. The Group may therefore represent the video games industry from time to time, in particular during conferences, to explain how video games are designed, developed and published.
- From 2015 to 2017, the head of Publishing was a member of the Commission du Centre National du Cinéma et de l'Image Animée (CNC), attached to the Ministries of Culture and Industry, which manage the video games support fund.
- He is also a member of the SNJV trade union (Syndicat National du Jeu Vidéo) and was a director until just a few years ago.

At regional level (Hauts de France region):

- The head of Publishing holds a number of offices in various associations:
 - He was the founder chairman of the association Game Industry North (GAME IN) for four years and remains an active member of the association. It now has a membership of some thirty regional companies involved in the video games industry and organises many conferences on a broad array of topics.
 - As part of GAME IN, he was also a founder in 2013 of the specialised "Play in Lab" playtesting unit at the Plaine Images hub for creative industries in Tourcoing. This cooperative, of which Bigben is a member, offers playtesting services to all operators in the video games industry, including product assessment by a panel of consumers representative of the target market.
 - In association with the head of development of Plaine Images in Tourcoing and as part of a mentoring scheme, Bigben currently receives delegations of start-ups giving them the opportunity to present their products and create a business network. Thus, thanks to Bigben's involvement, a stream of business has been generated between the 3D Duo and Kylotonn development studios.
 - In 2018, the head of Publishing also became Vice-President of the Hauts de France French tech responsible for international and export assignments and, in this role, set up a mentoring scheme for Plaine Images business start-ups in Tourcoing.
 - For several years, he was also a member of the panel that allocates grants from the Experience Interactives support fund run by Pictanovo, the regional agency in charge of the audiovisual industry (television, cinema, animation, video games) based in Tourcoing. He has temporarily stepped down under rotation rules.
 - On behalf of EuraTechnologies (centre of business excellence for information and communication technology in the Lille metropolitan area), he was heavily involved in launching French Techs in 2014 by obtaining funds from the Ministry of Culture.
 - Furthermore, the head of Bigben Interactive SA's Publishing division forged a partnership with Game Lover in 2017 and has been actively involved in the partnership since then. Game Lover, which is part of the Papillons Blancs association based in the Hauts de France region of northern France, brings together some ten people with disabilities who publish a news blog about video games.
- The Group Treasurer is a member of the local section of the French Institute of Corporate Treasurers, the head of Human Resources is a member of the Human Resources Directors' Club in the Lille metropolitan area, and the Group Chief Financial Officer is a member of several CFO associations in the Hauts de France region.

The international subsidiaries have also invested in their local communities:

- Bigben Benelux is a member of Union Belge des Annonceurs (UBA);
- Bigben Italia is part of the Italian Interactive Digital Entertainment Association (IDEA, formerly AESVI), which represents the national video games industry.

- **Sponsorship and patronage**

Most of the patronage initiatives taken by the subsidiaries are decentralised. They are mainly aimed at improving the well-being of disadvantaged populations or local communities:

- In support of a worthy cause, the French companies Bigben Connected and Bigben Interactive donated products to, respectively, L'Abeille de Compagnie and the Compagnons de l'Espoir (Emmaüs). Nacon has also made a donation to the Goodplanet Foundation, which works to promote sustainable development and environmental awareness;
- Bigben Interactive and Bigben Connected also support local sports organisations. In March 2019, Bigben Connected partnered the 2019 Rallye des Gazelles, sponsoring a car bearing its Force Power® logo;
- In Germany, products have been donated in the past to local football associations that organise tournaments;
- In Benelux, products have been donated to parent-teacher associations or local sports associations;
- In Italy, products have been donated to sports associations in the past.

6.3. CONSUMER HEALTH AND SAFETY

To guarantee the safety of its products, Bigben uses manufacturing sub-contractors with very high organisational standards and processes. The Group has in-house teams devoted to monitoring and implementing standards, regulations and internal rules.

Safety is taken into consideration right from the product design stage. A product must meet the national safety standards of the relevant market as well as international standards. Consequently, products often exceed the local safety requirements.

Before being marketed, all products must undergo comprehensive safety testing to assess potential risks, including physical, chemical and flammability tests. All products comply with European Union requirements as well as all legal and regulatory provisions, and are inspected by independent testing organisations.

Bigben complies strictly with the standards in force covering the electrical safety and use of its products, including the European RoHS directive (Restriction of Hazardous Substances), WEEE directive (Waste Electrical and Electronic Equipment) and REACH regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals) for the relevant products.

As regards its Gaming business, the Group is committed to the health and safety of its consumers through trade associations for the video games industry such as SELL in France.

The software teams work closely with rating and consumer protection agencies, the main ones being:

- PEGI (Pan European Game Information) for Europe;
- ESRB (Entertainment Software Rating Board) for the United States;
- OFLC (Office of Film and Literature Classification) or COB for Australia;
- USK (Unterhaltungssoftware Selbstkontrolle – entertainment software self-regulation body) for Germany;
- CERO (Computer Entertainment Rating Organization) for Japan.

These agencies inform consumers about the nature of the products and the recommended age for use by assigning ratings that guarantee clear labelling of video games based on their content and recommended age group.

Each agency is independent and works differently.

Furthermore, in France products carry a warning about the risk of epilepsy in accordance with the decree of 23 April 1996.

Some first party suppliers also ask for information about similar risks to be carried on their packaging or in notices included with the products. This is the case for Sony, Microsoft and Nintendo.

7. ACTION IN FAVOUR OF HUMAN RIGHTS

Bigben Connected SAS has worked hard on this issue:

- In October 2016, as a Group company, it became a member of the UN Global Compact, thus endorsing the ten principles regarding human rights, international labour standards, environmental protection and anti-corruption. It has expressed this engagement to stakeholders through its 'Responsible Purchasing Policy'. Its membership was renewed in 2019.
- In November 2018, Bigben Connected SAS obtained an EcoVadis score of 58/100 and a silver medal.

The EcoVadis score is made up of four weighted assessments in the following areas:

- Environment
- Social and human rights
- Ethics
- Responsible purchasing

See EcoVadis.com for more information.

- **Promotion of and compliance with the ILO's fundamental conventions**

The Group complies with the conventions on:

- ✓ **Freedom of association and collective bargaining**

The Group respects the freedom of association and collective bargaining (see section 4.3).

- ✓ **Elimination of discrimination in respect of employment and occupation**

The Group employs talented people from a wide variety of backgrounds (see section 4.6.3) and thus endeavours to combat all forms of discrimination by recruiting a diverse range of profiles.

- ✓ **Abolition of forced labour**

The Group complies with the conventions of the International Labour Organisation and, in particular, undertakes not to use forced labour. It also ensures that its sub-contractors in South East Asia comply with these obligations.

- ✓ **Effective abolition of child labour**

The Group complies with the United Nations conventions on children's rights and, in particular, undertakes not to use child labour. It also ensures that its sub-contractors in South East Asia comply with these obligations. The Group therefore complies fully with the provisions of HK Labour Law and Employment of Children Regulations.

In addition to the social audits performed by Bigben Hong Kong (see section 6.2.2), the Group's quality inspectors, who visit the manufacturing plants on a daily basis, must immediately report to the head of Bigben Hong Kong's and NACON Hong Kong's quality department if they suspect that children are

working in one of the factories. The Group is extremely attentive to this issue and did not have any cases of forced child labour in the past year.

- **Choice of partners**

As described earlier, various actions taken by the Group with its sub-contractors and partners (e.g. social audits of Asian production plants since 1 April 2017 in addition to quality audits, using a social audit form) ensure that they take social responsibility issues into consideration.

To date, apart from the social actions described above, the Group has not committed to any other action in favour of human rights.

8. ANTI-CORRUPTION AND TAX EVASION

8.1. ACTION TAKEN TO PREVENT CORRUPTION AND OUTCOMES

Bigben reminds its employees about their duty of loyalty in their employment contracts and stresses the importance of this principle when new employees are hired.

The anti-corruption procedures put in place by the Group take several forms:

- In 2016, the Group circulated an anti-fraud procedure to all its subsidiaries and trained them in methods of preventing external fraud. An updated procedure was sent to the subsidiaries (including Bigben Connected and NACON SA) in February 2017, March 2018, March 2019 and March 2020. The subsidiaries then inform their own employees.
- The parent company also requires its subsidiaries to follow an expenditure commitment procedure that defines the principles for authorisation and signing off expenditure based on thresholds.
- The Group Treasurer is also able to check the subsidiaries' daily bank positions.
- Bigben considers that security of payments and strict control of product inventories help to prevent internal corruption attempts.

Some subsidiaries have also stepped up their anti-corruption measures since 2016/17:

- In Germany, Italy and Spain, the duty of loyalty is spelled out in employment contracts.
- Bigben Belgium also requires dual signature for payments. Its logistics flows are automated and supplies are obtained from the Group's logistics centre on a just-in-time basis.

Sub-contractors:

- New major sub-contractors are appointed via a competitive bidding process requiring several levels of approval or by obtaining quotes from at least three different suppliers.
- The Asian subsidiaries ask their suppliers (and manufacturing sub-contractors) to sign a "Gifts and Gratuities" form stipulating that Bigben will not accept gifts or gratuities of any kind.

Now that the Bigben Group has more than 500 employees since the acquisition of Kylotonn in October 2018, it is subject to the anti-corruption provisions of the French Sapin II law. Since 2019, the Bigben Group has been implementing a far-reaching programme to ensure that it complies with all applicable laws and regulations as quickly as possible. This programme was originally scheduled for Autumn 2019 and, although well advanced, was postponed to 2020 as a result of the IPO of its subsidiary NACON SA and then the lockdown measures related to the Covid-19 health crisis. In accordance with the eight measures recommended by the French anti-corruption agency (AFA), the following measures have already been decided and are awaiting implementation within the time frame imposed by French regulations:

- Anti-corruption risk mapping;
- Adoption of an anti-corruption conduct code to be included in the internal regulations;
- Implementation of whistleblowing arrangements;
- Implementation of procedures to assess partners;

- Implementation of accounting control procedures and anti-corruption control and internal evaluation arrangements;
- Introduction of anti-corruption training modules based on clear and easy to understand slides for all relevant employees in all the Group's subsidiaries.

8.2. ACTION TAKEN TO PREVENT TAX EVASION AND OUTCOMES

Tax evasion has not been identified by the Bigben Group as a material risk.

All of its subsidiaries comply with the tax regulations in their respective countries.

As regards transfer pricing, the Group complies with the OECD's BEPS principles and has a full set of files (master file and local files) documenting the arm's length nature of its intra-group transactions and their fiscal compliance.

9. APPENDIX - EMPLOYEE-RELATED, ENVIRONMENTAL AND SOCIAL REPORTING METHODOLOGY

Bigben Interactive's CSR reporting approach is based on Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

9.1. REPORTING PERIOD AND TIMETABLE

The information collected covers the period from 1 April of year N-1 to 31 March of year N, except for information relating to training and annual appraisals, which covers the period from 1 January to 31 December of year N-1. Information is reported annually except for compensation and social security data, which is reported monthly.

The CSR reporting timetable is as follows:

Period	Activity
Beginning March N	Instructions sent to contributing entities one month before the annual close (Excel reporting file, explanations, instructions, etc.)
During April N	Reporting of qualitative and quantitative information
End April N	Consolidation of data and drafting of CSR report
End May N	Board of Directors' meeting to approve results

9.2. SCOPE

The CSR reporting scope aims to be representative of the Group's business activities. It is based on the following rules:

- Only those companies that are fully consolidated in the financial statements are included in the CSR reporting scope (therefore companies accounted for by the equity method are not included);
- Subsidiaries acquired or created during year N-1/N are included in the reporting for year N/N+1 in order to adopt a progressive approach.

However, due to the material impact on the Group's headcount of development studio acquisitions and new companies created in 2019/20, and for the sake of clarity as regards the Non-Financial Statement, the Group has departed from this rule for 2019/20 and has included the relevant companies in the section on employee-related indicators based on the approximate length of time that the relevant company has belonged to the Group, i.e.:

- 7 months for Spiders SAS (from 1 September 2019 to 31 March 2020);
- 8 months for RaceWard (from 1 August 2019 to 31 March 2020);
- 2 months for NACON USA.

As a reminder, as regards the comparative figures, in 2018/19, the newly acquired studios were also included based on the approximate length of time they had belonged to the Group, i.e.:

- 9 months for Cyanide SA (from 1 July 2018 to 31 March 2019);
- 6 months for Kylotonn SAS and Eko Software SAS (from 1 October 2018 to 31 March 2019).

These studios were then fully included in the 2019/20 figures for all indicators.

- Subsidiaries sold or closed down during N-1/N are excluded from the reporting scope for year N-1/N. Not applicable in 2019/20.

The scope of reporting from year N-1/N will be updated on 31 March of year N-1/N by the Group's management.

The same principles were used for the NACON Group, which arose from the spin-off of the Bigben Group's Gaming business on 31 October 2019 with retroactive accounting and fiscal effect as of 1 October 2019. However, for the sake of clarity as regards the NACON Group's Non-Financial Statement, certain measures have been taken to show the Group from a CSR perspective as if it had existed for the past two years, i.e.:

- For companies that were transferred to the NACON Group in their entirety at the time of the spin-off (Bigben Italia, Bigben GmbH, Bigben Belgium, Games.fr, development studies):
 - All annual figures and statistics at 31 March 2020 have been included in the NACON Group's CSR reporting.
- For the three companies that were split at the time of the spin-off (Bigben Interactive SA, Bigben Interactive HK Ltd and Bigben Interactive España):
 - Comparative 2018/19 data are also split between Bigben and NACON;
 - Annual amounts (training, compensation, etc.) for 2019/20 are allocated in full to the destination Group company (Bigben or NACON).

Specific restrictions on the reporting scope for some indicators are described in section 9.6. "Definition of indicators and methodology limitations".

9.3. CHOICE OF INDICATORS

The indicators used were selected on the basis of:

- the employee-related, environmental and social impacts of the Group's business activities;
- risks associated with the business activities;
- operational implementation of the Group's CSR performance monitoring based on a selection of unifying indicators.

9.4. ROLES AND RESPONSIBILITIES

The information is collected centrally or from each entity included in the CSR reporting scope from sources such as the payroll management system, Excel monitoring files, invoices, etc.

The quantitative information reported by the subsidiaries is collected by the CFOs of the subsidiaries based on an Excel reporting file drawn up by Bigben Interactive's and NACON's management. Within the subsidiaries, the CFOs collect the information from the staff responsible for the relevant area.

The qualitative information is collected centrally by Bigben Interactive's management.

Information is checked and validated by Group management.

9.5. EXTERNAL AUDIT

In accordance with the regulatory requirements set out in Article 225 of the Grenelle 2 law and its implementing decree of 24 April 2012, since 2013/14 Bigben Interactive has asked one of its statutory auditors to prepare a report certifying that the relevant information has been disclosed in the management report and expressing an opinion on the fairness of the disclosures.

9.6. SCOPE LIMITATIONS AND METHODOLOGY CLARIFICATIONS

9.6.1. SCOPE LIMITATIONS

Disclosure	Scope
Environmental indicators	
Paper and cardboard consumption and waste recycling	Paper and cardboard waste recycling is limited to the scope of the Lauwin-Planque warehouse (the Group's only real warehouse, as the other subsidiaries only have office premises) and to a few Group subsidiaries (BBI Germany and BBI Hong Kong) that habitually recycle their cardboard and paper waste.
All environmental indicators	Companies accounted for by the equity method (BBI USA) are excluded from the scope of reporting. BBI USA is a joint venture that has no employees and is 50% owned by NACON SA.

Disclosure	Scope
Employee-related indicators	
All employee-related indicators	Companies accounted for by the equity method (BBI USA) are excluded from the scope of reporting. BBI USA is a joint venture that has no employees and is 50% owned by NACON SA.

9.6.2. METHODOLOGY CLARIFICATION

- Employee-related data:

Disclosure	Description
End-of-period headcount and breakdown by: <ul style="list-style-type: none"> - Gender - Age - Geographical area 	<p>Number of employees on the payroll at 31 March of year N on permanent and fixed-term contracts.</p> <p>Includes employees on parental leave, maternity leave and long-term sick leave, and employees on apprenticeship and work/study contracts.</p> <p>Excludes executive corporate officers, interns, employees on early retirement schemes and employees on sabbatical leave.</p> <p>The age brackets defined are: 25 and under, 26-35, 36-45, 46-55, 56 and over.</p> <p>The geographical areas defined are: France, Rest of Europe, Asia, Other.</p>
External joiners	Number of employees hired on permanent or fixed-term contracts from 1 April of year N-1 to 31 March of year N. Fixed-term contract renewals and contract conversions do not count as new hires.
Leavers	Number of employees on permanent or fixed-term contracts that left the company from 1 April of year N-1 to 31 March of year N at the company's initiative (redundancy, serious misconduct, contractual termination, termination of permanent or fixed-term contract during the trial period, end of fixed-term contract) and at the employee's initiative (resignation)
Absenteeism, total and breakdown <ul style="list-style-type: none"> - Sick leave - Maternity leave - Occupational and commuting accidents - Unpaid leave - Paternity leave 	<p>Number of days absence for the various categories calculated in business days from 1 April of year N-1 to 31 March of year N.</p> <p>The absenteeism indicator is calculated by dividing the total number of days absence referred to above by the end-of-period headcount based on a year of 235 business days.</p>

Compensation for the year	<p>The amount of compensation corresponds to the gross payroll disclosed in the consolidated financial statements. It includes gross compensation, paid leave, allowances, various benefits, incentive bonus and profit-sharing.</p> <p>Average compensation per employee is calculated by dividing the amount of compensation referred to above by end-of-period headcount.</p>
Social security charges	<p>The amount of social security charges corresponds to the employer's contributions (social security, unemployment, pension, death & disability insurance, top-up health insurance, occupational health care costs, works council expenses, lifelong training, luncheon voucher contribution, construction tax, apprenticeship tax).</p>
Occupational accidental with time off work	<p>Number of occupational accidents with time off work recognised as such by the competent authorities from 1 April of year N-1 to 31 March of year N.</p>
Occupational accidental without time off work	<p>Number of occupational accidents without time off work recognised as such by the competent authorities from 1 April of year N-1 to 31 March of year N.</p>
Commuting accidents	<p>Number of accidents between home and work with or without time off work recognised as such by the competent authorities from 1 April of year N-1 to 31 March of year N.</p>
Percentage of payroll devoted to training	<p>Training expenditure in calendar year N-1/payroll N-1</p>
Training expenditure	<p>Amount of expenditure on training (in €). Expenditure includes the cost of services invoiced by external providers of training given to Bigben Interactive employees in calendar year N-1 plus associated travel costs (transport, accommodation, meals) and employee costs charged. Training expenditure in respect of year N includes expenditure incurred for all employees present at 31 March of year N. Expenditure incurred for employees who have left the company are not included.</p>
Employees trained	<p>Number of participants (permanent and fixed-term contracts) in contractually agreed training sessions during calendar year N-1 for French companies and the financial year for other companies. Data taken from agreements entered into with the training service providers. Participants are counted as many times as they attend a training session. Employees trained in year N includes those employees present at 31 March of year N. Employees who have left the company are not included. The percentage of average headcount trained is calculated by dividing the total number of employees trained referred to above by the end-of-period headcount.</p>
Training hours	<p>Number of contractually agreed training hours received by employees (permanent and fixed-term contracts) during calendar year N-1 for French companies and the financial year for other companies. Data taken from agreements entered into with the training service providers. Only face-to-face training sessions given by an internal or external instructor are included. Training hours counted in respect of year N are those completed by employees on the payroll at 31 March of year N. Training hours completed by employees who have left the company are not included. The average number of training hours per employee is calculated by dividing the total number of training hours referred to above by the end-of-period headcount.</p>
% of employees receiving an annual appraisal	<p>Employees who have received an annual appraisal: For French subsidiaries: during the calendar year N-1; For other subsidiaries: from 1 April of year N-1 and 31 March of year N divided by the end-of period headcount from 1 April of year N-1 to 31 March of year N. The annual appraisal is documented in a progress appraisal form.</p>

- **Environmental data**

Disclosure	Description
Water consumption	Water consumption in m ³ from 1 April of year N-1 to 31 March of year N. Data taken from water bills or meter readings.
Paper purchased	Paper and cardboard purchased in kg from 1 April of year N-1 to 31 March of year N. By convention, the Group considers that paper purchased during the year is consumed during the year. The logistics warehouse unpackages products sent by suppliers, stores them and then repackages them in the form required by the end customer. Therefore, packaging boxes sent by suppliers are not included in this indicator. However, as these boxes are recycled, most of them are included in the indicator referred to below. Paper purchased by the commercial entities mainly comprises photocopier paper.
Paper and cardboard waste collected	Paper and cardboard waste in kg from 1 April of year N-1 to 31 March of year N. Data supplied by service providers that collect the paper and cardboard.
Electricity consumption	Electricity consumption in kWh from 1 April of year N-1 to 31 March of year N. Data taken from electricity bills or meter readings.
Natural gas consumption	Natural gas consumption in m ³ from 1 April of year N-1 to 31 March of year N. Data taken from natural gas bills or meter readings.
CO ₂ emissions, scopes 1 and 2	CO ₂ emissions arising from electricity and natural gas consumption. Emission factors used are: <ul style="list-style-type: none"> - Natural gas: 0.244 kg CO₂e/kWh LHV (Source: European emission factor, ADEME carbon base, 2015), conversion factor 1 m³ = 10.5 kWh LHV (Source: International Energy Agency) - Electricity: France: 0.0558 kg CO₂e/kWh, Belgium: 0.22 kg CO₂e/kWh, Germany: 0.461 kg CO₂e/kWh, Hong Kong: 0.766 kg CO₂e/kWh, Italy: 0.406 kg CO₂e/kWh, Spain: 0.238 kg CO₂e/kWh (Source: ADEME carbon base, 2017).

Environmental reporting includes little information about the environmental footprint of the Group's main suppliers, other than transport providers, as full data is not yet available to the Group.

- **Methodological limitations of the indicators**

Indicators may present methodological limitations due to:

- lack of harmonisation of definitions and national/international legislation;
- representativeness of the metrics;
- practical methods of collecting and inputting data.

10. REPORT OF ONE OF THE STATUTORY AUDITORS

To the Shareholders,

In our capacity as independent third party, accredited by the COFRAC under number 3-1049,8 member of the KPMG International network and one of the statutory auditors to the company (hereinafter the "Entity"), we hereby report to you on the Group's consolidated non-financial statement for the year ended 31 March 2020 (hereinafter the "Statement"), disclosed in its management report pursuant to the provisions of Article L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

⁸ Cofrac Inspection accreditation no. 3-1049, scope available on the website www.cofrac.fr

Entity's responsibility

Pursuant to the legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a description of the business model, the key non-financial risks, the policies pursued to address those risks and the outcomes of those policies, supported by key performance indicators.

The Statement has been prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and are available on request from the Entity's head office.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the code of conduct governing the audit profession. Furthermore, we have implemented a quality control system that includes documented policies and procedures designed to assure compliance with the applicable laws and regulations, ethical requirements and professional guidance.

Responsibility of the statutory auditor appointed as independent third party

Our responsibility is to provide a report based on our work expressing a limited assurance opinion on:

- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the disclosures made pursuant to Article R. 225-105 I.3 and II of the French Commercial Code, i.e. the outcomes of the policies and action taken to address the key risks, supported by key performance indicators (hereinafter the "Disclosures").

It is not our responsibility to comment on the Entity's compliance with any other applicable legal and regulatory requirements or on the conformity of products and services with the applicable regulations.

Nature and scope of our work

The procedures described below were performed in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and ISAE 3000:9

- We obtained an understanding of the business activities of all the entities included in the scope of consolidation and the description of the key risks;
- We assessed the appropriateness, completeness, reliability, neutrality and clarity of the Guidelines with due consideration of industry best practices, where applicable;
- We obtained assurance that the Statement covers each type of social and environmental disclosure set out in Article L. 225-102-1 III;
- We obtained assurance that the Statement contains the disclosures required under Article R. 225-105 II of the French Commercial Code where relevant with regard to the key risks, and an explanation where the disclosures required under Article L. 225-102-1, III, paragraph 2, have not been provided;
- We obtained assurance that the Statement presents the business model and a description of the key risks associated with the business activities of all entities included in the scope of consolidation, including where relevant and proportionate the risks associated with their business relationships, products or services, as well as the policies pursued, measures taken and their outcomes, supported by key performance indicators related to those key risks;
- We referred to the documentary sources and conducted interviews to:
 - assess the process used to select and validate the key risks and the consistency of the outcomes, including the key performance indicators used, with regard to the key risks and policies presented;
 - corroborate the qualitative disclosures (actions and outcomes) that we considered to be the most important, as presented in the Appendix. For all risks, we performed procedures at the level of the reporting entity and in a selection of entities.

⁹ ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

- We obtained assurance that the Statement covers the consolidated scope, i.e. all the entities covered in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;
- We obtained an understanding of the internal control and risk management procedures in place at the Entity and assessed its data collection process to obtain assurance about the completeness and fairness of the Disclosures;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, we performed:
 - analytical procedures to verify the correct consolidation of the data collected and the consistency of any changes in those data,
 - tests of details, using sampling techniques, to verify the proper application of the definitions and procedures and to reconcile the data with the supporting documents. This procedure was carried out on a selection of contributing entities¹⁰ and covered between 28% and 100% of the consolidated data selected for those tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the entities included in the scope of consolidation.

We believe that the procedures we performed, based on our professional judgement, are sufficient for us to provide a limited assurance opinion. A higher level of assurance would have required us to perform more extensive procedures.

Means and resources

Our work was performed by a team of four people between April and June 2020 and took a total of approximately three weeks.

We referred to our specialists in sustainable development and social responsibility to assist us in our work. We conducted some ten interviews with the people responsible for preparing the Statement.

Conclusion

Based on the procedures performed, we did not identify any material misstatements causing us to believe that the non-financial statement does not comply with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in all material respects in accordance with the Guidelines.

Paris-La Défense, 1 July 2020

KPMG S.A.

Fanny Houlliot
Partner
Sustainability Services

Stéphanie Ortega
Partner

¹⁰ Bigben S.A., NACON S.A. and Cyanide S.A.

Appendix

Qualitative disclosures (actions and outcomes) considered to be the most important

Provisions as regards quality of life in the workplace

Measures to retain employees

Outcomes as regards diversity

Energy management measures (policy of timer systems for air-conditioning, vehicle fleet)

Commitments to waste management and recycling

Anti-fraud procedure

Quality, social and human rights audits of suppliers

CSR criteria taken into consideration in supplier contracts.

Key performance indicators and other quantitative outcomes considered to be the most important

Total headcount at 31 March 2020 and breakdown by gender

Number of joiners

Number of leavers

Number of days absence

Absenteeism

Number of occupational accidents with time off work

Average number of training hours per employee

Electricity consumption

Natural gas consumption

Paper and cardboard consumption

Amount of paper and cardboard recycled

Scopes 1 and 2 CO₂ emissions arising from energy consumption of buildings

6. ORGANISATION STRUCTURE

6.1 LEGAL STRUCTURE

The organisation chart presented below shows the Company and all its subsidiaries within the meaning of Article L.233-1 of the French Commercial Code (Code de Commerce).

The Bigben Interactive Group currently has two divisions:

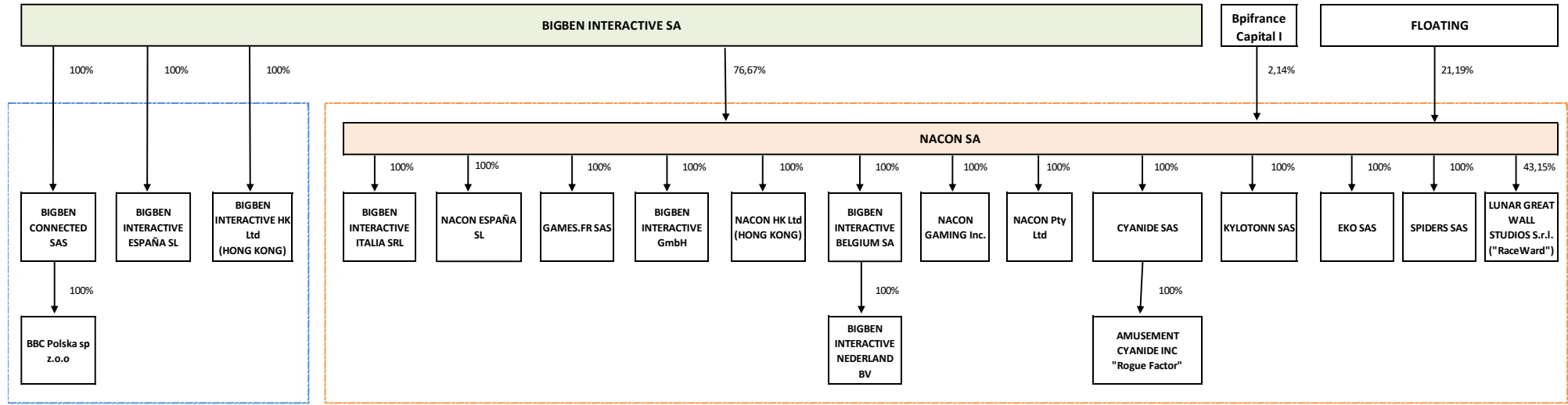
- Audio/Telco, which encompasses the manufacture, sale, import, export and primary repairs of Audio products (watches and electronic devices) within Bigben Interactive SA and its subsidiaries, and the design and wholesale of smartphone accessories within Bigben Connected SAS and its subsidiaries.
- Gaming, which is the result of a reorganisation of the Bigben Interactive group's business activities and encompasses the development, publishing, marketing and distribution of physical and digital video games, and the design, development, manufacture and wholesale distribution of gaming accessories within NACON SA and its subsidiaries.

As a reminder, in a spin-off completed on 31 October 2019, Bigben Interactive transferred to its subsidiary NACON all of its interests in the companies described below, which are involved in the Gaming business either as video games developers and publishers or as manufacturers and distributors of accessories.

GROUP ORGANIGRAMM



BIGBEN AS OF 31 MARCH 2020



"AUDIO/TELCO"

"GAMING"

The percentage interests are the percentage of capital and voting rights owned by Bigben Interactive, as there are no double voting rights.

6.2 GROUP COMPANIES

Parent company

BIGBEN INTERACTIVE SA

Bigben Interactive SA is a *société anonyme* incorporated on 17 February 1981.

As the Group's parent company, it provides the Group's marketing, sales, distribution, administrative and financial functions.

It is also responsible for:

- purchasing Audio products for all entities in continental Europe;
- exporting Audio products outside the catchment areas managed by the foreign subsidiaries;
- centralising logistics for Gaming and Audio products, and Mobile products since 2014, for all entities in continental Europe (France, Germany, Benelux, Spain and Italy);
- financial backing for the group (giving guarantees to banks for subsidiaries where necessary).

AUDIO/TELCO entities

Historical subsidiaries

ModeLabs Group SAS

Prior to its acquisition by Bigben Interactive SA, ModeLabs Group SA was the parent company of the ModeLabs Group, then listed on NYSE Euronext Paris. It was delisted in August 2012 and then reincorporated as a *société par actions simplifiée* (SAS). In December 2017, all of its assets and liabilities were transferred to Bigben Interactive SA with retroactive effect from 1 April 2017.

BIGBEN CONNECTED SAS

Bigben Connected SAS is a *société par actions simplifiée* incorporated under French law.

Formerly ModeLabs SA, it became Bigben Connected SAS in March 2013. Its business was historically the design and distribution of smartphone accessories and the wholesale of smartphones, but this latter business was sold in March 2016.

Bigben Connected now focuses on the design and sale in France and abroad of smartphone and tablet accessories developed or distributed by the Group.

ModeLabs Sourcing Ltd.

ModeLabs Sourcing is a limited company incorporated under the laws of Hong Kong. It was formed in 2010 to purchase telephony accessories and smartphones. As Bigben Interactive (HK) Ltd is now responsible for purchasing accessories, ModeLabs Sourcing has been inactive since March 2013 and was wound up in December 2019.

BIGBEN INTERACTIVE HK LTD

Bigben Interactive HK Ltd. is a limited company incorporated under Hong Kong law in 2000.

Its business is the design of smartphone accessories and Audio products for the Group. It is also responsible for sourcing components, managing the product manufacturing process and centralising all of the Group's purchases relating to those products. Following the spin-off of the Gaming division on 31 October 2019, Bigben Interactive HK Ltd. transferred these activities with respect to the Gaming business only to NACON HK Ltd. and retained the same activities for the audio and telephony segment. It owns the Audio/Telco licences held by the Group.

BIGBEN INTERACTIVE ESPANA SL

Bigben Interactive España SL is a *Sociedad Limitada* incorporated under Spanish law in 2013/14.

It supports the Group's mobile accessories and audio products business in Spain. Following the spin-off of the Gaming division on 31 October 2019, Bigben Interactive España S.L. transferred these activities with respect to the Gaming business only to NACON Gaming España S.L. and retained the same activities for the audio and telephony segment.

BIGBEN CONNECTED POLSKA ZO.O.

Bigben Connected Polska zo.o is a limited liability company incorporated under the laws of Poland and registered with the Polish KRS on 31 May 2019.

Bigben Connected SAS created this subsidiary to pursue its expansion in Europe. It began operating in August 2019 and supports the Group's mobile accessories business in Poland.

GAMING division entities

New subsidiary – parent company of the NACON sub-group

NACON SA

NACON is a *société anonyme*, initially incorporated on 18 July 2019 as a *société par actions simplifiée*.

Its purpose is the creation, design, development, production, publishing, promotion, operation, marketing and dissemination of technologies, applications and all IT, audiovisual and multimedia products, particularly video games, software and accessories, on any medium, and all related accessories,

As the NACON Group's parent company, it provides the NACON Group's marketing, sales, distribution, administrative and financial functions.

NACON SA was floated on Euronext Paris on 4 March 2020 under the line NACON.

Historical subsidiaries

GAMES.FR SAS

GAMES.FR is *société par actions simplifiée* incorporated under French law.

Its main business is marketplace sales (online sales on platforms such as Amazon) of all of the group's physical products (video games, gaming accessories, etc.). It is wholly owned by the Company following the spin-off completed on 31 October 2019.

BIGBEN INTERACTIVE BELGIUM SA

Bigben Interactive Belgium is a *société anonyme* incorporated under Belgian private law.

Its business is the management of the Group's commercial activities in the whole of Benelux (in the Netherlands via its subsidiary Bigben Interactive Nederland) and has exclusive distribution rights in Benelux over games published by Square Enix. It is wholly owned by the Company following the spin-off completed on 31 October 2019.

BIGBEN INTERACTIVE NEDERLAND BV

Bigben Interactive Nederland is a *Besloten Vennootschapest* incorporated under Dutch law.

It is Bigben Interactive Belgium's subsidiary for selling products in the Netherlands. The parent company is wholly owned by the Company following the spin-off completed on 31 October 2019.

BIGBEN INTERACTIVE GmbH

Bigben Interactive is a *Gesellschaft mit beschränkter Haftung* incorporated under German law.

It supports the Group's video games and accessories business in Germany, Austria and German-speaking Switzerland. It is wholly owned by the Company following the spin-off completed on 31 October 2019.

BIGBEN INTERACTIVE ITALIA SRL

Bigben Interactive Italia is a *Società a responsabilità limitata* incorporated under Italian law.

It supports the Group's video games and accessories business in Italy. It is wholly owned by the Company following the spin-off completed on 31 October 2019.

NEWAVE ITALIA SRL

Apart from the companies presented in the diagram in Section 6.1 above, the Group has owned a 25.9% interest in Italian company Newave Italia Srl, a distributor of digital products, since May 2011. The company went into liquidation on 16 March 2015 at the initiative of its executive manager.

Due to the low probability of recovering this investment (€200,000), for which a provisions has already been taken, this interest has no longer been consolidated since the first half of 2016/17.

New subsidiaries arising from the carve-out and spin-off of Bigben Interactive's Gaming business in October 2019

NACON HK Ltd

NACON HK Ltd. is a limited company incorporated under Hong Kong law on 31 July 2019.

Its business is the design of gaming accessories for the Group. It is also responsible for sourcing components, managing the product manufacturing process and centralising all of the Group's purchases relating to gaming accessories. Bigben Interactive HK Ltd. transferred these activities with respect to the Gaming business only and retains the same activities for the audio and telephony segment. It owns the licences held by the Group. It is wholly owned by the NACON following the spin-off completed on 31 October 2019.

NACON GAMING ESPANA SL

NACON Gaming España SL is a *Sociedad Limitada* incorporated under Spanish law on 18 October 2019.

It supports the Gaming business in Spain. It is the result of a local spin-off of the Gaming business by Bigben Interactive Spain S.L., which retains its distribution business but only for the audio and telephony segment. It is wholly owned by the NACON following the spin-off completed on 31 October 2019.

Video game development studios

CYANIDE SAS

Cyanide is a *société par actions simplifiée* incorporated under French law.

Its business is developing video games of various genres (strategy, narrative, shooter, management, sport, action and adventure). It is based in France (Paris and Bordeaux) and Canada (Montreal) via its Canadian wholly owned subsidiary Amusement Cyanide Inc.

On 20 June 2018, Bigben Interactive SA acquired all of the capital and voting rights of development studio Cyanide SAS. It is wholly owned by the Company following the spin-off completed on 31 October 2019.

KYLOTONN SAS

Kylotonn is a *société par actions simplifiée* incorporated under French law.

Its business is developing video games mainly in the racing segment (motorcycle racing, car racing, rally car racing, etc.).

Bigben Interactive SA has gradually increased its interest in Kylotonn SAS since July 2017 and acquired the remaining interest on 2 October 2018. It is wholly owned by the Company following the spin-off completed on 31 October 2019.

EKO SOFTWARE SAS

Eko Software is a *société par actions simplifiée* incorporated under French law.

Its business is developing video games in highly popular genres like action/RPG, Hack'n Slash and sports simulation games.

On 18 October 2018, Bigben Interactive SA acquired all of the capital and voting rights of development studio Eko Software SAS. It is wholly owned by the Company following the spin-off completed on 31 October 2019.

SPIDERS SAS

Spiders is a *société par actions simplifiée* incorporated under French law.

Its business is developing all kinds of role-playing games. On 3 September 2019, Bigben Interactive SA acquired all of the capital and voting rights of development studio Spiders SAS. It is wholly owned by the Company following the spin-off completed on 31 October 2019.

Newly created companies

NACON GAMING INC.

Nacon Gaming Inc. is a limited liability company incorporated on 11 February 2020 under the laws of Delaware in the United States, where it has its principal place of business. It has a commercial office in Seattle (Washington State) and a logistics centre in Santa Cruz (California).

It supports the Group's video games and accessories business in the United States. Its purpose is to develop sales of RIG™ headsets and other NACON Group products in the United States.

NACON Pty Ltd

NACON Pty Ltd. is a proprietary limited company incorporated under Australian law on 17 March 2020.

It supports the Group's accessories business in Australia and its purpose is to develop sales of RIG™ headsets and other NACON Group products in Australia.

Joint venture

BIGBEN INTERACTIVE USA INC.

A 50/50 joint venture with RDS Industries Inc, Torrance, California, created in 2013/14, this company no longer has any business activity and the intention is to wind it up.

Non-controlling interests

LUNAR GREAT WALL STUDIOS S.r.l.

The Company has a non-controlling 43.15% interest in the share capital and voting rights of Italian company Lunar Great Wall Studios S.r.l. (known under the trading name RaceWard), incorporated under Italian law. The co-founder owns the remaining 50.75% but has granted the Company a call option on a further 10% of the capital exercisable until 31 July 2021.

6.3 MAIN INTRA-GROUP TRANSACTIONS

Bigben's main intra-group transactions are:

Within Bigben Interactive's Audio/Telco entities

- Supply by Bigben HK Ltd of Audio products to Bigben Interactive SA and of Mobile accessories to Bigben Connected SAS: Bigben HK Ltd negotiates prices with the Group's Chinese

manufacturing sub-contractors, monitors their production from a 'quality assurance' standpoint, and is responsible for logistics and shipping the products to Bigben Interactive SA's Lauwin-Planque logistics platform. Bigben HK Ltd bills Bigben Interactive SA and Bigben Connected SAS for these services. Bigben Connected SAS's European distribution subsidiaries then source the Mobile products from Bigben Connected SAS.

Within the NACON Group:

- Services provided by development studios to NACON SA: the Group's studios develop games, each at a cost of several million euros divided into milestones throughout the development period (usually two years). These milestones are paid monthly by NACON SA to the studios;
- Accessories supplied by NACON SA to NACON HK Ltd: NACON HK Ltd negotiates prices with the Group's Chinese manufacturing sub-contractors, monitors their production from a 'quality assurance' standpoint, and is responsible for logistics and shipping the products to Bigben Interactive SA's Lauwin-Planque logistics platform. NACON HK Ltd bills NACON SA for these services. NACON SA's European distribution subsidiaries then source the products from NACON SA.

Between Bigben Interactive SA (parent company, the NACON Group and Bigben Connected SAS:

- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to NACON SA and its subsidiaries at a rate of 2.5% of gross revenue before any price reduction or discount, excluding product taxes and excluding NACON SA's sales of digital video games. This agreement has been entered into on an arm's length basis, particularly as regards the fees paid for the services, which are in line with those practised by outside service providers;
- To a lesser extent:
 - The supply of Audio products by Bigben Interactive SA to certain NACON SA subsidiaries¹¹ which continue to sell a few other Bigben Group products in addition to NACON's gaming products; the Audio products concerned are Bluetooth speakers, sound bars, etc.;
 - The supply of Mobile products by Bigben Connected SAS to those same NACON SA subsidiaries: the Mobile products concerned are mobile phone accessories (cables, protective cases and covers, etc.);
 - For the distribution subsidiaries, these sales represented €6.1 million or 4.7% of the NACON Group's 2019/20 revenue.
- Cross-invoicing of administrative services provided by Bigben Interactive SA and NACON SA, amounting to €23,800 in favour of Bigben Interactive SA and €48,800 in favour of NACON SA (a net amount of €25,000 per month in favour of NACON SA);
- Rent for offices and shared space made available by Bigben Interactive SA to NACON SA within its premises, amounting to €0.2 million a year; this agreement has been entered into on an arm's length basis;
- A cash management agreement between Bigben Interactive and NACON, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7, I-3 of the French Monetary and Financial Code (*code monétaire et financier*). Each company may grant the other advances at market interest rates.

Between Bigben Interactive group subsidiaries

- The Bigben España subsidiary invoices its sister company NACON Gaming España for administrative services provided by employees working for both companies;

¹¹ Prior to the spin-off in October 2019 from Bigben Interactive to NACON, the subsidiaries Bigben Interactive Italia, Bigben Interactive Belgium, Bigben Interactive GmbH and Games.fr generated less than €2 million of revenue in Audio and Mobile. At the time of the spin-off, it was decided not to split out these activities and create a second local subsidiary for the Audio/Telco business, which would not have had the critical mass required to operate on a stand-alone basis. These revenues come under the "Other" category of NACON's revenue.

- The Bigben HK Ltd subsidiary invoices its sister company NACON HK Ltd for administrative services provided by employees working for both companies.

See also Section 17 "Transactions with related parties" and section 2.4.4 of the consolidated financial statements provided in Section 18.1.6.

7. EARNINGS AND FINANCIAL POSITION

The financial information in this section is taken from the Group's consolidated annual financial statements prepared in accordance with IFRSs as endorsed by the European Union for the financial years ended 31 March 2018, 31 March 2019 and 31 March 2020. Readers are invited to read this analysis of the Group's earnings and financial position for the financial year ended 31 March 2020, together with the Group's financial statements and the notes to the financial statements set out in section 18.1.6 of this Universal Registration Document and any other financial information contained in this Universal Registration Document.

Definitions and alternative performance indicators:

Income statement indicators

Definition of gross profit:

Bigben Interactive calculates gross profit as the difference between revenue and purchases consumed in relation to Retail sales (Retail games and accessories, audio/mobile products). Gross margin is the percentage of revenue represented by gross profit.

Definition of EBITDA:

EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as recurring operating income before impairment, depreciation of property, plant and equipment and amortisation of intangible assets. It is equivalent to earnings before interest, taxes, depreciation, amortisation and provisions on non-current assets (but after additions to provisions on inventories and trade receivables). Since EBITDA is based on recurring operating income, it does not factor in IFRS 2 expenses relating to bonus shares and stock options or other non-recurring operating items, since they are excluded from recurring operating income. The Group regards EBITDA, which is a non-GAAP metric, as a performance measure.

Full-year EBITDA

(in thousands of euros)	2019/20	2018/19	2017/18
Recurring operating income	23,686	21,728	16,403
Depreciation and amortisation of non-current assets	28,812	23,211	13,321
EBITDA	52,498	44,939	29,725

Definition of recurring operating margin:

In accordance with CNC recommendation 2013 R.03, recurring operating income is recurring operating revenue minus recurring operating expenses. As a result, recurring operating margin is recurring operating income divided by revenue.

For convenience, the "Statement of profit or loss and other comprehensive income" is referred to as the "Income statement" in the consolidated financial statements in section 18.1.6.

Either Bigben Interactive's alternative performance indicators are based directly on accounting data (gross profit) or their calculation appears just below the tables concerned (EBITDA and balance-sheet indicators).

7.1 FINANCIAL POSITION

Since Bigben Interactive's alternative performance indicators are not adjusted with respect to accounting data, for convenience Bigben Interactive includes them directly in the income statement tables in this section 7 (gross profit) or just below them (EBITDA).

Readers are invited to read the following information concerning the Group's earnings together with its consolidated financial statements for the financial years ended 31 March 2019 and 2020 as included in

section 18.1.6 of this Universal Registration Document.

The Group's consolidated financial statements for the aforementioned periods have been prepared in accordance with IFRSs as endorsed by the European Union and have been audited.

As well as the consolidated financial statements, section 18.1 of this Universal Registration Document also features Bigben Interactive's statutory financial statements for the financial year ended 31 March 2020 and the audit report on those statutory financial statements.

NACON, which now houses the Group's Gaming business, was incorporated on 18 July 2019 and Bigben Interactive's former Gaming division was spun off into it on 31 October 2019, the date of its Shareholders' General Meeting, with retroactive effect for accounting and tax purposes from 1 October 2019.

The transaction included the development studios acquired by the Group in the previous 24 months, dedicated distribution subsidiaries and contracts related to the business, along with all of the Gaming division's patents and intellectual property. The transfer has clarified the Bigben Interactive group's organisation, creating a legal distinction between its three divisions – Gaming, Mobile and Audio – within two operational business segments, i.e. the "Bigben - Audio/Telco" segment and the "NACON - Gaming" segment.

7.1.1.1 Business performance

Performance by business line

in thousands of euros	12-month total			Contribution		
	2019/20	2018/19	2017/18	2019/20	2018/19	2017/18
Revenue	263,498	245,502	245,412	100%	100%	100%
of which						
Gaming	123,927	105,509	87,261	47%	43%	36%
Mobile	104,790	109,789	121,016	40%	45%	49%
Audio	34,781	30,204	37,136	13%	12%	15%

GAMING

Gaming revenue amounted to €123.9 million in 2019/20, up 17.4% year-on-year because of strong momentum in the Video Games segment.

- Video Games generated revenue of €71.0 million, up 44.6%. That increase was driven by the success of numerous new games, including *Warhammer®: Chaosbane* and *WRC8*, which received from a Metacritic score of 79% for the PlayStation 4™ version. Digital sales continued to rise sharply, totalling €48.9 million as opposed to €20.3 million the previous year. They therefore made up 69% of Video Games revenue versus 41% a year earlier. That growth is consistent with market trends and accelerated in late March 2020 because of the lockdown effect.
- Gaming Accessories revenue amounted to €52.9 million, down 6.1% year-on-year, because there were no major new accessory launches in 2019/20 apart from the *REVOLUTION Pro Controller 3* for PlayStation 4™.

AUDIO/TELCO

Revenue in the Mobile business fell 4.6% to €104.8 million in 2019/20. Throughout the year, the Mobile market underwent rapid change, with customers waiting longer to replace their products and adopting a wait-and-see attitude ahead of the arrival of 5G technology. This made consumers less keen to buy new smartphones and related accessories, but also contributed to the good performance of products that extend the lives of devices, such as protective products (*Force Glass®* and *Force Case®*) and extended-life products (such as the *Force Power®* charger, which has a lifetime guarantee). The initial success enjoyed by the *Justgreen®* range, aimed at consumers with an interest in social and environmental responsibility, also helped offset the decline in the market.

The Audio business, in a market clearly shifting towards smart speakers, grew its revenue by 15.2% to €34.8 million. That increase was driven by numerous new product launches during the year along with the opening of new sales channels.

Performance by quarter

The Group has not identified any material event that could affect seasonal variations in its business. Although the Group's business levels may vary according to the release schedule of certain video games, and of smartphones in its Mobile business, and may increase towards the end of the calendar year (mainly in Gaming Accessories and Audio products), the Group believes that these factors are unlikely to produce significant seasonal variations in its earnings.

in millions of euros	2019/20	2018/19	2017/18
First quarter	58.6	48.7	47.1
Second quarter	68.5	57.3	62.9
First half	127.0	106.0	110.0
Third quarter	85.4	80.3	80.1
Fourth quarter	51.1	59.2	55.3
TOTAL	263.5	245.5	245.4

During the 2019/20 financial year, after business activity grew significantly in the first half, growth slowed in the third quarter and business levels contracted in the fourth.

Growth in the first half of 2019/20 (with revenue rising 19.8% to €127.0 million) was mainly driven by the Gaming segment (growth of 30.9%), with digital sales of video games invoiced from France more than tripling. Gaming Accessories revenue was also boosted by sales of NACON®-branded controllers.

- Video Games revenue in the first half of 2019/20 was driven by the launch of *WRC8* and *FIA European Truck Racing Championship*. *WRC8* in particular significantly outsold *WRC7* in the launch phase. Digital sales accounted for 41% of the total as opposed to 17% a year earlier (an increase of 217%), driven in particular by the emergence of new distribution platforms.
- Gaming Accessories sales were boosted by the *Revolution Unlimited Pro Controller* for PlayStation 4™ being marketed in Japan and the success of accessories developed for the launch of the Nintendo Switch Lite™. As a result, Gaming Accessories revenue rose by 27.2% to €18.6 million in the first half of 2019/20.

The Audio/Telco segment also fared well, with revenue significantly higher than levels seen in the first half of 2019/20.

Revenue in the Mobile business grew 10.1% to €52.8 million, supported in particular by the very strong performance of the Group's own brands in the Force® range, particularly the ongoing success of Force Glass® (screen protectors) and the launch of Force Moov®, the first connected and insured electric scooter in the urban micromobility market.

The Audio business showed even greater momentum, with revenue up 14.4% to €12.1 million, despite a weak market background. Performance was driven in particular by the *Bigben Party* range, aimed at teenagers and young adults.

Following on from the first two quarters of the year, revenue continued to grow firmly in the third quarter of 2019/20, rising 6.3% year-on-year to €85.4 million, although performance varied widely between markets.

In particular, the Gaming segment remained very strong, with revenue up 19.2%.

- With revenue of €17.2 million, up 38.3%, the Video Games segment benefited in particular from the launch of several new titles, including *Bee Simulator* and *Farmer's Dynasty*, developed in partnership with external studios. At the same time, digital sales continued to rise, accounting for 70% of Video Games revenue in the third quarter of 2019/20.
- Gaming Accessories revenue also grew 6.8% to €20.5 million, particularly following the launch of the *REVOLUTION Pro Controller 3* for PlayStation 4™ in October 2019, which strengthened NACON's product range in the premium segment, and further sales of Nintendo SWITCH™ accessories.

However, Mobile revenue fell significantly in the third quarter of 2019/20, by 10.8% to €30.8 million. The market was particularly subdued as customers waited for news about the deployment of new 5G licences in France. However, the new, 100%-environmentally friendly brand *Justgreen*®, which was launched in November 2019, received a warm welcome from consumers during the period.

Audio revenue rose 19.5% to €16.9 million in the third quarter of 2019/20, driven by the successful launch of the *AromaSound*® range of speakers that also diffuse organic essential oils, supplementing its range of products sold under the Group's own *Lumin'Us* and *Bigben Party* brands as well as the *Thomson* range.

After three quarters of business growth, however, Bigben Interactive's revenue fell by 13.8% in the fourth quarter of 2019/20, with a particular decline in the Gaming segment, where Gaming Accessories suffered from a high base for comparison in terms of product launches. Sales of all of the Group's physical products (Gaming Accessories, Mobile products and Audio products) were affected by the Covid-19 crisis, which led to the closure of retail outlets and stores run by telecoms operators.

The Gaming segment saw revenue fall 8.8% to €24.1 million in the fourth quarter.

- Video Games revenue continued to show strong growth, coming in at €15.6 million (versus €8.5 million in the fourth quarter of 2018/19), due to rising digital sales, which received a boost from the lockdown effect. Digital sales rose by a factor of 2.7 during the period and generated revenue of €11.1 million during the fourth quarter as opposed to €4.1 million in the year-earlier period. That growth in digital sales was supported by a strong back catalogue, which is growing larger every year. In terms of physical sales, newly launched games *AO Tennis 2*, *Rugby 20*, *Overpass* and *TT Isle of Man 2* performed in line with expectations.
- Gaming Accessories revenue fell sharply to €8.5 million from €17.9 million a year earlier, due to a high base for comparison in terms of product launches, since the *REVOLUTION Unlimited Pro Controller* and *Asymmetric Wireless Controller* for PS4™ were both released in the fourth quarter of 2018/19. In addition, the closure of many stores due to Covid-19 also affected Gaming Accessories sales in the second half of March 2020.

Revenue in the Audio/Telco segment fell more sharply in the fourth quarter, coming in down 17.7% at €27.0 million, having dropped by almost 90% in the second half of March 2020 because of the closure of its main outlets due to the Covid-19 pandemic.

In the Mobile business, revenue fell €22.4% to €21.2 million, affected both by the closure of stores run by telcos and specialist retailers in most European countries in mid-March 2020, but also by the fact that the latest launches of smartphones and mobile accessories were badly disrupted by lockdown measures. However, the success of products in the *Force*® range, particularly *Force Glass*® and *Force Power*®, along with the recent roll-out of the *Justgreen*® range, limited the contraction in quarterly revenue.

Revenue from Audio products rose 5.6%, from €5.5 million to €5.8 million due to the good performance of smart speaker ranges until mid-March 2020, although their contribution to the Group total remained relatively small.

Breakdown of sales by customer country:

in thousands of euros	12-month total			Contribution		
	2019/20	2018/19	2017/18	2019/20	2018/19	2017/18
Revenue	263,498	245,502	245,412	100.0%	100.0%	100.0%
of which						
France	149,190	152,257	157,724	56.6%	62.0%	64.3%
Export	114,308	93,246	87,689	43.4%	38.0%	35.7%

Although historically Bigben Interactive has presented the geographical breakdown of its revenue by destination country (taking into account, as regards digital sales, the country in which the end-consumer downloaded the Group's games from digital platforms), the table above breaks down Group revenue according to the country in which the invoiced customer is located. In the case of digital sales, this approach is a closer reflection of the Group's effective customers (based on invoices raised) and no longer reflects the end-consumers who use the products and services produced by the NACON group (information based on internal reporting).

Segment reporting:

Bigben Interactive adjusted its business segments in 2019/20.

As part of the Group's reorganisation and the spin-off of the Gaming business to form NACON, the Gaming businesses of Bigben Interactive SA, Bigben Interactive Hong Kong Ltd and Bigben Interactive España were carved out and placed into entities specially created for that purpose. The Group's other subsidiaries were placed within the Gaming division and the Group's shares in them were transferred to NACON SA.

Given the highly integrated new organisation of the Gaming segment, a large proportion of costs are shared between the Video Games and Gaming Accessories businesses. The main shared costs are:

- marketing (a single head of marketing and a dedicated team),
- sales (a common sales force),
- a common administrative/financial/legal/management structure.

The Video Games and Gaming Accessories businesses share most of their customers. As a result, the Group only calculates recurring operating income at the Group level. Games developed by the acquired studios Kylotonn, Cyanide, Eko and Spiders are marketed by all Group entities and therefore contribute to NACON's overall cash flow.

NACON has its own sales, marketing and finance functions. Sales of games in digital form are invoiced exclusively from France.

The NACON group's distribution subsidiaries based outside France handle physical sales of all gaming products. The subsidiary based in Hong Kong mainly handles the development and procurement of accessories from manufacturing partners. As a result, each NACON group subsidiary has a specific role in the NACON group's value chain.

Similarly, Bigben Interactive's Audio and Telco businesses also show a high level of integration with each other. With the rise of smart devices, the Audio market is converging with the Telco market, they share many customers and the Bigben Interactive SA parent company in charge of Audio and its Bigben Connected subsidiary in charge of Telco share a manager in Michel Bassot, who is both Chief Operating Officer of Bigben Interactive SA and Chairman of Bigben Connected SAS.

Products developed by the Bigben group's Audio/Telco segment are marketed by all Group entities and therefore contribute to Bigben's overall Audio/Telco cash flow.

The Bigben group's Audio/Telco segment has its own sales, marketing and finance functions. The Group's Audio/Telco distribution subsidiaries based outside France handle physical sales of all Audio/Telco products. The Bigben HK Ltd subsidiary based in Hong Kong mainly handles the development and procurement of Audio and Telco products from manufacturing partners.

As a result, each Bigben group subsidiary has a specific role in the Audio/Telco segment's value chain.

As a result, the Bigben Interactive group considers that it has two operational business segments, which each have specific economic characteristics and represent a distinct market.

The two business segments adopted by the Group are now “Bigben - Audio/Telco” and “NACON - Gaming”.

- ♦ **The “NACON - Gaming” segment** comprises the development, publishing and distribution of video games along with the design and distribution of accessories for games consoles and PCs. the video games and gaming accessories businesses address the same market and have the same economic characteristics, and this segment represents the NACON group’s current scope.
- ♦ **The “Bigben - Audio/Telco” segment** comprises the design and distribution of accessories for smartphones and tablets (Mobile business) and the design and distribution of Audio products (headphones, speakers etc.) under the *Bigben*, *Lumin’Us*, *AromaSound* and *Thomson* (Audio) brands; it represents the Bigben group’s scope excluding the NACON group.

The information presented below equity holders of the parent now used by the Bigben group’s chief operating decision maker for internal reporting purposes, allowing it to carry out effective analysis of the Group’s business and risks. The Bigben group’s chief operating decision maker within the meaning of IFRS 8 is a two-person team consisting of the Bigben group’s CEO and COO.

Fabrice Lemesre, CEO of the Bigben Interactive group and Michel Bassot, COO of the Bigben Interactive group, together constitute the Bigben group’s chief operating decision maker within the meaning of IFRS 8. They are supported at the Bigben group level by a Corporate Secretary and a Chief Financial Officer, and at the subsidiary level, by the NACON group’s management team, heads of studios (in charge of game development) and heads of distribution subsidiaries that distribute all of the Group’s products.

in thousands of euros	2019/20			
	Gaming	Mobile	Audio	Group
Total revenue	123,927	104,790	34,781	263,498
Bigben - Audio/Telco	566	103,799	29,705	134,071
NACON - Gaming	123,361	991	5,075	129,427

in thousands of euros	2018/19			
	Gaming	Mobile	Audio	Group
Total revenue	105,509	109,789	30,204	245,502
Bigben - Audio/Telco	4	108,735	23,662	132,402
NACON - Gaming	105,505	1,054	6,542	113,101

in thousands of euros	2017/18			
	Gaming	Mobile	Audio	Group
Total revenue	87,261	121,016	37,136	245,412
Bigben - Audio/Telco	211	119,983	29,650	149,844
NACON - Gaming	87,050	1,033	7,486	95,568

Given the way in which the distribution subsidiaries were carved out in the aforementioned spin-off from Bigben Interactive to NACON, the “NACON - Gaming” segment still includes a very small amount of non-Gaming revenue and the “Bigben - Audio/Telco” segment still includes some non-Audio/Mobile revenue.

7.1.2 Forecast developments and R&D activities

Implications of the Covid-19 (coronavirus) crisis

The impact of Covid-19 is twofold: negative in the short term on Mobile, Gaming Accessories and Audio products, but positive on digital Video Game sales. Overall, the impact is very negative in terms of revenue but much less so in terms of operating income, given the wider margins generated by digital sales.

Revenue in the first quarter of 2020/21 will be affected by the Covid-19 crisis, and the scale of the impact will depend on the extent to which life returns to normal.

To deal with the situation as effectively as possible, from the outset of the crisis the Group took steps to minimise its direct impact on its operations and costs. The vast majority of people working in support services and development have been doing so remotely, while the logistics warehouse has adjusted its workload so that it can operate with a reduced staff. As a result, Bigben has only furloughed staff members whose work has had to be suspended or is impossible to carry out remotely. As described in the Declaration of Extra-Financial Performance in section 5.7.4, Bigben Interactive has been implementing a very strict lockdown-easing plan since May 2020, protecting the health of its staff members and third parties when they return to the Group's premises and allowing activity to resume gradually in accordance with health guidelines.

Procurement of accessories from the Group's suppliers has been back to normal since mid-April 2020. Bigben Interactive can rely on its fast-growing digital sales and has invested in improving its e-commerce sites for its main product ranges.

No major delays to new game releases are expected. The release of *TT Isle of Man 2* for *Switch™*, *Tour de France*, *Pro Cycling manager* and *Hunting Simulator 2* in the first quarter of the financial year and then *WRC9* in the second quarter should support revenue in the first half of 2020/21 (from early April to late September 2020).

The Group is already preparing, with the help of its customers and partner-suppliers, a targeted plan of action that will enable it to deal with the lockdown-easing period as efficiently as possible. The plan includes developing new accessories, opening new distribution channels for Audio products, developing new *Justgreen®* products and carrying out targeted promotional campaigns to boost the distribution of physical products as soon as stores reopen. Following the agreement with Poly (Plantronics Inc.) in the fourth quarter of 2019/20 regarding the acquisition of its gaming headset business and its premium RIG™ brand, the Group will also roll out RIG™ headsets in the USA and Australia.

The Bigben group is not expecting any cash flow problems in the next few months. The Gaming segment has a large cash position with which to fund its development following NACON's recent IPO, through which it raised €109 million in March 2020, while the Audio/Telco entities will cover their own working capital requirement in the first half of 2020/21 by using state-guaranteed loans offered by the French government. After the accounts closing date, the Group arranged two state-guaranteed loans in a total amount of €15 million.

Apart from the information set out above, the Company has not identified any elements or factors of a governmental, economic, budgetary, monetary or political nature that may have materially influenced or may materially influence, directly or indirectly, its business in the next 12 months.

Guidance - Current financial year and medium term

Given the uncertainties relating to the current economic environment, Bigben Interactive has decided to delay the announcement of its 2020/21 financial guidance until autumn 2020.

On a longer-term view, to harmonise its plan with that of its listed subsidiary NACON, which has announced its "NACON 2023" plan, Bigben Interactive has decided to extend its "Bigben 2022" plan by one year. Accordingly, the "Bigben 2023" plan will involve the development of the NACON - Gaming segment and a major overhaul of the Bigben - Audio/Telco segment's product ranges, with the aim of generating revenue of €350 million and recurring operating margin of 13% in 2022/23 and a focus on steadily improving recurring operating margin.

R&D activities

See sections 5.5 and 5.7.1.2 for more details about the Group's R&D activities.

In the 2018/19 and 2019/20 financial years, the Group took the view that the conditions for capitalising R&D expenses were met for certain projects. As a result, the Group either expensed (for accessories) or capitalised (for games) its R&D costs for the relevant period.

Capitalised R&D costs amounted to €30.1 million in 2018/19 and €32.8 million in 2019/20.

Finally, since the acquisition of development studios in 2018 and 2019, the Group – via its French and

Canadian studios – has also benefited from the French video game tax credit (CIJV). Through a French government decree of 9 August 2017, the French CIJV was increased from 20% to 30% of a company's development expenditure, capped at €6 million per year as opposed to €3 million previously. As a result, the Group benefited from a CIJV of €3.0 million in 2019/20.

7.2 OPERATING INCOME

7.2.1 Recurring operating income

(in thousands of euros)	2019/20	2018/19	2017/18
Revenue	263,498	245,502	245,412
Purchases consumed	(154,573)	(147,861)	(168,511)
Gross profit	108,925	97,641	76,901
Other operating revenue	867	745	574
Other purchases and external expenses	(30,994)	(28,457)	(24,369)
Taxes other than income tax	(1,744)	(1,873)	(1,550)
Personnel costs	(22,991)	(21,918)	(21,066)
Other operating expenses	(1,565)	(1,210)	(777)
Gains or losses on disposals of non-current assets	0	11	11
Depreciation and amortisation of non-current assets	(28,812)	(23,211)	(13,321)
Recurring operating income	23,686	21,728	16,403

EBITDA calculation

(in thousands of euros)	2019/20	2018/19	2017/18
Recurring operating income	23,686	21,728	16,403
Depreciation and amortisation of non-current assets	28,812	23,211	13,321
EBITDA	52,498	44,939	29,724
<i>EBITDA margin (% of revenue)</i>	<i>19.9%</i>	<i>18.3%</i>	<i>12.1%</i>

In 2019/20, Bigben Interactive's earnings grew, with recurring operating income of €23.7 million (equal to 9.0% of revenue) as opposed to €21.7 million (8.8% of revenue) in the previous financial year.

However, performance varied widely between segments, as shown the table below, which compares the performance of the NACON - Gaming segment with that of the Bigben - Audio/Telco segment.

2019/20

<i>in thousands of euros</i>	Bigben - Audio/Telco	NACON - Gaming	Group total
Consolidated revenue	134,071	129,427	263,498
EBITDA	4,137	48,361	52,498
Recurring operating income	1,066	22,620	23,686

31 March 2019

<i>in thousands of euros</i>	Bigben - Audio/Telco	NACON - Gaming	Group total
Consolidated revenue	132,402	113,101	245,502
EBITDA	11,579	33,359	44,939
Operating income	9,186	12,542	21,728

NACON - Gaming segment

With revenue up 14.4% and a significant increase in the proportion of revenue coming from the Video

Games segment, Bigben Interactive generated EBITDA of €48.4 million from its Gaming segment in 2019/20, up 45.0% year-on-year. EBITDA margin was 37.4%, up 7.9 points year-on-year.

That improvement was made possible by a significant increase in gross margin, due to the shift in the business mix to the Publishing business.

As well as the increase in gross margin in the Gaming segment, external expenses saw a smaller increase and personnel expenses were under control compared with revenue growth, which also supported the significant rise in earnings (it should be noted that most staff members recruited in the last few years have been assigned to games development and so the related personnel expenses are capitalised).

Bigben - Audio/Telco segment

In the more competitive Mobile market, and because of the Covid-19 effect at the end of the financial year, Bigben Interactive saw relatively weak growth in Audio/Telco revenue (1.3%) and generated EBITDA of €4.1 million from this segment in 2019/20, down 64.3% year-on-year. EBITDA margin was 3.1%, down 5.6 points compared with 2018/19, after the Group took the decision to accept a reduction in its gross profit in order to maintain market share in its French Mobile business.

At the same time, the Group maintained its investment efforts in the Audio/Telco segment, including product development and the launch of the new *Justgreen*[®] and *AromaSound*[®] ranges, which meant that it retained all of its sales and operational staff broadly speaking, despite lower business levels.

Group EBITDA was boosted by the first-time adoption of IFRS 16 “Leases” in 2019/20. As a lessee, the Group now recognises:

- a “right-of-use asset relating to leases”, representing its right to use the underlying asset, on the asset side of its balance sheet,
- a lease liability, representing its obligation to make future lease payments, on the liabilities side of its balance sheet.
- an amortisation charge on the right-of-use asset relating to leases and an interest expense on the associated lease liabilities, instead of the operating lease expenses previously recognised.

The adoption of IFRS 16 had a non-material negative impact (€45 thousand) on recurring operating income and a positive €2.12 million impact on EBITDA.

Overall, the Group’s recurring operating income rose 9.0% to €23.7 million, taking into account €28.8 million of depreciation and amortisation charges on non-current assets in 2019/20 (an increase of 24.1%). Those charges are explained in particular by the increase in the quality of video games recently developed and released by the Group in the Gaming segment. The increase in those charges arises mainly from the growth in the catalogue in terms of both development costs and number of titles.

7.2.2 Non-recurring operating items

in thousands of euros	2019/20	2018/19	2017/18
Recurring operating income	23,686	21,728	16,403
Bonus share and stock-option plans	(2,339)	(1,852)	(1,114)
Other non-recurring operating items	(522)	2,530	(475)
Income from associates - Similar activity	(1)	(87)	57
Operating income	20,823	22,319	14,871

In 2019/20, non-recurring items consisted mainly of the IFRS 2 expenses arising from recognising bonus shares granted to the Group’s employees and corporate officers by Bigben Interactive at fair value, which amounted to €2.3 million because of new bonus share entitlements granted to the employees and corporate officers of newly acquired development studios.

Non-recurring operating items in 2019/20 included €239 million of fees relating to the spin-off of Bigben Interactive SA’s Gaming segment to NACON.

8. CASH POSITION AND CAPITAL

The financial information in this section is taken from the Group's consolidated annual financial statements prepared in accordance with IFRSs as endorsed by the European Union for the financial years ended 31 March 2019 and 31 March 2020. Readers are invited to read this analysis of the Group's earnings and financial position for the financial year ended 31 March 2020, together with the Group's financial statements and the notes to the financial statements set out in section 18.1.6 of this Universal Registration Document and any other financial information contained in this Universal Registration Document.

Definitions and alternative performance indicators

Balance sheet indicators

Definition of gross debt:

Gross debt refers to the company's medium- and long-term financial liabilities, along with short-term bank facilities. Bigben Interactive calculates gross debt as the sum of long-term and short-term financial liabilities.

Definition of net debt and net cash

Net debt and net cash refer to the balance of the company's financial liabilities, financial investments and cash and cash equivalents. That balance may be positive or negative, and represents the company's financial position with respect to third parties. Bigben Interactive calculates that balance by deducting gross debt from cash and cash equivalents.

Definition of gearing:

Gearing is a ratio that relates to a company's funding. It compares a company's overall debt with its equity, and reflects its solvency. Bigben Interactive calculates gearing by calculating its net debt as a proportion of its total equity.

For convenience, the "Statement of financial position" in the consolidated financial statements in section 18.1.6 is referred to as the "Balance sheet" in this section.

8.1 INFORMATION ON THE COMPANY'S CAPITAL, LIQUIDITY AND FUNDING SOURCES

Key balance-sheet figures in the last three financial years

<i>in thousands of euros</i>	31 March 2020	31 March 2019	31 March 2018
Non-current assets	168,178	141,436	91,312
Current assets	272,531	150,513	132,490
TOTAL ASSETS	440,709	291,949	223,802
Total equity	282,364	164,349	134,604
Non-current liabilities	60,713	40,855	21,592
Current liabilities	97,632	86,745	67,607
Total equity and liabilities	440,709	291,949	223,802

Non-current assets:

<i>in thousands of euros</i>	31 March 2020	31 March 2019	31 March 2018
Goodwill	63,903	58,285	35,918
Right-of-use assets	4,904		
Other intangible assets	81,332	66,188	36,904
Property, plant and equipment	13,179	13,419	13,749
Shares in associates	43	44	535
Other financial assets	1,447	919	643
Deferred tax assets	3,369	2,582	3,564
Non-current assets	168,178	141,436	91,312

Non-current assets increased by €26.7 million between 31 March 2019 and 31 March 2020, due in particular to acquisitions in the Gaming segment, i.e. the Kylotonn and Eko Software development studios in October 2018 and Spiders in September 2019, along with the purchase of a stake in Italian studio RaceWard in July 2019.

The Group's non-current assets currently include around €63.9 million of goodwill relating to acquisitions:

- of Mobile accessories businesses in particular (acquisition of ModeLabs in 2011), with goodwill in the Bigben - Audio/Telco segment amounting to €34.8 million;
- of the aforementioned video game development studios, with goodwill in the NACON - Gaming segment amounting to €29.1 million.

Other intangible assets of €81.3 million mainly correspond to capitalised video game development costs, but also assets relating to the RIG™ brand acquired at the end of the 2019/20 financial year within the NACON - Gaming segment.

As mentioned in chapter 7, the 2019/20 financial year was also affected by the first-time adoption of IFRS 16 "Leases". As a lessee, the Group now recognises:

- a "right-of-use asset relating to leases", representing its right to use the underlying assets, on the balance sheet, amounting to €4.9 million at 31 March 2020,
- lease liabilities, representing its obligation to make future lease payments, on the liabilities side of its balance sheet, amounting to €4.9 million at 31 March 2020 (€2.5 million long-term and €2.4 million short-term),
- an amortisation charge on the right-of-use asset relating to leases and an interest expense on the associated lease liabilities, instead of the operating lease expenses previously recognised.

Current assets:

<i>in thousands of euros</i>	31 March 2020	31 March 2019	31 March 2018
Inventories	66,054	57,647	51,660
Trade receivables	65,082	61,549	54,099
Other receivables	16,672	16,008	10,102
Current tax assets	6,578	1,096	
Cash and cash equivalents	118,147	14,213	16,630
Current assets	272,531	150,513	132,490

The increase in current assets (excluding cash and equivalents) is mainly due to higher trade receivables, which totalled €65.1 million at 31 March 2020 (up 5.7% compared with 31 March 2019) and an increase in inventories, which totalled €66.1 million at 31 March 2020 (up 14.6% compared with 31 March 2019). Business levels in 2019/20 and in March 2020 rose due to the launch of new flagship games and accessories in the NACON - Gaming segment. Trade receivables, while remaining healthy, were temporarily elevated at the end of the financial year. Inventories increased because of the Covid-19 effect and the sharp slowdown in sales of physical products at the end of the financial year, in both Gaming Accessories and Audio/Telco products. The acquisition of RIG™ headsets by the NACON group in March 2020 also pushed up inventories.

Cash and cash equivalents amounted to €118.1 million at 31 March 2020 as opposed to €14.2 million at 31 March 2019. The increase was due in particular to the IPO of the Group's NACON subsidiary and the related capital increase, which increased that subsidiary's cash position by €103.0 million after expenses. After the IPO, Bigben Interactive now has a 76.67% stake in NACON.

Funding sources

In 2019/20, Bigben Interactive received around €142.1 million in total funding, mainly from:

- a €103.0 million capital increase in cash at the time of the IPO of its NACON subsidiary, after which Bigben Interactive owned a 76.67% stake in NACON,
- €35.4 million of new borrowings,
- €3.0 million of government support for the NACON - Gaming segment via the video game tax credit (CIJV),
- €0.7 million of tax rebates resulting from the CIR research tax credit system.

The contribution of the main funding sources (bank borrowings and CIJV) during the period presented is set out in the sections below.

Borrowings and net cash

The Group borrows money in particular to fund the investment needs of the NACON - Gaming segment (i.e. to develop its games and fund acquisitions).

Since the end of 2016, to fund its working capital requirement, development costs and the acquisition of its four development studios (Kylotonn, Cyanide, Eko Software and Spiders), medium-term borrowings initially taken out by Bigben Interactive, totalling around €79.4 million, were transferred to NACON, of which €63.2 million was still to be repaid at 31 March 2020.

The €66.0 million of borrowings that were long-term at inception and due to mature before 31 March 2021 consist of repayments on loans from around 20 banks and other financial institutions, as provided for in the loan agreements. Those medium-term loans were taken out either to finance studio acquisitions or to cover game development costs.

The Group's net cash at 31 March 2020 broke down as follows:

Key consolidated treasury figures from the last three financial years

<i>in thousands of euros</i>	31 March 2020	31 March 2019	31 March 2018
Cash and cash equivalents	118,147	14,213	16,630
Gross debt	74,703	50,428	26,273
Net cash/Net debt	43,443	(36,216)	(9,643)
Gearing	-15.4%	22.0%	7.2%
Net cash/Net debt	(43,443)	36,216	9,643
EBITDA	52,498	44,939	29,725
Net leverage (Net debt/EBITDA)	-0.8	0.8	0.3

Funding through government support - CIJV

Through a French government decree of 9 August 2017, the French video game tax credit (CIJV) was increased from 20% to 30% of a company's development expenditure, capped at €6 million per year as opposed to €3 million previously.

In 2019/20, the Group's studios therefore benefited from a CIJV of €3.0 million.

8.2 CASH FLOW

<i>in thousands of euros</i>	2019/20	2018/19	2017/18
Funds from operations	52,045	46,896	27,566
Change in WCR	(21,506)	(21,878)	(4,663)
NET CASH FLOW FROM OPERATING ACTIVITIES	27,546	22,551	21,026
NET CASH FLOW FROM INVESTING ACTIVITIES	(43,444)	(43,964)	(14,749)
NET CASH FLOW FROM FINANCING ACTIVITIES	119,727	19,182	7,960
Net change in cash and cash equivalents	103,766	(1,910)	14,117
Cash and cash equivalents at start of period	9,285	11,195	(2,922)
Cash and cash equivalents at end of period	113,051	9,285	11,195

8.2.1 Cash flow from operating activities

<i>in thousands of euros</i>	2019/20	2018/19	2017/18
Net cash flow from operating activities			
Net income for the period	16,115	17,346	8,934
<i>Elimination of income and expenses that have no cash impact or are unrelated to operating activities</i>			
• Income from associates	(1)	87	(57)
• Attributable to non-controlling interests	132		
• Additions to depreciation, amortisation and impairment	28,812	23,211	13,321
• Change in provisions	(248)	430	154
• Net gain or loss on disposals	10	(11)	(11)
• Net financial income/expense	1,394	1,085	946
• Other non-cash income and expense items	2,339	(685)	1,118
• Income tax expense	3,492	5,433	3,160
Funds from operations	52,045	46,896	27,566
Inventories	(8,780)	(6,106)	(3,083)
Trade receivables	(8,636)	(11,957)	(8,283)
Trade payables	(4,090)	(3,816)	6,704
Change in WCR	(21,506)	(21,878)	(4,663)
Cash from operating activities	30,539	25,018	22,904
Income tax paid	(2,993)	(1,788)	(1,146)
Interest paid		(679)	(732)
NET CASH FLOW FROM OPERATING ACTIVITIES	27,546	22,551	21,026

As shown by the financial statements for 2019/20, net cash flow from operating activities was positive after tax and interest paid, at €27.5 million, as opposed to €22.6 million in 2018/19.

The change was mainly due to:

- a substantial increase in funds from operations (+11.0%), which benefited in particular from the significant improvement in the NACON group's operating income,
- changes in the working capital requirement, which dragged down cash flow by €21.5 million in 2019/20 because of changes in items corresponding to operating assets, i.e. an increase in trade receivables (up €10.3 million because of video game releases by the NACON - Gaming segment at the end of the financial year) and product inventories (up €8.8 million, particularly due to the addition of RIG™ headsets at the end of the financial year and the sharp drop in sales of physical products at the end of the financial year in connection with the Covid-19 pandemic).

8.2.2 Net cash flow from investing activities

<i>in thousands of euros</i>	2019/20	2018/19	2017/18
Cash flow from investing activities			
Purchases of intangible assets	(35,219)	(29,606)	(18,017)
Amortisation included in development costs	622		
Purchases of property, plant and equipment	(1,253)	(683)	(417)
Disposals of property, plant and equipment and intangible assets	4	41	13
Purchases of non-current financial assets	(561)	(17)	
Disposals of non-current financial assets	3	87	109
Net cash inflow/(outflow) from disposals and acquisitions of subsidiaries	(7,040)	(13,786)	3,563
NET CASH FLOW FROM INVESTING ACTIVITIES	(43,444)	(43,964)	(14,749)

As shown by the financial statements for 2019/20, net cash flow from investing activities represented an outflow of €43.4 million, as opposed to €44.0 million in 2018/19.

The change was mainly due to:

- the NACON - Gaming segment's increasing investments, particularly in publishing and development (expenditure of €35.2 million on intangible assets in 2019/20, 19.0% higher than the 2018/19 figure of €29.6 million),
- the purchase of intangible assets consisting of the RIG™ trademark, completed at the end of the 2019/20 financial year,
- the net amount disbursed (€7.0 million in 2019/20 versus €13.8 million in 2018/19) in relation to earn-out payments on the Cyanide and Eko Software development studios in 2018/19 and on the acquisitions of/increased investments in Spiders and RaceWard in 2019/20.

8.2.3 Net cash flow from financing activities

<i>in thousands of euros</i>	2019/20	2018/19	2017/18
Cash flow from financing activities			
Capital increase	102,974		
Dividends paid to the parent company's shareholders	(3,899)	(1,904)	(1,836)
Own shares repurchased and resold	46	0	0
Interest paid	(1,353)	(406)	(214)
Cash inflows from borrowings	35,454	28,812	15,016
Repayments of borrowings and debts	(13,495)	(7,320)	(5,006)
NET CASH FLOW FROM FINANCING ACTIVITIES	119,727	19,182	7,960

As shown by the financial statements for 2019/20, net cash flow from financing activities represented an inflow of €119.7 million, as opposed to €19.2 million in 2018/19.

The change was mainly due to:

- the successful IPO of the NACON subsidiary, which included a capital increase that generated net proceeds of €103.0 million,
- new borrowings totalling €35.5 million during the financial year (intended in particular to fund the acquisition of development studio Spiders SAS and new video game development costs), as opposed to €13.5 million of repayments during the same period, resulting in a net cash inflow of €22.0 million.

8.3 INFORMATION ON THE COMPANY'S BORROWING TERMS AND FUNDING STRUCTURE

8.3.1 Funding structure

At 31 March 2020, the Group's funding structure was as follows:

- equity of €282.4 million, taking into account €43.8 million of non-controlling interests (minority shareholders of NACON),
- net cash of €43.4 million, taking into account €118.1 million of available cash and equivalents and €74.7 million of debt (excluding IFRS 16 impact).

Obviously, the Company's successful capital increase at the time of its IPO on Euronext in March 2020 had a major impact on these figures, since NACON raised €109.0 million in the transaction (€103.0 million after deducting IPO costs).

In 2019/20, Bigben Interactive took out around €35.5 million of new borrowings (intended in particular to fund the acquisition of development studio Spiders SAS and new video game development costs), and repaid €13.5 million of borrowings during the same period, resulting in a net cash inflow of €22.0 million.

8.3.2 Funding policy

The Group's funding requirements have been as follows in the last 24 months:

Non-current assets: acquisitions and development costs

In 2018/19, Bigben Interactive took out €28.8 million of new medium-term loans from banks and Bpifrance to fund its Gaming division and in particular to fund the acquisition of three development studios – Cyanide SAS, Eko Software SAS and Kylotonn SAS – along with video game development costs. The Bigben Interactive group made repayments on the corresponding medium-term borrowings and finance leases as scheduled.

To pay part of the purchase price for Cyanide and Eko Software in 2018, an issue of new Bigben shares also took place.

Between 1 April 2019 and 30 September 2019, Bigben Interactive also took out new medium-term bank borrowings totalling €19.0 million to fund the acquisition of Spiders SAS, the purchase of the equity stake in RaceWard and development costs in the Gaming division.

All of those borrowings were transferred by Bigben Interactive to NACON through the spin-off on 31 October 2019, with retroactive effect for accounting purposes from 1 October 2019.

Since October 2019, NACON has also taken out two medium-term 5-year loans in its own name for €6.0 million and €5.0 million respectively from two financial institutions to fund its working capital requirement, development costs and/or future acquisitions, including the acquisition of RIG™ assets (gaming headsets and brand) from Plantronics Inc in a deal announced in early 2020 and completed in March 2020.

Working capital requirement (WCR)

The Group uses short-term borrowings and factoring to fund its working capital requirement. In particular, Bigben Interactive HK Ltd and NACON Hong Kong Ltd have certain short-term credit facilities.

Finance lease liabilities

All of Bigben Interactive's outstanding finance leases except those relating to the car fleet concern the Lauwin-Planque logistics site.

8.4 RESTRICTIONS ON THE USE OF CAPITAL

There are no restrictions on the Company's use of capital.

However, please refer to the notes to the consolidated financial statements, particularly as regards banking covenants.

8.5 FUNDING SOURCES REQUIRED FOR THE FUTURE

With the success of its IPO and the associated fundraising transaction of €103.0 million (net of IPO fees), NACON currently takes the view that its financial resources are comfortably sufficient for it to implement its strategic plan between now and 2023, which should enable the Group to achieve revenue of around €350 million and operating margin of over 13% (see section 10 of the present URD).

Entities in the Bigben - Audio/Telco segment will cover their own working capital requirement in the first half of 2020/21 by using state-guaranteed loans offered by the French government.

Two such state-guaranteed loans were arranged after the balance-sheet date in a total amount of €15 million.

9. REGULATORY ENVIRONMENT

It should be noted that the Group's carries out its business in accordance with the strictest standards arising from European Union directives regarding:

- environmental protection,
- consumer health and safety.

The need to comply strictly with those directives affects all stages of the lifecycle of products developed by Bigben Interactive:

- design,
- manufacturing,
- distribution,
- use by the consumer.

Bigben Interactive complies with the following standards and directives applicable to physical products:

- **WEEE (waste electrical and electronic equipment) directive**

The WEEE directive, applicable to European Union countries, aims to promote the recycling of electrical and electronic equipment (EEE) and to encourage designers to design easily recyclable products.

The directive came into force in November 2006 and requires manufacturers and importers of EEE to cover the cost of retrieving and processing waste electrical and electronic equipment. Bigben Interactive took steps to comply with the WEEE directive as soon as it came into force in the European Union.

- **Directive 2006/66/EC (batteries and accumulators and waste batteries and accumulators)**

This directive, which repealed directive 91/157/EEC, requires batteries and accumulators to be recycled and imposes restrictions on the use of mercury in batteries. Directive 2006/66/EC came into force in September 2008 and also introduced incentives for the collection and recycling of those products.

Bigben Interactive's business bears no similarities with that of a battery manufacturer. However, some of its electronic accessories may feature batteries. In that case, the batteries (lithium etc.) are properly tested to ensure compliance with regulations. In addition, as part of its social and environmental responsibility approach, Bigben Interactive has adopted a proactive battery recycling policy at its head office.

- **Directive 94/62/EC (packaging and packaging waste – eco-packaging)**

This directive, by introducing financial contributions that can be substantial in some cases, requires manufacturers to make significant efforts to recycle the packaging used for their products. The materials used must be recoverable for recycling or incineration.

As regards recycling, Bigben Interactive SA uses the waste collection, processing and recovery services of Eco-Systèmes, at Bigben Interactive's Lauwin-Planque warehouse, in relation to the packaging of products sold in the French market.

- **Regulation (EC) 1907/2006 (REACH)**

This regulation concerns the production or importing of any chemical substance, including substances incorporated into any material, preparation or article. Any downstream use of such substances is also covered by this regulation. It requires all manufacturers and all importers to carry out extensive risk analyses and tests. A manufacturer must prove that the substance is harmless, failing which the product or substance concerned will be withdrawn from the market.

All of Bigben Interactive's accessories contain plastic. To ensure they comply with REACH, they all undergo testing by certification organisations such as Intertek and SGS.

It should also be noted that, every two years, all of Bigben Interactive's products are checked by the

DDPP (regional department for protection of the population), part of France's DGCRF (directorate general for competition, consumer affairs and the prevention of fraud).

- **Directive 2009/48/EC (safety of toys)**

This directive relates more specifically to products used by children aged under 14. Its purpose is to establish safety requirements that toys sold in the EU must meet. Those requirements are designed to ensure a high level of health and safety in order to protect the public and the environment and to ensure the free movement of toys in the EU. It also sets out the specific responsibilities of the various participants in the supply chain, including the manufacturer, importer, retailer and distributor. The directive is updated periodically to set safety limits for chemical substances used in toys.

Bigben Interactive's products are aimed mainly at an adult audience. Before its electronic products are launched in the market, Bigben Interactive subjects them to a set of tests to ensure they comply with the required regulatory quality standards.

- **RoHS (restriction of hazardous substances) directive**

With the development of electrical and electronic products with increasingly short lifespans, industrialised countries took the view that urgent legislation was needed in this area. The European RoHS directive sends a strong signal, requiring environmental protection to be taken into account in the production process, and supplements the WEEE directive regarding recycling. By reducing the number of hazardous chemicals used in electrical and electronic equipment, the production of hazardous waste is minimised. The upstream reduction of hazardous substances also reduces recycling costs. All products made by Bigben Interactive since the directive came into force (July 2006) comply with RoHS standards applicable in the European Union.

- **Directive 2014/30/EU (electromagnetic compatibility – EMC)**

This directive requires specific efforts to be made in the design of electrical and electronic products so that they do not produce electromagnetic interference and cannot be affected by such interference. Bigben Interactive has its products tested for compliance with the EMC directive.

- **Directive 2014/35/EU (low voltage directive – LVD)**

This directive requires electrical equipment to be designed so as to protect people, pets and property. No damage must be possible as a result of electrical contact or exposure to mechanical, chemical and health risks caused by noise, vibration or ergonomic factors. Bigben Interactive has its products tested for compliance with the LVD.














Bigben Interactive applies the CE mark to its products, showing compliance with European health, safety and consumer protection directives and allowing the free movement of its products in the European Union.

More specifically, for physical and digital games:

- **PEGI**

As a publisher of video games, Bigben Interactive, like all major players in its industry, uses the PEGI rating system, which gives consumers a simple and effective way of checking suitability. The rating system allow young people to be denied access to and protected from content or behaviours that are unsuitable for people their age, based on effective control by their parents.

PEGI PICTOGRAMMS

	 VIOLENCE	 BAD LANGUAGE	 FEAR	 SEX	 DRUGS	 GAMBLING	 DISCRIMINATION	 IN-GAME PURCHASES
 www.pegi.info	—	—	—	—	—	—	—	—
 www.pegi.info	✓	—	✓	—	—	—	—	—
 www.pegi.info	✓	✓	✓	✓	✓	✓	—	—
 www.pegi.info	✓	✓	—	✓	✓	✓	—	—
 www.pegi.info	✓	✓	—	✓	✓	✓	✓	—

NACON sells games in all age categories, from 3+ and 7+ up to 18+.

- **Regulations applicable to telephony activities**

Telephony products must comply with certification standards intended to ensure user safety (CE standards) and compatibility with GSM (FTA and GCF), EDGE and 4G networks, along with regulatory standards in force in all countries in which the Group operates.

10. TRENDS

10.1 MAIN TRENDS SINCE THE START OF THE CURRENT FINANCIAL YEAR

In 2020/21, the Covid-19 crisis is no longer affecting the NACON - Gaming segment's accessories sales and is continuing to boost its digital games sales. However, the Bigben - Audio/Telco segment's sales remained badly affected at the start of the financial year, with a negative impact on Mobile Accessories and Audio products despite the launch of a range of products to address Covid-19-related hygiene concerns. These innovative products include masks, safety kits, UV sterilisers and disinfectant sprays for smartphones and wireless speakers.

The Group is confident that it will be able to launch games as scheduled in its line-up. At the same time, it expects to release new Gaming Accessories products, to open new distribution channels for Audio products and to develop its *Justgreen*[®] ranges of Telco products, which will deliver the expected growth in the second half of the financial year.

Bigben Interactive will be particularly careful to control its operating expenses, adjusting them to business levels. As a result, recurring operating income should see little impact because of the wider margins generated on digital sales.

Given the uncertainties relating to the current economic environment, Bigben Interactive has decided to delay the announcement of its 2020/21 financial guidance until autumn 2020.

On a longer-term view, to harmonise its plan with that of its listed subsidiary NACON, which has announced its "NACON 2023" plan, Bigben Interactive has decided to extend its "Bigben 2022" plan by one year.

The "Bigben 2023" plan will involve the development of the NACON - Gaming division and a major overhaul of the Bigben - Audio/Telco division's product ranges, with the aim of generating revenue of €350 million and recurring operating margin of 13% in 2022/23 and a focus on steadily improving recurring operating margin.

10.2 TRENDS, UNCERTAINTIES, CONSTRAINTS, COMMITMENTS OR EVENTS THAT MAY MATERIALLY AFFECT THE BIGBEN GROUP'S OUTLOOK

Please see section 7.1.2 concerning the implications of the Covid-19 (coronavirus) crisis.

11. EARNINGS FORECASTS AND ESTIMATES

Not applicable.

12. ADMINISTRATIVE AND MANAGEMENT BODIES

The Company was initially incorporated as a “*société par actions simplifiée*” (simplified joint-stock corporation) on 17 February 1981, and was converted into a “*société anonyme*” (public limited company) governed by a Board of Directors through a decision in the Shareholders’ General Meeting of 5 December 1988.

The Company’s operational arrangements as a *société anonyme* are described in the articles of association and discussed in this section 12 of the Registration Document.

The Board of Directors has opted to separate the roles of the Chairman of the Board of Directors and the CEO.

12.1 DIRECTORS AND EXECUTIVE OFFICERS

12.1.1 Executive Management

12.1.1.1 Chief Executive Officer

In its meeting on 4 March 2020, the Board of Directors decided to separate the roles of Chairman of the Board of Directors and Chief Executive Officer.

In that meeting, the Board of Directors formally noted Alain Falc’s resignation from his role as Chief Executive Officer and decided to appoint Fabrice Lemesre to replace him in that role.

Fabrice Lemesre is not a member of the Board of Directors.

See section 5.1.1.3.2 for Fabrice Lemesre’s biography.

12.1.1.2 Chief Operating Officer

In the same meeting, the Board of Directors also formally noted Laurent Honoret’s resignation from his role as Chief Operating Officer and decided to appoint Michel Bassot to replace him in that role.

His powers as Chief Operating Officer are limited to the following:

- the operational (and not financial) management of the Company (purchasing/sales, commercial policy, supplier and client relations, inventory management etc.);
- operational decisions relating to the Company’s subsidiaries.

It is stipulated, insofar as is necessary, that in accordance with Article L. 225-56 of the French Commercial Code, these limitations on his powers only apply internally within the Company and that, with respect to third parties, the Chief Operating Officer has the same powers as the Chief Executive Officer.

Michel Bassot is not a member of the Board of Directors.

See section 5.1.1.3.2 for Michel Bassot’s biography.

12.1.1.3 Composition of Executive Management

The current composition of the Executive Management team is as follows:

Name	Role	Date of first appointment and end of term of office	Main functions outside the Company
Fabrice Lemesre	CEO	Date of first appointment: 4 March 2020. Term of office ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2025	
Michel Bassot	COO	Date of first appointment: 4 March 2020. Term of office ends: no date specified	Chairman, Bigben Connected SAS

The business address of the CEO and COO is that of the Company's registered office.

The CEO and COO have managerial experience and expertise because of the roles they previously occupied at Bigben Interactive, as shown by their respective biographies set out in sections 12.1.1.1 and 12.1.1.2.

12.1.2 Bigben Interactive SA's Board of Directors

12.1.2.1 Members of the Board of Directors

The Company's Board of Directors has seven members. Of those seven Board members, two are regarded by the Company as independent directors in view of the Middlednext Governance Code.

The table below shows the composition of the Company's Board of Directors at the date of the Registration Document, along with the roles held by members of the Company's Board of Directors in the last five years:

Name and business address	Role	Date of first appointment or most recent renewal and end of term of office	Other roles in the Company	Other roles outside the Company (inside and outside the Group) in the last five years
Alain Falc Company's registered address	Chairman and director	Term of office last renewed: July 2018 Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2024	None	Roles within French companies: . Chairman, SAS Games.fr . Chairman/CEO of NACON SA ¹² Roles within foreign companies: . Director of Bigben Interactive HK Ltd (Hong Kong) . Manager at AF Invest SPRL Former roles in the past five financial years . Chairman, SAS ModeLabs Group . Chairman, SAS World GSM . Director, Bigben Interactive Belgium SA (Benelux)
Sébastien Bolloré Tour Bolloré 31-32, quai de Dion-Bouton 92811 Puteaux Cedex	Director (representative of Nord Sumatra, main shareholder of Bigben Interactive)	Term of office last renewed: July 2016 Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2022	None	Roles within French companies: - <i>Roles held within the Bolloré group</i> . Head of Development . Chairman, Omnium Bolloré . Director, Blue Solutions, Bolloré SE, Bolloré Participations SE, Financière V, Omnium Bolloré, Société Industrielle et Financière de l'Artois and Financière de l'Odet SE. . Permanent representative of Plantations des Terres Rouges on the board of Compagnie du Cambodge . Member of the Supervisory Board, Sofibol - <i>Other roles and duties:</i> . Director, Gameloft SE . Director, NACON SA Roles within foreign companies: - <i>Roles held within the Bolloré group</i> . Chairman and Director, Blue LA Inc . Director, Bolloré Services Australia Pty Ltd - <i>Other roles and duties:</i> . Chairman/CEO, Magic Arts Pty Ltd Former roles in the past five financial years: . Permanent representative of SocFrance on the board of Financière de l'Odet

¹²On 4 March 2020, the date on which NACON's shares were first listed on the Euronext Paris regulated market, Alain Falc and Laurent Honoret, respectively Chairman/CEO and COO of Bigben Interactive, resigned from their roles as CEO and COO of Bigben Interactive in order to take up the equivalent roles at NACON SA; Alain Falc remains Chairman of Bigben Interactive SA's Board of Directors as well as Chairman of NACON SA's Board of Directors.

<p>Jacqueline de Vrieze</p> <p>Company's registered address</p>	<p>Director</p>	<p>Term of office last renewed: August 2015</p> <p>Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2021</p>	<p>None</p>	<p>Roles within French companies:</p> <ul style="list-style-type: none"> . CEO, SAS Games.fr Director, Bigben Interactive . Director, NACON SA <p>Roles within foreign companies:</p> <p>None</p> <p>Former roles in the past five financial years:</p> <p>None</p>
<p>Angélique Gérard</p> <p>57 bd Malesherbes, 75008 Paris</p>	<p>Independent director</p>	<p>Date of first appointment: 30 July 2020</p> <p>Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2023</p>	<p>None</p>	<p>Roles within French companies:</p> <ul style="list-style-type: none"> . AFM (Association Familiale Mulliez) as a Qualified Person <p>Roles within foreign companies:</p> <ul style="list-style-type: none"> . None <p>Former roles in the past five financial years:</p> <ul style="list-style-type: none"> . Independent director on Europcar Group's Supervisory Board . Director, Babilou Group
<p>Sylvie Pannetier</p> <p>Company's registered address</p>	<p>Director</p>	<p>Date of first appointment: August 2015</p> <p>Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2021</p>	<p>Treasurer (employee)</p> <p>Member of the Audit Committee</p>	<p>Roles within French companies:</p> <ul style="list-style-type: none"> Director, NACON SA <p>Roles within foreign companies:</p> <p>None</p> <p>Former roles in the past five financial years: None</p>

<p>Jean-Christophe Thiery</p> <p>Canal+ 1 place du Spectacle, 92130 Issy-les-Moulineaux</p>	<p>Director (representative of Nord Sumatra, main shareholder of Bigben Interactive)</p>	<p>Term of office last renewed: July 2018</p> <p>Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2024</p>	<p>None</p>	<p>Roles within French companies:</p> <ul style="list-style-type: none"> - <i>Within the Canal+ group:</i> . Chairman of the Supervisory Board, Groupe Canal+ SA - <i>Within the Bolloré group:</i> . Chairman/CEO and member of the Management Committee, Bolloré Telecom . Chairman, Compagnie de Treboul . Chairman, Rivaud Loisirs Communication . Chairman of the Board of Directors and director, Matin Plus . Member of the Strategy Committee, 2ème Regard - <i>Other roles and duties:</i> Director, NACON SA <p>Roles within foreign companies:</p> <p>None</p> <p>Former roles in the past five financial years</p> <ul style="list-style-type: none"> - Within the Canal+ group: . Chairman of the Management Board, Groupe Canal+ SA - Chairman of the Supervisory Board, Studio Canal SAS - Chairman of the Board of Directors, Société d'Édition de Canal+ SA . Permanent representative of SECP on the Board of Directors of Médiamétrie SA - <i>Within the Bolloré group:</i> . Chairman/CEO and director, Bolloré Média Digital, Conseils Sondages et Interviews, CSA and CSTO . Chairman, Bolloré Média Régie . Chairman, Direct Panel . Permanent representative: . of Bolloré on the Board of Directors of CSTO . of CSTO on the Board of Directors of CSA . of CSTO on the Board of Directors of CSI . Permanent representative of Société Industrielle et Financière de l'Artois on the Board of Directors of Rivaud Innovation
<p>Jean-Marie de Chérade</p> <p>19 avenue Sainte Foy, 92200 Neuilly</p>	<p>Independent director</p>	<p>Term of office last renewed: August 2015</p> <p>Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2021</p>	<p>Member of the Audit Committee</p>	<p>Roles within French companies:</p> <p>None</p> <p>Roles within foreign companies:</p> <p>None</p> <p>Former roles in the past five financial years:</p> <p>None</p>

Changes in the roles of Board members in the financial year ended 31 March 2019:

- Resignation of Florence Lagrange as director

On 27 January 2020, the Board of Directors formally noted the resignation of Florence Lagrange from her role as director within the Company because of her appointment to the Board of Directors of NACON SA.

- Appointment of a new director: Angélique Gérard

On 27 January 2020, the Board of Directors decided to appoint Angélique Gérard as independent director of the Company, replacing Florence Lagrange. The appointment of Angélique Gérard will be put forward for ratification in the Company's next Shareholders' General Meeting.

- Resignation of Richard Mamez as non-voting director (*censeur*)

On 27 January 2020, the Board of Directors formally noted the resignation of Richard Mamez from his role as non-voting director within the Company because of his appointment to the Board of Directors of NACON SA.

When each director is appointed or has his/her term of office renewed, information about his/her experience and expertise is provided in the annual report and to the Shareholders' General Meeting.

12.1.2.2 Balanced male/female representation on the Board of Directors

Article L. 225-18-1 of the French Commercial Code states that members from each gender must make up at least 40% of the Board of Directors of a company whose shares are admitted for trading on a regulated market. At the date of the Registration Document, there were four men and three women on the Board of Directors, making up 57% and 43% of the Board respectively. As a result, the composition of the Board of Directors is compliant with the aforementioned article.

12.1.2.3 Independent directors

On 25 October 2010, the Board of Directors met and defined the criteria under which a director will qualify as independent, in accordance with recommendation 3 of the Middlenext Code. An independent member of the Board:

- is not and has not been in the last five years either an executive corporate officer of the Company or of a company in its group;
- is not and has not been in the last two years in a significant business relationship with the Company or its group (as client, supplier, competitor, service provider, creditor, banker etc.);
- is not a major shareholder in the Company and does not hold a significant percentage of the voting rights;
- does not have a close relationship or family ties with any corporate officer or major shareholder;
- has not been a statutory auditor of the Company during the past six years.

On 27 April 2020, the Board of Directors assessed the independence of directors and took the view that Angélique Gérard and Jean-Marie de Chérade qualify as independent directors.

12.1.2.4 Terms of office of Board members

Directors are appointed for a term of six years. Shareholders in the Shareholders' General Meeting may, in all circumstances, dismiss one or more directors and replace them, even if that dismissal was not on the agenda.

12.1.2.5 Conduct of Board members

In accordance with recommendation 1 of the Middlenext Code, each director is made aware of his/her responsibilities when appointed, and is encouraged to observe the conduct rules relating to his/her role and in particular:

- setting an example means ensuring that directors' words and actions are consistent at all times, so as to foster credibility and trust,

- when accepting their role, Board members must familiarise themselves with the related obligations and particularly those relating to statutory rules regarding multiple corporate officer roles,
- when starting their term of office, they must sign the Board's internal rules, which determine, among other things, the minimum number of shares in the company that each Board member must own, subject to provisions in the articles of association,
- during their term of office, directors must inform the Board of any situation that gives rise to a potential conflict of interest (customer, supplier, competitor, consultant etc.) or an actual conflict of interest (other roles) involving them,
- in the event of a conflict of interest, and depending on its nature, the relevant director shall not vote or take part in discussions, and in extreme cases shall resign,
- Board members must attend meetings regularly and take part in meetings of the Board and committees of which they are members,
- Board members must ensure that they have all the information they need, and sufficiently in advance, regarding matters to be discussed during meetings,
- Board members must maintain professional secrecy with respect to third parties,
- Board members must take part in the Shareholders' General Meeting.

12.1.2.6 Directors' biographies

In accordance with recommendation 8 of the Middledex Code, a description of the roles and careers of the current directors is provided below:

Alain Falc: Chairman of the Board of Directors

(ISEN 1981)

Alain Falc, an engineering graduate, founded Bigben Interactive in 1981 when he finished his studies and rapidly acquired industrial and commercial know-how in watches and other promotional electronic products. In 1993, he moved into the budding video games sector. By 1999, when it was floated on the stock exchange, Bigben Interactive was one of the leading designers and manufacturers of accessories for third-party video games consoles (i.e. not made by the console manufacturers) in France. After its IPO, Bigben Interactive continued to expand internationally, with operations in Benelux, the United Kingdom, Germany, Hong Kong, Spain and Italy. Having gradually built up the video games publishing business over the following decade, in 2011 Alain Falc acquired the smartphone accessories design and distribution business of ModeLabs, the French leader in smartphone accessories, which became Bigben Connected in May 2013. He then took the Bigben Group in another strategic direction in 2018-2019 through the acquisition of interests in five development studios. In 2019, he successfully led the creation of NACON, the Bigben Group's integrated Gaming division, and subsequently its IPO.

Sébastien Bolloré: Director

Managerial expertise and experience

After studying at Gerson and Saint-Jean-de-Passy, Sébastien Bolloré obtained his *baccalauréat* and studied management at ISEG and then UCLA (California). He spends most of his time in Australia, and advises the Bolloré group based on his knowledge of new media and technological developments.

He has been a director of Bigben Interactive SA since he was appointed in the Shareholders' General Meeting of 28 July 2010.

Jean Marie de Chérade: Independent director

Jean Marie de Chérade is a qualified agronomist with a master's degree in natural sciences and a DEA postgraduate diploma in marketing, management and business administration.

After working as an assistant to the chair of CESA (the business education centre of the HEC-ISA group), he became a consultant to the World Bank, leading projects for the West Africa region.

He then moved into the world of business, with roles including that of Chairman and Co-founder of EOS Marketing. He is now an independent consultant, carrying out assignments for MI29.

He has been a director of Bigben Interactive SA since he was appointed in the Shareholders' General Meeting of 28 July 2008.

Jacqueline de Vrieze: Director

Self-taught

After working in the personal care industry (in a hair salon and beauty parlour) between 1976 and 1987, Jacqueline de Vrieze set up a fitness and beauty treatment company within a gym.

In 1989, she joined the retail chain that is now known as Games.fr, as head of the store network before becoming the company's CEO in 1995. She led the transformation of the store network into a retail website at the start of the 2010s.

She is a director of Bigben Interactive.

Jacqueline de Vrieze is the partner of Chairman/CEO Alain Falc.

Angélique Gérard: Independent director

Angélique Gérard is a graduate of INSEAD and also attended the Hautes Études Commerciales (HEC) business school.

She joined the Iliad group in early 2000 after spending four years at France Télécom. She was behind the creation of the Iliad group's contact centres, setting up and developing subscriber services before managing the integration of the corresponding activities of telco Alice after it was acquired in 2008. She is now head of subscriber relations at Free, a member of the executive committee of Iliad (holding company), and manager/founder and Chairman/CEO of several Iliad group subsidiaries.

Angélique Gérard also speaks at conferences, has published books on management and social topics and works as business angel, providing hands-on support to entrepreneurs in the technology, collaborative economy and hotel/restaurant sectors among others. She joined Europcar's supervisory board in 2015 and that of Babilou – France's largest operator of nurseries for companies and local government bodies – in 2017.

On 27 January 2020, Bigben Interactive's Board of Directors co-opted Angélique Gérard as independent director, replacing Florence Lagrange for the remainder of her term of office. In accordance with the law and the articles of association, that appointment is provisional and subject to ratification in the next Ordinary Shareholders' General Meeting.

Sylvie Pannetier: Director

Holder of a DECF diploma in accounting and financial studies.

After completing her studies, Sylvie Pannetier joined Bigben Interactive in February 1995 in the finance department and has held roles in supplier accounting, treasury and credit management in her 20 years at the company.

She now manages a team of nine people and is in charge of the Group's Treasury department as well as credit management at Bigben Interactive and Bigben Connected.

She has been a director of Bigben Interactive since she was appointed in the Shareholders' General Meeting of 31 August 2015.

Jean-Christophe Thiery: Director

Graduate of IEP, holder of a degree in public administration from ENA.

After starting his career in local government, Jean Christophe Thiery joined the Bolloré group in 2002 and became CEO of the Direct 8 TV channel in 2005.

He was appointed Chairman of Bolloré Média (media division of the Bolloré group) in November 2008, taking over from Vincent Bolloré, with the brief of continuing its consolidation and growth in the media and telecoms industry. Jean Christophe Thiery is also CEO of the Bolloré group's communications and media division and Chairman of Canal+'s Supervisory Board.

12.1.2.7 Other roles held by directors

The roles held by directors within and outside the Group are set out in the table in section 12.1.2.1 of the Registration Document.

No person mentioned in this section has, in the last five years:

- been the subject of an adverse judgment for fraud, charged with an offence or been the subject of a public penalty handed down by any statutory or regulatory authority;
- been prevented from being a member of an administrative, management or supervisory body or from being involved in the management or business operations of an issuer;
- been charged with an offence or been the subject a public penalty handed down by any statutory or regulatory authority.

12.1.2.8 Preparation and organisation of the work done by the Board of Directors

Powers of the Board of Directors

The Board of Directors determines the strategy and overall business direction of the Group, i.e. the parent company and its consolidated subsidiaries, and oversees their implementation. Apart from powers specifically granted to shareholders in general meetings and within the scope of the company's corporate purpose, the Board deals with all matters relating to the Company's business operations and, through its resolutions, addresses issues that concern the Company.

Internal rules

In accordance with recommendation 6 of the Middledenext Code, the Board of Directors adopted a set of internal rules on 25 July 2008, which have been updated regularly, most recently on 24 April 2017. Those rules set out:

- the powers of the Board of Directors;
- rules regarding the composition of the Board and criteria regarding the independence of its members;
- the nature of directors' duties and the conduct rules to which they are subject;
- the Board's operational arrangements and the rules for determining the remuneration of its members.

Provision of information to Board members

Board members concluded that they received sufficient information for them to fulfil their role. In accordance with recommendation 11 of the Middledenext Code, directors receive information and documents relating to matters on the agenda of board meetings several days before the meeting date. This gives them the opportunity to prepare dossiers that will be discussed in the meeting. Particularly sensitive and urgent matters may be discussed without documents being distributed beforehand or with communication taking place shortly before the meeting date.

In addition, the Chairman deals with requests from members to obtain additional information and directors are also kept regularly informed between meetings where justified by developments affecting the Company, in accordance with the aforementioned recommendation.

Convening Board meetings

The articles of association do not contain any exceptions to the general rules on convening Board meetings, and the Board meets as often as the Company's interests demand. A schedule of Board meetings (at least 6 per year) is prepared at the start of the financial year, based on the schedule for finalising revenue figures and financial statements, and extraordinary meetings may be convened at any time depending on developments affecting the Group.

Notices of meeting including the agenda are sent out before each meeting, and the documents that directors need to prepare for meetings are sent to them under separate cover.

Representation of directors

Decisions made by the Board of Directors are only valid if at least half of its members are present. In the event of a tied vote, the meeting Chairman holds a casting vote.

Guests

The Group's Corporate Secretary attends all Board meetings and acts as secretary in respect of all discussions. If the Corporate Secretary cannot attend, the Group's CFO acts in his/her place.

Board meetings, work done by the Board and director attendance rate

The way in which the Board of Directors operates (notice of meeting, meetings, quorum, provision of information to the directors) complies with statutory provisions and the Company's articles of association. The Board meets at least six times per year, in accordance with recommendation 13 of the Middenext Code.

The frequency of Board meetings depends on the financial and legal reporting timetable (reporting of quarterly revenues and half-year results) and on developments affecting the Company.

For example, meetings generally break down into several parts as follows:

- examination of the business plan;
- update on business activity and financial data;
- update of annual forecasts;
- finalisation of the financial statements;
- finalisation of the quarterly and half-year financial statements;
- examination of current transactions as regards the development of the Group's business;
- remuneration matters;
- other current operational matters;
- legal matters;
- authorisations to be granted.

In the 2019/20 financial year, the Board met 11 times, around three times per quarter. The Chairman remains able to convene the Board of Directors as often as the Company's interests demand.

The Company's statutory auditors were invited to attend and attended Board meetings finalising the half-year and full-year financial statements. The Group's CFO regularly takes part in these meetings, particularly to present the financial statements and obtain all authorisations and provide all explanations allowing the Board to make decisions in full knowledge of the facts.

The Board's internal rules adopted on 28 July 2008 allow the Directors to take part in Board meetings remotely: as a result, for quorum and majority calculation purposes, directors taking part in a Board meeting via videoconferencing or telecommunication media, allowing them to be identified and ensuring their effective participation in accordance with statutory and regulatory provisions, are deemed present.

The minutes of Board meetings are prepared after each meeting and submitted to all Board members for approval.

Average attendance rate of each director (for the relevant year of their appointment)

Last name	First name	Role	Attendance rate
Falc	Alain	Chairman	100%
Bolloré	Sébastien	Director	100%
de Chérade	Jean-Marie	Director + Audit Committee	100%
Thiery	Jean-Christophe	Director	100%
Pannetier	Sylvie	Director + Audit Committee	100%
de Vrieze	Jacqueline	Director	100%

Gérard	Angélique	Director *	80%
TOTAL			97%

Mamez	Richard	Non-voting director (<i>censeur</i>) **	100%
Lagrange	Florence	Director ***	100%

TOTAL **98%**

* Ms Gérard was co-opted on 27/01/2020 to replace Ms Lagrange.

** Resignation tendered on 21/01/2020 and formally noted by the Board of Directors on 27 January 2020.

*** Resignation tendered on 21/01/2020 and formally noted by the Board of Directors on 27 January 2020.

12.2 CONFLICTS OF INTEREST IN THE ADMINISTRATIVE AND MANAGEMENT BODIES

To the Company's knowledge, there is no potential conflict of interest between the duties of members of the Board of Directors with respect to Bigben Interactive and their other interests.

There are no potential conflicts of interest between the duties of the persons presented above with respect to the issuer and their private interests and/or other duties. No arrangement or agreement has been made with the main shareholders, customers, suppliers or other persons, under which any of the persons presented above have been selected as a member of the Board of Directors or as a member of the executive management team.

13. REMUNERATION AND BENEFITS

Since the Company's Gaming division was spun off NACON SA on 31 October 2019, the information provided below is provided on the basis of historical remuneration received by the persons concerned with respect to their roles within the Bigben Interactive group before the spin-off.

Information on the remuneration of corporate officers is prepared in accordance with the AMF's Position-Recommendation DOC-2014-14 entitled "Guide to compiling registration documents for mid caps".

13.1 REMUNERATION AND BENEFITS

13.1.1 Remuneration of Executive Management

13.1.1.1 Information on remuneration

Summary of fixed and variable remuneration, options and shares awarded to each of the Company's executive corporate officers with respect to their roles within the Bigben Interactive group (table 1)

Alain Falc, Chairman	Year 2019/20	2018/19
Remuneration due in respect of the financial year (1)	€371 thousand	€352 thousand
Value of multi-year variable remuneration awarded during the financial year		
Value of options awarded during the year		
Value of bonus shares awarded during the year		
TOTAL	€371 thousand	€352 thousand

(1) This remuneration includes both remuneration paid by NACON and its subsidiaries to Alain Falc and that paid by Bigben Connected SAS to Alain Falc amounting to €132,792 for 2019/20 and €131,592 for 2018/19. No remuneration has been paid by Bigben Interactive SA since the start of March 2020.

Fabrice Lemesre, CEO	Year 2019/20	2018/19
Remuneration due in respect of the financial year	€103 thousand	€101 thousand
Value of multi-year variable remuneration awarded during the financial year (1)	€15 thousand	€18 thousand
Value of options awarded during the year		
Value of bonus shares awarded during the year	€14 thousand	€16 thousand
TOTAL	€132 thousand	€135 thousand

(1) Fabrice Lemesre's variable remuneration corresponds to a bonus based on performance (attainment of a predetermined level of inventory and recurring operating income).

Michel Bassot, COO	2019/20	2018/19
Remuneration due in respect of the financial year (1)	€155 thousand	€152 thousand
Value of multi-year variable remuneration awarded during the financial year (1)	€85 thousand	€65 thousand
Value of options awarded during the year		
Value of bonus shares awarded during the year	€14 thousand	€16 thousand
TOTAL	€254 thousand	€233 thousand

(1) This remuneration includes both remuneration paid by Bigben Interactive to Michel Bassot and that paid by Bigben Connected SAS to Michel Bassot, amounting to €236 thousand for 2019/20 and €216 thousand for 2018/19.

Summary of remuneration paid to each executive corporate officer (table 2)

Alain Falc	Year 2019/20		Year 2018/19	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Chairman				
fixed remuneration (1)	€371 thousand	€371 thousand	€352 thousand	€352 thousand
annual variable remuneration				
multi-year variable remuneration				
exceptional remuneration				
remuneration as director (2)	€32 thousand	€32 thousand	€20 thousand	€20 thousand
benefits in kind				
TOTAL	€391 thousand	€391 thousand	€372 thousand	€372 thousand

(1) This remuneration includes both remuneration paid by NACON and its subsidiaries to Alain Falc amounting to €50,000 for 2019/20, and that paid by Bigben Connected SAS to Alain Falc amounting to €132,792 for 2019/20 and €131,592 for 2018/19.

(2) These attendance fees include €11,667 from NACON on a prorata basis relating to the 2019/20 financial year for the 7 months until the July 2020 Shareholders' General Meeting, along with €20,000 of fees for attending Board meetings of Bigben Interactive SA.

Fabrice Lemesre	Year 2019/20		Year 2018/19	
	Amounts due	Amounts paid	Amounts due	Amounts paid
CEO				
fixed remuneration	€103 thousand	€103 thousand	€101 thousand	€101 thousand
annual variable remuneration (1)	€15 thousand	€15 thousand	€18 thousand	€18 thousand
multi-year variable remuneration				
exceptional remuneration				
remuneration as director				
benefits in kind	€5 thousand	€5 thousand	€4 thousand	€4 thousand
TOTAL	€123 thousand	€123 thousand	€123 thousand	€123 thousand

(1) Fabrice Lemesre's variable remuneration corresponds to a bonus based on performance (attainment of a predetermined level of inventory and recurring operating income).

Michel Bassot	Year 2019/20		Year 2018/19	
	Amounts due	Amounts paid	Amounts due	Amounts paid
COO				
fixed remuneration (1)	€155 thousand	€155 thousand	€152 thousand	€152 thousand
annual variable remuneration (2)	€85 thousand	€85 thousand	€65 thousand	€65 thousand
multi-year variable remuneration				
exceptional remuneration				
remuneration as director				
benefits in kind	€10 thousand	€10 thousand	€6 thousand	€6 thousand
TOTAL	€250 thousand	€250 thousand	€223 thousand	€223 thousand

- (1) This remuneration includes both remuneration paid by Bigben Interactive to Michel Bassot and that paid by Bigben Connected SAS to Michel Bassot, amounting to €152 thousand for 2019/20 and €152 thousand for 2018/19.
- (2) Michel Bassot's variable remuneration corresponds to a bonus based on performance (attainment of a predetermined level of inventory and recurring operating income for Bigben Connected SAS). It was paid in full by Bigben Connected SAS to Michel Bassot.

The Company has not made any commitment to its corporate officers concerning remuneration, allowances or benefits payable or likely to be payable as a result of, or subsequent to, taking up, leaving or changing roles.

13.1.1.2 Other elements of remuneration

Stock options awarded to or exercised by executive corporate officers (tables 4, 5, 8 and 9)

In the financial years ended 31 March 2020 and 31 March 2019, no stock options were awarded to or exercised by the Group's executive corporate officers.

Bonus shares awarded to corporate officers

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Fabrice Lemesre CEO	No. of plan and date of award	Number of shares awarded during the year	Valuation of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Bigben Interactive plan	No.: AGA2019 Date: 4 September 2019	1,200	€13,848	4 September 2020	4 September 2022	Recurring operating income of the Bigben Interactive group in the year ended March 2020
Bigben Interactive plan	No.: AGA2018 Date: 3 September 2018	1,500	€16,170	3 September 2019	3 September 2021	Recurring operating income of the Bigben Interactive group in the year ended March 2019
Bigben Interactive plan	No.: AGA2017 Date: 31 August 2017	2,000	€19,120	31 August 2018	3 September 2020	Recurring operating income of the Bigben Interactive group in the year ended March 2018
TOTAL		4,700	€49,138			

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Michel Bassot COO	No. of plan and date of award	Number of shares awarded during the year	Valuation of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Bigben Interactive plan	No.: AGA2019 Date: 4 September 2019	1,200	€13,848	4 September 2020	4 September 2022	Recurring operating income of the Bigben Interactive group in the year ended March 2020
Bigben Interactive plan	No.: AGA2018 Date: 3 September 2018	1,500	€16,170	3 September 2019	3 September 2021	Recurring operating income of the Bigben Interactive group in the year ended March 2019
Bigben Interactive plan	No.: AGA2017 Date: 31 August 2017	2,000	€19,120	31 August 2018	3 September 2020	Recurring operating income of the Bigben Interactive group in the year ended March 2018
TOTAL		4,700	€49,138			

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Director	No. of plan and date of award	Number of shares awarded during the year	Valuation of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Bigben Interactive plan	No.: AGA2019 Date: 4 September 2019	400	€4,616	4 September 2020	4 September 2022	Recurring operating income of the Bigben Interactive group in the year ended March 2020
Bigben Interactive plan	No.: AGA2018 Date: 3 September 2018	500	€5,390	3 September 2019	3 September 2021	Recurring operating income of the Bigben Interactive group in the year ended March 2019
Bigben Interactive plan	No.: AGA2017 Date: 31 August 2017	700	€6,692	31 August 2018	3 September 2020	Recurring operating income of the Bigben Interactive group in the year ended March 2018
TOTAL		1,600	€16,698			

Bonus shares no longer locked up (table 7)			
CEO	No. of plan and date of award	Number of shares reaching the end of their lock-up period in 2019/20	Vesting conditions
Bigben Interactive plan	No.: AGA2016 Date: 31 August 2016	3,000	Recurring operating income of the Bigben Interactive group in the year ended March 2017 - target achieved ⇒ 100% of bonus shares vested
TOTAL		3,000	

Bonus shares no longer locked up (table 7)			
COO	No. of plan and date of award	Number of shares reaching the end of their lock-up period in 2019/20	Vesting conditions
Bigben Interactive plan	No.: AGA2016 Date: 31 August 2016	3,000	Recurring operating income of the Bigben Interactive group in the year ended March 2017 - target achieved ⇒ 100% of bonus shares vested
TOTAL		3,000	

Bonus shares no longer locked up (table 7)			
Sylvie Pannetier Director	No. of plan and date of award	Number of shares reaching the end of their lock-up period in 2019/20	Vesting conditions
Bigben Interactive plan	No.: AGA2016 Date: 31 August 2016	1,000	Recurring operating income of the Bigben Interactive group in the year ended March 2017 - target achieved ⇒ 100% of bonus shares vested
TOTAL		1,000	

PAST BONUS SHARE AWARDS (table 10)				
INFORMATION ON BONUS SHARE AWARDS				
Shareholders' General Meeting date	Plan no. AGA2016	Plan no. AGA2017	Plan no. AGA2018	Plan no. AGA2019
	22/07/2016	21/07/2017	20/07/2018	19/07/2019
Date of Board meeting	31/08/2016	31/08/2017	03/09/2018	04/09/2019
Total number of bonus shares awarded of which shares awarded to				
<i>corporate officers</i>				
<i>Fabrice Lemesre</i>	3,000	2,000	1,500	1,200
<i>Michel Bassot</i>	3,000	2,000	1,500	1,200
<i>Sylvie Pannetier</i>	1,000	700	500	400
Vesting date (1)	31 August 2017	31 August 2018	3 September 2019	4 September 2020
End of the lock-up period	31 August 2019	31 August 2020	3 September 2021	4 September 2022
Number of shares subscribed at 31 March 2020	4,000	2,700	2,000	0
Cumulative number of shares cancelled or lapsed	0	0	0	0
Remaining shares awarded free of charge at end of year	4,000	2,700	2,000	1,600

(1) *Performance conditions*

- AGA 2016 plan: Recurring operating income of the Bigben Interactive group in the year ended March 2017 - target achieved => 100% of bonus shares vested
- AGA 2017 plan: Recurring operating income of the Bigben Interactive group in the year ended March 2018 - target achieved => 100% of bonus shares vested
- AGA 2018 plan: Recurring operating income of the Bigben Interactive group in the year ended March 2019 - target achieved => 100% of bonus shares vested
- AGA 2019 plan: Recurring operating income of the Bigben Interactive group in the year ended March 2020

Summary of remuneration and other benefits awarded to executive corporate officers

Executive corporate officers	Employment contract		Supplementary pension plan		Remuneration or benefits due or potentially due as a result of termination or change in duties		Compensation under a non-compete agreement	
	Yes	No	Yes	No	Yes	No	Yes	No
Alain Falc Chairman of the Board of Directors Term of office renewed in July 2018 for six financial years		X		X		X		X
Fabrice Lemesre CEO Term of office started on 4 March 2020 for six financial years		X		X		X		X
Michel Bassot COO Term of office started on 4 March 2020 for an unspecified period		X		X		X		X

Loans and guarantees granted to members of the Company's governing, management and supervisory bodies

None.

13.1.2 Remuneration of Board members

13.1.2.1 Remuneration policy for Board members

Directors receive remuneration for their work as directors. That remuneration is awarded by the Shareholders' General Meeting and apportioned by the Board on the basis of a fixed amount for each attendance at meetings of the Board and its committees and depending on each director's responsibilities, in accordance with recommendations 10 and 13 of the Middlednext Code.

Directors' remuneration

The Board of Directors complies with the recommendations of the Middlednext Code by defining a method for apportioning that remuneration into units that take into account the roles filled by each director (director, committee member, Chairman) while applying a reduction in proportion to meetings not attended by each director (attendance principle).

The overall amount of €100,000 approved in the combined ordinary and extraordinary Shareholders' General Meeting of 19 July 2019 was divided into units taking into account the individual roles of each Director, as follows:

- 1 >. Two units for each director,
- 2 >. An additional unit for a committee member,
- 3 >. Two additional units for the chairman,

it being stipulated that the amount corresponding to one unit is obtained by dividing the total remuneration budget by the total number of units.

The total remuneration is then be apportioned between directors taking into account their attendance. As a result, a reduction proportional to the meetings not attended by the director concerned will be applied to the relevant amount of remuneration (see 1>. above) allotted to that director. That reduction will also apply to supplementary remuneration relating to committee members (see 2>. above) proportional to their non-attendance at committee meetings.

With respect to 2019/20, the Company will pay Board members a gross amount of €100,000 as remuneration, including €30,000 for Audit Committee members.

13.1.2.2 Remuneration of Board members in the last two financial years

Table of attendance fees/activity-based remuneration and other remuneration received by non-executive corporate officers (table 3)		
Non-executive corporate officers	Amounts in 2019/20	Amounts in 2018/19
Sébastien Bolloré - Director		
Attendance fees/Activity-based remuneration (1)	€15,833	€10,000
Other remuneration	€0	€0
Jacqueline de Vrieze - Director		
Attendance fees/Activity-based remuneration (1)	€15,833	€8,889
Other remuneration (2)	€60,000	€60,847
Angélique Gérard - Independent director co-opted on 27 January 2020		
Attendance fees/Activity-based remuneration (3)	€4,545	€0
Other remuneration	€0	€0
Florence Lagrange - Independent director, resigned 27 January 2020		
Attendance fees/Activity-based remuneration (1) (4)	€11,288	€10,000
Other remuneration	€0	€0
Richard Mamez - Non-voting director (censeur), resigned 27 January 2020		
Attendance fees/Activity-based remuneration (1) (4)	€14,205	€10,000
Other remuneration	€0	€0
Sylvie Pannetier - Director		
Attendance fees/Activity-based remuneration (1)	€23,750	€15,000
Other remuneration (2) (5)	€72,564	€65,957
Jean-Christophe Thiery - Director		
Attendance fees/Activity-based remuneration (1)	€15,833	€10,000
Other remuneration	€0	€0

(1) These attendance fees include fees from NACON on a prorata basis relating to the 2019/20 financial year for the 7 months until the July 2020 Shareholders' General Meeting along with annual fees for attending Bigben Interactive SA Board meetings taking place between the 2019 and 2020 Shareholders' General Meetings.

(2) The other remuneration paid to the aforementioned directors relates to their salaries and retirement benefits with respect to their employment within the group.

- (3) These attendance fees include fees on a prorata basis for Angélique Gérard based on her attendance at Board meetings taking place between the 2019 and 2020 Shareholders' General Meetings.
- (4) Florence Lagrange and Richard Mamez resigned from their roles as Director and Non-Voting Director at Bigben Interactive respectively on 27 January 2020 and were appointed independent directors of NACON SA.
- (5) This remuneration also includes remuneration paid by NACON and its subsidiaries to Sylvie Pannetier, amounting to €24,515, and that paid by Bigben Connected SAS to Sylvie Pannetier, amounting to €17,582 for 2019/20 and €16,066 for 2018/19.

This table shows remuneration paid during the 2019/20 and 2018/19 financial years and the remuneration of directors attending Board meetings in financial year N and paid in financial year N+1.

See section 12.1.2.8 for directors' average attendance rate at Board meetings.

Transactions in securities by corporate officers and similar persons (article 621-18-2 of the French Monetary and Financial Code)

None.

Transactions in securities by corporate officers and similar persons (article 621-18-2 of the French Monetary and Financial Code)

None.

13.1.3 Remuneration policy for executive corporate officers

13.1.3.1 Remuneration of the Company's executive corporate officers

Remuneration of the Chairman of the Board of Directors

Through a decision by the Board of Directors on 4 March 2020 – the date on which NACON's shares were first listed – in which it formally noted Alain Falc's resignation from his role as CEO, Alain Falc's employment contract with parent company Bigben Interactive was terminated. Alain Falc's remuneration and benefits with respect to his role as CEO of Bigben Interactive were therefore cancelled.

Alain Falc also still receives remuneration within the Bigben group as Chairman/CEO of NACON SA, amounting to €240,000 gross per year, and as an employee of Bigben Connected, subsidiary of parent company Bigben Interactive, amounting to €120,000 gross per year.

- as Chairman/CEO of NACON SA, amounting to €240,000 gross per year, and
- as an employee of Bigben Connected, subsidiary of parent company Bigben Interactive, amounting to €120,000 gross per year.

Other remuneration and benefits

Remuneration as director

The total annual amount of remuneration determined by the Shareholders' General Meeting is apportioned between Board members in accordance with the rules defined by the Board and set out above.

Accordingly, the Chairman receives, like the other members of the Board of Directors, two units with respect to his role as Director and two additional units with respect to his role as Chairman of the Company's Board of Directors.

The payment of this remuneration is subject to attendance at meetings of the Board of Directors.

A reduction is applied to the total amount of attendance fees in proportion to the number of Board meetings not attended by the director in question.

Benefits in kind

Unlike other members of the Group's Executive Committee, the Chairman does not have a company car.

Severance pay

There are no provisions under which the Chairman will receive specific compensation in the event of his leaving the Company.

Supplementary pension plan

The Chairman does not benefit from any supplementary pension plan.

Remuneration of the Chief Executive Officer

On 4 March 2020, the Board of Directors decided to set Fabrice Lemesre's remuneration and benefits with respect to his role as CEO of the Company as follows:

Fixed remuneration of €120,000 gross per year, paid on a monthly basis, i.e. €10,000 gross per month.

Fabrice Lemesre will also receive variable remuneration of up to 20% of his gross annual fixed remuneration, i.e. up to €24,000, depending on the attainment of specific performance targets including one relating to the Company's operating income, in agreement with the Board.

Fabrice Lemesre may also be reimbursed for expenses reasonably incurred in his duties as CEO, on providing the relevant supporting documentation.

Fabrice Lemesre does not receive any annual variable remuneration, and so his remuneration as CEO of the Company cannot exceed the amount indicated above.

Other remuneration and benefits

Benefits in kind

Leased company car (€436 per month).

Severance pay

There are no provisions under which the CEO will receive specific compensation in the event of his leaving the Company.

Supplementary pension plan

The CEO does not benefit from any supplementary pension plan.

After the appointment of the two executive corporate officers by the Company's Board of Directors, shareholders in the next Shareholders' General Meeting will have the task of deciding on the principles and criteria for determining, apportioning and awarding remuneration and benefits in kind for those two executive corporate officers in relation to 2020/21.

Remuneration of the Chief Operating Officer

On 4 March 2020, the Board of Directors decided to set Michel Bassot's remuneration and benefits with respect to his role as COO of the Company as follows:

Fixed remuneration of €36,000 gross per year, paid on a monthly basis, i.e. €3,000 gross per month.

Michel Bassot may also be reimbursed for expenses reasonably incurred in his duties as COO, on providing the relevant supporting documentation.

Michel Bassot still receives remuneration from the Bigben group as Chairman of Bigben Connected, subsidiary of Bigben Interactive, amounting to €151,800 gross per year or €12,650 per month.

Michel Bassot also receives variable remuneration from Bigben Connected of up to around 50% of his gross annual fixed remuneration, i.e. up to €75,000, depending on the attainment of specific performance targets including those relating to Bigben Connected's inventories and operating income.

Other remuneration and benefits

Benefits in kind

Leased company car (€867 per month).

Severance pay

There are no provisions under which the COO will receive specific compensation in the event of his leaving the Company.

Supplementary pension plan

The COO does not benefit from any supplementary pension plan.

After the appointment of the two executive corporate officers by the Company's Board of Directors, shareholders in the next Shareholders' General Meeting will have the task of deciding on the principles and criteria for determining, apportioning and awarding remuneration and benefits in kind for those two executive corporate officers in relation to 2020/21.

With the exception of the remuneration mentioned above, no exceptional remuneration is planned for the corporate officers.

13.1.3.2 Remuneration of the Group's executive corporate officers

The policy regarding remuneration and benefits in kind awarded to the executive corporate officers of the Company and the Group complies with recommendation 13 of the Middennext Code. The principles for determining remuneration meet the criteria regarding completeness, balance, benchmarking, consistency, clarity, measurement and transparency.

No executive corporate officer of the Group benefits from deferred remuneration, specific compensation or arrangements that depart from the rules of the bonus share or stock option plans in the event of their departure, or retirement benefit plan, as mentioned in recommendations 16, 17 and 18 of the Middennext Code.

Awards of options, bonus shares and other securities

Stock options

The Company does not intend, at this stage, to adopt a policy for awarding stock options, as referred to in recommendation 18 of the Middennext Code, for its corporate officers.

Bonus shares

The Company reserves the possibility to award bonus shares to its employees and executive corporate officers. The Company believes that such awards could take place in autumn 2020. The Board of Directors will therefore meet during the year to determine the precise details of the bonus share award plans. As regards corporate officers, in accordance with recommendation 18 of the Middennext Code, these bonus share awards will be dependent on presence conditions and performance conditions related to the Group's results, particularly the attainment of a target recurring operating margin.

13.2 **AMOUNTS SET ASIDE BY THE COMPANY FOR THE PAYMENT OF PENSIONS,
RETIREMENT BENEFITS AND OTHER BENEFITS TO CORPORATE OFFICERS**

There is no specific pension plan for executives, and the Company has not set aside any sums in that respect.

The executives of Group companies are covered by a corporate officers' liability insurance policy taken out by the Company. The corporate officers do not benefit from any undertaking corresponding to components of remuneration, compensation or benefits that are or may be due as a result of or subsequent to the start, termination or any change of their roles.

The Company has not provisioned any sums for the payment of pensions, retirement benefits or other benefits to members of the Board of Directors.

14. OPERATING PROCEDURES OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

14.1 MANAGEMENT OF THE COMPANY

The composition of and information relating to the Company's executive management and Board of Directors are set out in section 12 "Administrative and management bodies" of the Registration Document.

14.2 INFORMATION ON AGREEMENTS BINDING THE COMPANY'S EXECUTIVES AND/OR CORPORATE OFFICERS AND THE COMPANY OR ANY OF ITS SUBSIDIARIES

To the Company's knowledge, at the date of this Registration Document, there are no service contracts that connect members of the Board of Directors or management team to the Company or to any of its subsidiaries and/or that provide for the granting of benefits to members of the Board of Directors, the CEO or any COO.

Similarly, to the Company's knowledge, at the date of this Registration Document, there are no service contracts that connect members of the Board of Directors or management team to the Company or to the Bigben Interactive group.

14.3 BOARD OF DIRECTORS, SPECIALIST COMMITTEES AND CORPORATE GOVERNANCE

14.3.1 Bigben Interactive's Board of Directors

The composition of and information relating to the Board of Directors are set out in section 12 "Administrative and management bodies" of the Registration Document.

14.3.2 Board committees

14.3.2.1 Audit Committee

To fulfil its remit, the Board of Directors is assisted by an Audit Committee.

Composition of the Audit Committee

In accordance with (i) Article L. 823-19 of the French Commercial Code, which states that "*the membership of this committee shall be decided, as the case may be, by the body in charge of governance and supervision. The committee may include only members of the body in charge of the administration or supervision in the service of the company, excluding those carrying out managerial functions. At least one member of the committee must have specific skills in the financial or accounting sector and be independent with respect to the criteria specified and made public by the body in charge of the administration or supervision*" and (ii) recommendation 6 of the Middlednext Code, the Audit Committee consists of two (2) members, of whom one (1) will be appointed from among the independent members of Bigben Interactive's Board of Directors. The members of the Audit Committee must have specific financial and/or accounting expertise.

Bigben Interactive's first Audit Committee was appointed on 25 October 2011 after the Board's internal rules were amended on the same day. The terms of office of Audit Committee members have since been renewed annually following decisions to make/renew/terminate appointments by shareholders in Shareholders' General Meetings.

The current members of the Audit Committee are Jean-Marie de Chérade, independent director, and Sylvie Pannetier. Mr de Chérade was selected by the Board in its meeting of 25 October 2011 and Ms Pannetier in its meeting of 25 July 2016. Ms Pannetier was appointed for the remainder of the term of office of Richard Mamez, who was first appointed on 25 October 2011 but resigned when he became Non-Voting Director of Bigben Interactive. Sylvie Pannetier, who is employed as a treasurer by the Company, is not regarded as an independent member of the Audit Committee.

The Board of Directors, taking into account their professional experience, took the view that they have the skills required under Article L. 823-19 of the French Commercial Code to enable them, as members of the Audit Committee, to assess the work done by the Finance Department and to provide their expert opinion.

The term of office of Audit Committee members coincides with their term of office as Board members. Their term of office as Audit Committee members may be renewed at the same time as their term of office as Board members.

The Audit Committee met in November 2019 in relation to the half-year accounts closing at 30 September 2019 and in May 2020 in relation to the annual accounts closing at 31 March 2020. The statutory auditors took part in Audit Committee meetings in which half-year and full-year results were analysed. The attendance rate of directors who were Audit Committee members was 100%.

Remit and duties of the Audit Committee

The remit of the Audit Committee is to monitor issues relating to the preparation and control of accounting and financial information in order to ensure that the risk management and internal control system is effective, and as the case may be to make recommendations to ensure its integrity. The remit of the Audit Committee was defined in the Board's Internal Rules on 22 January 2020.

Without prejudice to the Board's competencies, the Audit Committee has the following duties:

- it monitors the process of preparing financial information and, as the case may be, makes recommendations to ensure its integrity,
- it monitors the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information, without affecting its independence.
- it makes a recommendation regarding the statutory auditors put forward for appointment by the Shareholders' General Meeting or body with a similar function. That recommendation, made to the administrative or supervisory body, is made in accordance with regulations. The Audit Committee also makes a recommendation to that body when any renewal of the statutory auditor or Auditors' appointment is being considered in accordance with regulations.
- It monitors the statutory auditors' fulfilment of their duties. As regards public interest entities, it takes account of the findings and conclusions of the French auditors' body (*Haut conseil du commissariat*) following checks carried out in line with regulations.
- It ensures that the statutory auditors meet the independence criteria defined by regulations.
- It approves the provision of services other than the auditing of financial statements in accordance with applicable regulations.
- It reports regularly to the collegial body tasked with overseeing its remit. It also reports on the results of the audit of the financial statements, the way in which that audit contributed to the integrity of financial information and the role it played in that process. It informs the Board immediately of any difficulty encountered.

The Audit Committee ensures the independence of the statutory auditors and checks that the scope of services other than the certification of financial statements does not present any risk to their independence taking into account their purpose and conditions under which they are performed.

In accordance with article L. 823-20(5) of the French Commercial Code, the Company may ask the Company's Board of Directors for services other than the certification of financial statements mentioned in article L. 822-11-2 of the French Commercial Code, referring to article L. 823-19(6) of the same Code, to be carried out by its Audit Committee. In that case, the Audit Committee reports regularly on the decisions thus adopted to the administration body of the controlled company.

Presence of other persons who are not members of the Audit Committee

The CEO or COO do not take part in Audit Committee meetings, while the Group's Corporate Secretary and/or CFO represent the Company and take part in them in that capacity. After providing all relevant information and details, they leave meetings so that the Audit Committee can hold a discussion.

Should the Board meet as an Audit Committee, the CEO and COO would be absent from part of the meeting.

14.4 STATEMENT ON CORPORATE GOVERNANCE

14.4.1 Corporate governance code

To comply with article L. 225-37-4 of the French Commercial Code, since Bigben Interactive's shares were admitted to trading on Euronext Paris, the Company has referred to the corporate governance code for small and mid-cap stocks published by Middlednext in September 2016 and validated as a reference code by the AMF (accessible on the www.middlednext.com website under "News"), since the principles it contains are compatible with the Company's organisation, size, resources and ownership structure.

The Middlednext Code contains areas for attention setting out matters that the Board of Directors must address in order to foster good governance as well as recommendations.

The table below sets out Bigben Interactive's position with respect to all recommendations made by the Middlednext Code as of the Registration Document's filing date:

Middlednext Code recommendations	Applied	Not applied
"Supervisory" body		
R1: Conduct of Board members	X	
R2: Conflicts of interest	X	
R3: Composition of the Board – Presence of independent members	X	
R4: Reporting to Board members	X	
R5: Organisation of Board and Committee meetings	X	
R6: Board committees	X	
R7: Internal rules for the Board	X	
R8: Selection of each director	X	
R9: Terms of office of Board members	X	
R10: Remuneration of directors	X	
R11: Assessment of the Board's work	X	
R12: Relations with "shareholders"	X	
The "executive" body		
R13: Definition and transparency of remuneration paid to executives and corporate officers	X	
R14: Succession planning for executives	X	
R15: Combination of an employment contract and role as corporate officer	X	
R16: Severance pay	X	
R17: Supplementary pension plans	X	
R18: Stock options and bonus share awards	X	
R19: Review of areas for attention	X	

14.4.2 Succession of the CEO

In accordance with recommendation 14 of the Middlednext Code, which advises the Board of Directors to consider the succession of existing executives on a regular basis, Bigben Interactive's Board of Directors discussed this matter in its 27 April 2020 meeting.

Board members were reminded that on 4 March 2020, the Company had changed its governance team with Alain Falc resigning from his role as CEO of the Company, which meant that his only remaining role was that of Chairman of the Board. Fabrice Lemesre was appointed as his replacement as CEO and Michel Bassot was appointed as the Company's COO, replacing Laurent Honoret. At the date of this document, Fabrice Lemesre is 52 years old and Michel Bassot is 61 years old.

After considering this information, Bigben Interactive's Board of Directors took the view that the succession of the CEO was not an imminent concern because he had only recently been appointed to that role, although the Company is continuing to pay attention to the matter of succession as regards its executive team.

14.5 INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

At the date of the Registration Document, Bigben Interactive has internal control procedures relating to financial and accounting information, summarised below.

14.5.1 Components of the internal control system

14.5.1.1 Control environment

Given the company's size, the management team and the main executives play a dominant role in the organisation of internal control. The key participants in the internal control system are as follows:

- The Chief Executive Officer:

He defines and guides Bigben Interactive's strategy. He is responsible for establishing the procedures and resources used to ensure the operation and monitoring of internal control. He is responsible for internal control more specifically in his role as CEO, alongside the Board of Directors and the assistance of the statutory auditors.

- Board of Directors

The Board determines the direction of Bigben Interactive's business and ensures that it is followed. In particular, it examines accounting and financial documentation that is subject to financial reporting and assesses risks connected with the Company's internal and external control.

Each director may, in addition, gain additional information at his/her own discretion, and the CEO may be called upon by the Board of Directors at any time to provide explanations and material information.

- Financial and accounting teams

They provide both expertise and control, being in charge of monitoring the budget, preparing the financial statements, hitting targets and implementing the internal control strategy established by the CEO, and implementing recommendations made by both the Group's Finance Department and by the statutory auditors.

14.5.1.2 Risk assessment

In its business activities, the Group is exposed to risks that could, if realised, affect its performance and achievement of its strategic and financial targets.

To implement the necessary resources to manage its risks, the Group has assessed risks at the upstream level with management teams and at the downstream level with operational and functional teams.

The main risk factors and prevention and action resources are set out in section 3 "Risk factors" of this Registration Document.

The main areas considered are:

- risks related to the business,
- market risks and financial risks,
- legal, regulatory and tax risks,
- extra-financial risks (workforce-related and environmental),
- the risk of fraud.

At management's request, any risks over which control is insufficient or could be improved are assessed by the participants in the control system. In that case, internal control arrangements are designed and reviewed to ensure improved effectiveness in conjunction with operational teams.

The controls adopted represent an operational framework within the Company and are constantly changing, with the aim of eventually constituting genuine risk-management tools that can be used at all levels of the organisation.

14.5.1.3 Control activities

Main internal control procedures

As well as the risk management system, Bigben Interactive has numerous control processes at all levels of the company.

The organisation of support functions means that Executive Management's main strategies and targets are disseminated consistently.

- Group Management Control department:
 - *Backward-looking work (reporting, etc.):*
This ensures that the company's performance is monitored through operational monitoring focused on monthly "Flash" reports for all Group subsidiaries. It also prepares deliverables for Executive Committee meetings (Euromeeting group) attended by the Executive Management of the Group and subsidiaries and the Group's operating and finance departments, which assess the various reporting indicators and differences between actual financial statements and initial forecasts, and which refine quarterly, half-yearly, annual and multi-year forecasts on the basis of actual results and the market outlook as reported by local and operating teams. The Group's management controllers monitor the whole financial reporting cycle and constantly challenge subsidiaries regarding their performance, results and business activity.
 - *Forward-looking work:*
As part of its day-to-day management work, Bigben Interactive has supplemented its head office and Group budget and reporting procedures by adopting "memo deal"-type management sheets to monitor exclusive distribution, publishing or licensing agreements that include financial and/or volume commitments.
Each project undergoes an upstream analytical cost analysis, in addition to the downstream analysis of commercial potential (estimate of possible customer returns based on actual store checkout figures etc.).
- Group Consolidation department: prepares the Group's consolidated financial statements and provides information about the applicable accounting policies within the Group as required. It ensures compliance with standards and regulations in force in order to give a true and fair view of the Group's business activity and position.
- Group Treasury department: co-ordinates the management of French and foreign subsidiaries' cash positions, including by overseeing cash forecasts. It ensures that policies for managing currency risk and liquidity risk are appropriate, and also manages off-balance sheet commitments relating to commercial activities (letters of credit, collateral etc.). It centralises and checks the application of authorisation thresholds granted to a limited number of staff members and helps to set up tools that ensure effective control (dual signature procedure, secure payment tools, regularly updated authorisation and signature system, checks on IT access etc.). It should be noted that Bigben Interactive has for several years used EBICS TS cash management software, which allows secure electronic payments to be made without using faxes.

- Group Finance Department
 - This department implements the financial aspects of Executive Management decisions, in accordance with regulations, through various financial transactions (issues of securities giving access to the capital, potential acquisitions, management incentives etc.).
 - As regards tax, supported by external advisors, it assists and advises Group companies, both French and foreign, when analysing the tax aspects of their projects. Working with the various in-house departments, it secures the Group's tax position by overseeing the prevention, identification and management of tax risks.
- Corporate Secretary and Group Legal Department: supported by their external lawyers and advisors specialising in company law, contract law, litigation and intellectual property, they assist and advise Group entities regarding legal matters (acquisitions, contracts, leases, stockmarket regulation, corporate governance etc.) and co-ordinate joint studies or studies of interest for the Group.
- Information Systems Departments (ISDs): these departments help select IT resources, ensure they are consistent and oversee changes to them over time, in both technical and functional terms. The ISDs regularly monitor the progress of IT projects and ensure they are appropriate as regards requirements, existing resources and budgets. IT security teams have the task of ensuring and organising the protection of their entities' activities, including but not limited to the security of applications, information systems, premises and human and material resources.

Information systems

The Company is always seeking to improve its information system and ensure the integrity of its accounting and financial data. Accordingly, it invests in the installation and maintenance of IT tools and procedures that meet requirements and constraints at both the local and Group levels.

Particular attention is paid to the security of data and processing. IT teams make constant efforts to improve controls that ensure the following:

- availability of services and systems,
- availability, confidentiality, integrity and traceability of data,
- protection of connected services against unauthorised access,
- surveillance of the network against internal and external threats;
- security and restoration of data.

14.5.1.4 Information and communication

The Group is aware that information is necessary at all levels of the organisation to ensure effective internal control and achieve the organisation's objectives. All relevant, reliable and appropriate information – internal or external, financial, operational or relating to compliance with statutory and regulatory obligations – is identified, collected and disseminated in an appropriate form and within an appropriate timeframe.

Procedures for validating accounting and financial information

Accounting and financial information

Bigben Interactive's accounting and financial information is prepared by the Group Finance Department and Group Consolidation Department under the control of the CEO, with the Board of Directors being in charge of final validation.

- Accounting standards

The Group's accounting standards comply with IFRSs issued by IASB and as adopted by the European Union.

- Statutory financial statements

The financial statements of each subsidiary are prepared, under the responsibility of their manager, by local accounts departments that ensure compliance with tax and regulatory requirements in their respective countries.

- Consolidation

The reporting of quarterly accounting information takes place according to a timetable defined by the Group Consolidation Department and validated by the Group Finance Department, and according to the Group's IFRS accounting policies in a central consolidation software package under the responsibility of the consolidation department. The software allows reliable and rapid reporting of data and aims to safeguard the consolidated financial statements.

The Company has the resources to ensure that the process for producing consolidated financial statements is streamlined and reliable. Accordingly, the consolidation department uses:

- input templates, updated periodically, allowing subsidiaries to understand the tools and use them as effectively as possible, and to ensure the consistency of published accounting and financial data,
- and a transition matrix between the statutory financial statements of its subsidiaries and the consolidated financial statements.
- It also monitors developments constantly in order to track and anticipate changes in the regulatory environment applicable to Group companies.

- Statutory auditors

Bigben Interactive's statutory auditors carry out a limited review of the financial statements.

Outside of specific audit periods, prior analysis of specific accounting issues is carried out ahead of accounts closing periods, thereby reducing the time required to prepare the consolidated financial statements, while process reviews allow the statutory auditors to ensure that the processes in place are reliable and that their audit techniques are backed up by identified strong controls.

At the international level, subsidiaries' financial statements are reviewed by local statutory auditors that carry out all audit work required in the respective countries subject to the directives of the Group's statutory auditors. This organisation helps harmonise audit procedures.

As the body responsible for preparing financial statements and implementing accounting and financial internal control systems, Executive Management holds discussions with the statutory auditors.

The statutory auditors take part in all Audit Committee meetings. In those meetings, they discuss their work on procedures and their conclusions on accounts closing documents, and disclose material matters arising during their audit work.

Process for validating and communicating financial information externally

The Group Finance Department disseminates financial information that is necessary to understand fully the Group's strategy among shareholders, financial analysts, investors etc.

All financial and strategy press releases are reviewed and validated by Executive Management.

Financial information is disseminated in strict compliance with market rules and the principle that shareholders must be treated equally.

It should be noted that the Group maintains a list of insiders who are reminded of their confidentiality duties and compliance with "black-out periods" regarding trading in Bigben Interactive shares.

Other external communication

Executive Management is contactable by any external entities such as suppliers, customers, shareholders and financial analysts, in order to provide them with explanations or answering their questions relating to the way in which the Group's internal control system operates.

Marketing and financial press releases are also sent to any person (in the financial community) who has expressed an interest in following the Group.

15. EMPLOYEES

The Company believes that its staff is a major asset and that, in a particularly competitive market in which expertise developed in France is unanimously acknowledged, its ability to retain employees is a key factor for its future success.

15.1 NUMBER OF EMPLOYEES AND BREAKDOWN BY COMPANY

Breakdown of employees by legal entity:

By legal entity	31/03/2020	31/03/2019	31/03/2018
Bigben Interactive SA	87	85	73
Bigben Connected	101	101	100
Bigben HK Ltd	18	19	17
Bigben España	16	19	10
Total Bigben - Audio/Telco	222	224	200
NACON SA	104	83	89
Games.fr	7	7	8
Bigben Benelux	17	14	12
NACON HK Ltd	11	8	9
Bigben Interactive GmbH	17	18	21
NACON Gaming España SL	7	9	4
Bigben Interactive Italia	13	12	10
Cyanide	102	85	-
Cyanide Canada	40	35	-
Kylotonn	98	73	-
Eko Software	30	34	-
Spiders	37	-	-
RaceWard	27	-	-
NACON Gaming Inc.	2	-	-
Total NACON - Gaming	512	378	153
Total Bigben Interactive	734	603	353

Source: Declaration of Extra-Financial Performance/CSR/Non-Financial statement NFS reports of 31/03/2020, 31/03/2019 and 31/03/2018

In 2018/19, staff numbers increased sharply, boosted by employees of the three newly acquired studios Cyanide SA, Kylotonn SAS and Eko Software SAS, but also by efforts to strengthen NACON's head-office teams in the games publishing business. As a result, headcount was 603 at 31 March 2019.

In 2019/20, the NACON group's studio staff numbers increased further due to the addition of employees at two new studios, i.e. Spiders SAS (now wholly owned by NACON) and RaceWard – Lunar Great Wall Studios S.r.l., which entered the Group's scope of consolidation, along with the creation of NACON Gaming Inc. to market RIG™ headsets and NACON® products in the United States. As a result, headcount was 734 at 31 March 2020, plus 28 interns and temporary staff members.

15.2 EQUITY INTERESTS AND STOCK OPTIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Members of Bigben Interactive's Board of Directors and Executive Management do not have any equity interests or stock options in Bigben Interactive or its subsidiary NACON.

15.3 OWNERSHIP OF THE COMPANY'S CAPITAL BY EMPLOYEES

15.3.1 Employee share ownership

Capital owned by employees

In the past, shares owned by employees were managed collectively (through the Bigben Interactive Actionnariat employee savings mutual fund). For example, that fund held 19,449 shares at 31 March 2015. In the 2015/16 financial year, that employee savings mutual fund was wound up, and so the Company no longer has direct knowledge of how much of Bigben Interactive's capital is held by its employees.

140,800 bonus shares vested in the Group's employees in August 2017. The mandatory two-year lock-up period ended on 31 August 2019, and so the relevant employees are now free to dispose of those shares.

A further 143,760 bonus shares vested in the Group's employees in August 2018, 198,585 in September 2019 and 19,799 in November 2019. Those shares are currently subject to the mandatory two-year lock-up period until 31 August 2020, 3 September 2021 and 26 November 2021 respectively, on which dates the relevant employees will be free to dispose of them.

Since the equity interests of employees as defined in Article 225-102 of the French Commercial Code remain less than 3% of the Company's share capital, the Shareholders' General Meeting does not currently have to appoint one or more directors put forward by employee-shareholders.

There are no plans to include within the Company's articles of association the possibility of one or more directors being elected by the staff of the Company and/or its subsidiaries.

Capital potentially owned by employees

During the 2019/20 financial year, on 4 September 2019, the Board of Directors decided to award 272,533 shares to 539 beneficiaries. The vesting of those shares after a 1-year period is again subject to an ongoing presence condition and/or a performance condition related to achieving a predetermined level of recurring operating income. Based on the number of bonus shares vested, an issue of new shares will take place through the capitalisation of reserves, and a special appropriated earnings account equal to the total par value of the 272,533 shares awarded, i.e. €545,066, was set up at the time of the award.

The number of shares awarded to the 10 beneficiaries awarded the most shares as part of this bonus share award was 123,517.

Draft resolution on the "Capital increase reserved for members of the employee savings plan"

On 19 July 2019, the Board of Directors made a proposal to shareholders in the Shareholders' General Meeting to carry out a capital increase in the following 18 months for the benefit of employees of the Company and companies related to it who are members of the Company's existing employee savings plan, in an amount of up to €400,000. Shareholders in the Shareholders' General Meeting rejected that draft resolution.

Draft resolution on "Bonus share awards"

By awarding bonus shares, the Group increases employee share ownership, giving an interest in Bigben Interactive's future stockmarket performance to all employees who wish to have such an interest.

Shareholders in the Shareholders' General Meeting will again be asked to grant authority to the Board of Directors, for an 18-month period, to decide to award bonus shares to employees of the Company and companies related to it. The maximum par value of shares awarded in this way would be increased to €700,000, representing 350,000 shares.

16. MAIN SHAREHOLDERS

16.1 OWNERSHIP OF SHARES AND VOTING RIGHTS

At the date of this Universal Registration Document, the Company's share capital totalled €39,437,006, divided into 19,718,503 shares with par value of €2 each, of which the Bolloré group owned 20.1% (via Nord Sumatra) and AF Invest owned 13.2%, with the free float making up the rest.

Information that may be relevant in the event of a public offer

In accordance with Article L. 225-100-3 of the French Commercial Code, elements that may be relevant in the event of a public offer are set out below:

- The largest shareholder at the date of this document is Vincent Bolloré, who holds 20.1% of the Company's capital and 17.7% of its voting rights, via Nord Sumatra in particular;
- As regards the issuance and repurchasing of shares, in various resolutions, the Shareholders' General Meeting of July 2019 granted the Board of Directors power to increase the share capital, with preferential subscription rights maintained or withheld, up to a maximum par value of €4.5 million in an offer period including an exchange component.

The law provides that grants of authority must be suspended during a public offer period if their use could cause the offer to fail.

Ownership of shares and voting rights at 31 March 2020

Shareholder	Category	% of share capital	% of voting rights ⁽¹⁾
Alain Falc ⁽²⁾	Chairman	13.22%	22.87%
Nord Sumatra (Bolloré)	Institutional investor	20.09%	17.69%
Quaero Capital	Institutional investor	5.62%	4.95%
Free float	-	60.96%	54.49%
Liquidity agreement	-	0.11%	0.00%
Total		100.00%	100.00%

(1) gross voting rights

(2) directly and indirectly via AF Invest

At 31 March 2020, the Company's capital consisted of 19,718,503 shares and 22,390,443 voting rights on a gross basis.

Changes in ownership of the share capital and voting rights in the last two financial years

Ownership of shares and voting rights at 31 March 2019

Shareholder	Category	% of share capital	% of voting rights ⁽¹⁾
Alain Falc ⁽²⁾	Chairman	13.4%	23.1%
Nord Sumatra (Bolloré)	Institutional investor	20.3%	17.8%
Quaero Capital	Institutional investor	8.7%	7.6%
Free float	-	57.5%	51.5%
Liquidity agreement	-	0.1%	0.00%
Total		100.00%	100.00%

(1) gross voting rights

(2) directly and indirectly via AF Invest

At 31 March 2019, the Company's capital consisted of 19,500,119 shares and 22,192,461 voting rights on a gross basis.

Ownership of shares and voting rights at 31 March 2018

Shareholder	Category	% of share capital	% of voting rights ⁽¹⁾
Alain Falc ⁽²⁾	Chairman	14.2%	24.3%
Nord Sumatra (Bolloré)	Institutional investor	21.6%	18.8%
Quaero Capital	Institutional investor	9.2%	8.1%
Free float	-	54.9%	48.8%
Liquidity agreement	-	0.1%	-
Total		100.00%	100.00%

(1) gross voting rights

(2) directly and indirectly via AF Invest

At 31 March 2018, the Company's capital consisted of 18,363,339 shares and 21,058,841 voting rights on a gross basis.

16.2 VOTING RIGHTS OF THE MAIN SHAREHOLDERS

At 31 March 2020, the Bolloré group owned 20.1% of Bigben Interactive SA's capital and 17.7% of its gross voting rights, in particular via Nord Sumatra.

At 31 March 2020, the Company's Chairman Alain Falc held 13.2% of Bigben Interactive SA's share capital and 22.9% of its gross voting rights (directly and indirectly).

See section 19.2.2.1 regarding provisions applicable to double voting rights.

Crossings of ownership disclosure thresholds in the last two financial years:

- **Quaero**

In a letter received by the AMF on 21 February 2020, Swiss public limited company Quaero Capital (Genève), acting on behalf of investment fund Quaero Capital Funds (Lux)¹³, disclosed to the Autorité des Marchés Financiers that its ownership of Bigben Interactive's voting rights had fallen below 5% on 20 February 2020 and that it held, on behalf of that fund, 1,109,073 Bigben Interactive shares representing the same number of voting rights, i.e. 5.62% of the company's share capital and 4.95% of its voting rights¹⁴. Quaero Capital (Lux) informed the AMF that the crossing of the 5% threshold resulted from the sale of Bigben Interactive shares in the market (AMF notice 220C0712).

Shareholder	Shares	% of the capital	% of voting rights ⁽¹⁾
Quaero Capital	1,109,073	5.62%	4.95%

16.3 CONTROL OF THE COMPANY

At 31 March 2020, the Bolloré group owned 20.1% of the Company's share capital and 17.7% of its voting rights on a gross basis via Nord Sumatra.

The Chairman of the Board of Directors, Alain Falc, held 13.2% of the share capital and 22.9% of the gross voting rights (directly and indirectly).

¹³ Quaero Capital (Lux) acts as the "investment manager" of Quaero Capital Funds (formerly called SICAV Argos Funds), for which FundPartner Solutions (Europe) S.A. is the administrator and Pictet & Cie (Europe) S.A. is the custodian.

¹⁴ Based on the share capital consisting of 19,718,503 shares representing 22,392,349 voting rights, applying the second paragraph of Article 223-11 of the AMF's General Regulation.

To the Company's knowledge, there are no other shareholders holding, alone or in concert, more than 5% of the Company's share capital and voting rights. As a result, at the date of this Universal Registration Document, no shareholder had control over the Company within the meaning of article L. 233-3 of the French Commercial Code.

As a result, the Company believes that there is no risk of control being indirectly exercised in an improper manner by either of the Company's main shareholders, particularly in view of (i) the current composition of the Board of Directors, which includes two independent directors, (ii) the composition of the Audit Committee, which also includes one independent director and (iii) the separation of the role of Chairman of the Board of Directors (Alain Falc) from that of Chief Executive Officer (Fabrice Lemesre).

16.4 **AGREEMENTS THAT MAY LEAD TO A CHANGE OF CONTROL**

At the date of this Universal Registration Document, there is no agreement whose implementation could lead to a change in the Company's control.

At the Bigben Interactive level, there is no agreement whose implementation could, at a later date, lead to a change in control over Bigben Interactive and therefore directly over the Company, it being stipulated that Vincent and Sébastien Bolloré own their shares in concert with Nord Sumatra (Bolloré group) and that Alain Falc owns his stake in Bigben Interactive in concert with AF Invest.

However, the parent company Bigben Interactive's ownership structure has historically been very stable and Alain Falc is also a corporate officer with an operational role in the NACON group, which suggests confidence in the management and strategy adopted by the Group, provided that they prove prudent, justifiable, appropriate to market opportunities and conditions and profitable.

16.5 **PLEDGES**

None of the shares making up the Company's capital is subject to any pledge.

17. TRANSACTIONS WITH RELATED PARTIES

17.1 INTRAGROUP TRANSACTIONS AND TRANSACTIONS WITH RELATED PARTIES

The Company has formed intragroup agreements and agreements with related parties including agreements with its own subsidiaries.

All of those agreements are described in section 6.3.

17.2 STATUTORY AUDITOR'S REPORT ON REGULATED AGREEMENTS

To the shareholders of Bigben Interactive SA,

In our capacity as your company's statutory auditors, we hereby submit our report on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our assignment, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the benefits resulting from these agreements prior to their approval.

In addition, we are required to inform you, in accordance with Article R. 225-31 of the French Commercial Code, about the performance during the year of the agreements already approved by the shareholders in shareholders' general meetings.

We have carried out the work we considered necessary to comply with the professional guidelines issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of assignment.

AGREEMENTS SUBJECT TO APPROVAL BY THE SHAREHOLDERS' GENERAL MEETING

Agreements authorised and entered into during the year

We were not informed of any agreement or commitment authorised and entered into during the year to be submitted for approval at the Shareholders' General Meeting in accordance with article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' GENERAL MEETING

We have not been made aware of any agreement already approved by shareholders in shareholders' general meetings that continued to be performed in the period under review.

Paris la Défense, 1 July 2020

KPMG Audit IS

Stéphanie Ortega
Partner

Roubaix, 1 July 2020

Fiduciaire Métropole Audit

François Delbecq
Partner

18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, FINANCIAL POSITION AND EARNINGS

18.1 HISTORICAL FINANCIAL INFORMATION

18.1.1 Audited historical financial information

1 STATUTORY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

1.1 BALANCE SHEET

1.1.1 ASSETS

ASSETS	Gross 31/03/20	Depreciation, amortisation and provisions 31/03/20	Net 31/03/20	Net 31/03/19
	in thousands of euros	in thousands of euros	in thousands of euros	in thousands of euros
Non-current assets				
<i>Intangible assets</i>				
Concessions, patents	1,148	1,068	80	1,195
Advances and payments on account	110	-	110	14
	1,258	1,068	190	1,209
<i>Property, plant and equipment</i>				
Land	-	-	-	1
Buildings	5,162	3,336	1,826	1,966
Technical installations	121	100	21	5
Other property, plant and equipment	1,395	1,165	230	427
Property, plant and equipment in progress	724	-	724	298
	7,402	4,601	2,801	2,697
<i>Financial assets</i>				
Equity securities	88,071	335	87,736	59,675
Receivables related to associates	-	-	-	805
Other long-term investment securities	-	-	-	1
Loans	-	-	-	-
Other financial assets	55,344	-	55,344	55,673
	143,415	335	143,080	116,154
TOTAL	152,075	6,004	146,071	120,060
Current assets				
Inventories and work in progress	13,253	1,936	11,317	31,139
Advances and payments on account	38	-	38	979
Receivables				
Trade receivables	6,980	263	6,717	25,467
Other receivables	3,570	-	3,570	41,433
Marketable securities	277	23	254	169
Cash and cash equivalents	693	-	693	2,815
TOTAL	24,811	2,222	22,589	102,002
Prepaid expenses	99	-	99	1,240
Expenses to be amortised over several periods	-	-	-	-
Exchange differences (assets)	-	-	-	50
TOTAL ASSETS	176,985	8,226	168,759	223,353

1.1.2 EQUITY AND LIABILITIES

EQUITY AND LIABILITIES	Net 31/03/2020	Net 31/03/2019
	in thousands of euros	in thousands of euros
Equity		
Share capital	39,437	39,000
Share premiums	51,157	51,157
Statutory reserve	3,900	3,551
Appropriated earnings	771	661
Other reserves	37,181	23,852
Net income for the period	6,645	18,123
Regulated provisions	367	-
TOTAL EQUITY	139,458	136,344
Contingency and loss provisions	251	1,548
Liabilities		
Borrowings and debt owed to financial institutions	1,591	39,664
Other borrowings and debt	-	-
Trade payables	4,385	20,238
Tax and employment-related liabilities	2,745	3,591
Liabilities relating to non-current assets	362	3,106
Other payables	19,935	18,862
Prepaid income	50	-
TOTAL LIABILITIES	29,068	85,461
Exchange differences (liabilities)	-18	-
TOTAL EQUITY & LIABILITIES	168,759	223,353

1.2 INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Net 2019/20 in thousands of euros	Net 2018/19 in thousands of euros
Operating revenue		
Sales of merchandise	60,817	84,862
Sales of services	4,686	3,544
Net revenue	65,503	88,406
Operating subsidies	1	30
Reversals of depreciation, amortisation, provisions and expense transfers	6,163	3,645
Other operating revenue	320	319
Total operating revenue	71,987	92,400
Operating expenses		
Purchases of merchandise	48,711	68,469
Changes in inventories of merchandise	-3,983	-4,258
Other purchases and external expenses	12,743	12,896
Taxes other than on income	619	720
Wages and salaries	4,538	6,016
Social security costs	2,173	2,636
Additions to depreciation, amortisation and provisions on non-current assets	332	404
Additions to provisions on current assets	2,362	4,319
Additions to contingency and loss provisions	430	531
Other operating expenses	409	639
	68,334	92,372
Operating income	3,653	28
Financial income		
Financial income from equity investments	3,263	17,665
Income from other non-current financial assets	10	2
Other interest and similar income	-	-
Reversals of financial provisions	547	1,440
Foreign exchange gains	285	404
	4,105	19,511
Financial expenses		
Additions to financial provisions	269	2,552
Interest and financial expenses	478	593
Foreign exchange losses	113	125
	860	3,270
Net financial income/expense	3,245	16,241
RECURRING PRE-TAX INCOME	6,898	16,269
Non-recurring income		
Relating to operating transactions	-	-
Relating to capital transactions	64	4
Reversals of provisions	447	89
	511	93
Non-recurring expenses		
Relating to operating transactions	536	-
Relating to capital transactions	-	67
Additions to provisions	455	89
	991	156
Net non-recurring income/(expense)	-480	-63
Employee profit-sharing	-	-
Research tax credit	-	-
Tax credit on charitable donations	321	-
Tax consolidation	-94	1,917
Income tax	-	-
NET INCOME	6,645	18,123

2 NOTES TO THE STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

This document constitutes the notes to Bigben Interactive SA's statutory financial statements for the year ended 31 March 2020.

Those statements show total assets of €168,760 thousand and net income of €6,645 thousand.

The figures in the notes are stated in thousands of euros unless otherwise mentioned.

The information relating to the year ended 31 March 2018, presented in the 2017/18 registration document D.18-0585 filed with the AMF on 18 June 2018, is incorporated by reference.

2.1. KEY EVENTS IN THE FINANCIAL YEAR

2.1.1. COMMERCIAL DEVELOPMENT

GAMING

The Gaming business is only reflected in Bigben Interactive's statutory financial statements for the first half of 2019/20. The business was transferred to the newly created subsidiary NACON SA on 31 October 2019 via a spin-off with retroactive effect for accounting and tax purposes on 1 October 2019 (see section 2.1.2).

The growth in that business in the first half of the financial year was driven mainly by the Publishing segment.

- **Video Games:**

Higher Publishing sales mainly due to increased digital sales.

- **Gaming Accessories:**

Gaming Accessories revenue fell because there were no major new accessory launches in 2019/20 apart from the *REVOLUTION Pro Controller 3* for PlayStation 4™.

AUDIO/TELCO

Sales of Mobile accessories fell, mainly due to changes in the market, with customers waiting longer to replace their products and adopting a wait-and-see attitude ahead of the arrival of 5G technology. This made consumers less keen to buy new smartphones and related accessories, but also contributed to the good performance of products that extend the lives of devices, such as protective products (Force Glass® and Force Case®) and extended-life products (such as the Force Power® charger, which has a lifetime guarantee). The initial success enjoyed by the Justgreen® range, aimed at consumers with an interest in social and environmental responsibility, also helped offset the decline in the market.

In a market clearly shifting towards smart speakers, the Audio business saw an increase in sales driven by numerous new product launches in 2019/20 along with the opening of new sales channels.

2.1.2. CHANGE IN SCOPE

- **Acquisition of a stake in Lunar Great Wall Studios S.r.l.**

On 29 July 2019, Bigben Interactive SA acquired a 43.15% stake in Italian development studio Lunar Great Wall Studios S.r.l., which is better known under its trade name RaceWard. The consideration was paid in cash.

That stake was transferred to NACON SA as part of the spin-off described below.

The NACON group has an option, which can be exercised at any time until 31 December 2021, to acquire an additional 10% stake in Lunar Great Wall Studios S.r.l.

The studio is based in Milan and is expanding rapidly. It expects its team to have 30 members in the near future, veterans of the video game industry and all passionate about racing simulation games, particularly motorbike racing games.

The NACON group's purchase of a stake in this studio will strengthen its expertise in the Racing segment, which is one of the key pillars of its video-game portfolio, by developing synergies with its other studios.

- **Acquisition of 100% of Spiders SAS**

On 3 September 2019, Bigben Interactive SA acquired all of the capital and voting rights of development studio Spiders SAS for cash. Two earn-out payments relating to two development projects currently underway at Spiders may be made between 2022 and 2024. Those payments are capped and contingent on the achievement of a certain quality level and volume of future games sales.

The company was transferred from Bigben Interactive SA to NACON SA as part of the spin-off described below.

Spiders was founded in 2008 by former developers of *Monte Cristo™* who worked together on the *Silverfall™* game. It has specialised for several years in action and role-playing games, and has major expertise in home consoles. It has developed six multiplatform games, including the well-known *Mars: War Logs™*, in which the action takes place on the planet Mars, *Bound by Flame™*, a medieval fantasy RPG¹⁵ that has been a big commercial hit, and *The Technomancer™*, a cyberpunk RPG. Spiders' new game *Greedfall™*, hotly anticipated among the gamer community, was released in September 2019 and has a unique visual identity inspired by the Baroque art of Europe in the 17th Century.

The studio is based in Paris and has some 30 employees. It uses its own game engine called Silk Engine, which features all the latest functionalities and technologies, enabling it to design games for all platforms, both PC and console.

The deal gives NACON group outstanding expertise, which Spiders has built up over a number of productions with established developers who are known for the high quality of their games.

- **Spin-off of Bigben Interactive SA's Gaming division to NACON SAS**

Legal aspects

NACON (the "**Company**") was incorporated on 18 July 2019 in the form of a simplified joint-stock corporation (*société par actions simplifiée*) with share capital of €10,000.

Bigben Interactive SA's Board of Directors, in its 4 September 2019 meeting, approved the principle of combining the assets and liabilities making up its Gaming division and spinning them off (the "**Spin-off**") to NACON SAS, a wholly owned subsidiary of Bigben Interactive SA.

Bigben Interactive's shareholders, in an extraordinary shareholders' meeting held on 31 October 2019, approved the completion of the spin-off transaction. The Company's sole shareholder also approved the Spin-off on 31 October 2019, with retroactive effect for accounting and tax purposes from 1 October 2019 in accordance with Article L. 236-4 of the French Commercial Code.

The value of the net assets transferred was estimated at €65,087,988 on that date. Through a decision by the Company's sole shareholder on 31 October 2019, NACON's share capital was increased by €65,087,988, taking it from €10,000 to €65,097,988, through the issue of 65,087,988 shares with par value of €1 each to Bigben Interactive, as payment for the spin-off from Bigben Interactive (transferor) to the Company (transferee).

¹⁵ RPG: role-playing game.

Since the accounts closing was finalised subsequently at the time that the interim financial statements were approved on 25 November 2019, the actual net assets transferred as shown by both companies' statutory financial statements was €65,603,700. As a result and in accordance with the Spin-off Agreement, NACON offset the additional sum of €515,712 by recording it under share premiums on the liabilities side of NACON's balance sheet.

Operational aspects

The transaction, which took the form of a spin-off as described above, included the development studios acquired by the Group in the previous two years, dedicated distribution subsidiaries and contracts related to the business, along with all of the Gaming division's patents and intellectual property.

As a result of the spin-off, NACON owns, directly or indirectly, shares in NACON (HK) Ltd, NACON Gaming España, Bigben Interactive Belgium SA, Bigben Interactive Nederland BV, Bigben Interactive GmbH (Germany), Bigben Interactive Italia Sprl, Games.fr SAS, Cyanide SAS, Amusement Cyanide Inc., Eko Software SAS, Kylotonn SAS, Spiders SAS, Lunar Great Wall Studios S.r.l. (RaceWard) and joint venture BBI USA Inc.

Since 31 October 2019, NACON SAS has been led by Alain Falc as Chairman, and then as Chairman/CEO since the Company became a public limited company (*société anonyme*) on 22 January 2020.

The Spin-off has clarified the Bigben group's organisation, creating a legal distinction between its three divisions – Gaming on the one hand, and Mobile and Audio on the other – within two distinct operational business segments, i.e. the "Bigben - Audio/Telco" segment and the "NACON - Gaming" segment.

The creation of NACON has given the Gaming division the independence it needs, while enhancing its operational and strategic organisation.

- **The NACON SA IPO**

By giving the Gaming division its own identity, Bigben Interactive gave it the resources it needs to develop more quickly, particularly as regards funding.

To support its subsidiary's future growth and enable it to continue its selective policy of acquiring games studios, Bigben Interactive SA looked at various options for its expansion and decided that an initial public offering for its NACON subsidiary was the best option to secure funding for its Gaming business.

The timetable of the Company's IPO was as follows:

- ♦ 22 January 2020: conversion of the Company into a public limited company (*société anonyme*) and appointment of the Company's main governing bodies.
- ♦ 29 January 2020: approval of the Company's Registration Document by the Autorité des Marchés Financiers ("**AMF**") under number I.20-003.
- ♦ 19 February 2020: approval of the Prospectus by the AMF under number 20-047.
- ♦ 20 February 2020: publication of the press release announcing the start of the French public offering ("**FPO**") and the International Offering (the "**IO**") (together the "**Offering**"), publication of the Prospectus and publication by Euronext of the notice announcing the start of the Offering.
- ♦ 27-28 February 2020: End of the FPO and IO, setting of the Offering price, signature of the Placement Agreement and publication by Euronext of the notice announcing the result of the Offering.
- ♦ 3 March 2020: settlement-delivery of the FPO and the IO.
- ♦ 4 March 2020: first day on which the Company's shares were traded on Euronext's regulated market in Paris on a trading line entitled "NACON" and start of the stabilisation period.
- ♦ 26 March 2020: end of the stabilisation period.

On 4 March 2020, following the success of the Offering at a price of €5.50 per share, which was four times oversubscribed (€7.7 million of subscriptions to the FPO with the extension clause fully exercised, and the IO fully subscribed), the Company's Board of Directors officially noted the first listing of the

Company's shares on Euronext's regulated market in Paris and voted to increase its capital by €18,181,819 by issuing 18,181,819 new shares with par value of €1 each, plus a total share premium of €81,818,185.50 (i.e. €4.50 per ordinary share). As a result, the share capital amounted to €83,279,807 on that date, divided into 83,279,807 ordinary shares with par value of €1 each, fully subscribed and fully paid-up.

After that transaction, the Company's market capitalisation was around €458 million based on the IPO price of €5.50. The free float then represented 19.65% of the Company's share capital and Bigben Interactive SA held 78.17% of its capital.

In accordance with Article L. 225-135-1 of the French Commercial Code, and to stabilise the Company's share price in the context of its IPO, on 28 February 2020 the Company's Board of Directors granted to Louis Capital Markets, as stabilising agent, an over-allotment option allowing up to 1,818,181 additional new shares to be subscribed at the offering price of €5.50. That over-allotment option could be exercised until 27 March 2020.

The share price having remained stable, the stabilising agent informed the Company on 26 March 2020 that the stabilisation transactions had ended, stating that the Company's shares offered as part of the over-allotment transactions had been subscribed in an amount of €9 million. Following the partial exercise of the over-allotment option, the Company's Board of Directors decided to increase its capital by €1,629,112 by issuing 1,629,112 additional new shares at a price of €5.50, i.e. €1 par value and a €4.50 issue premium, representing subscriptions totalling €8,960,116 including the issue premium.

As a result, the total number of the Company's shares issued as part of its IPO amounted to 19,810,931, i.e. 23.33% of the Company's capital, taking the size of the issue to €109 million. NACON SA's share capital is now made up of 84,908,919 shares.

Bigben Interactive SA has therefore held 76.67% of the Company's capital since 4 April 2020 and still controls NACON SA following the transaction.

2.1.3. OWNERSHIP STRUCTURE

- **Capital increase following the vesting of bonus shares awarded in 2018**

On 3 September 2018, Bigben Interactive SA's Board of Directors awarded 230,201 bonus shares, mainly to employees and corporate officers of recently acquired NACON group entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and a condition related to achieving a predetermined level of recurring operating income. Since all of the Group's entities met their performance condition in part or in full, 198,585 2018 bonus shares vested in 353 Group beneficiaries (including 191 employees and corporate officers of NACON entities, representing 150,616 shares) following the departure of 34 staff members.

As a result, on 4 September 2019, the Bigben group issued 198,585 new shares through the capitalisation of reserves.

On 26 November 2018, Bigben Interactive's Board of Directors awarded 19,799 bonus shares to certain key staff members of the newly acquired studios. The vesting of those shares after a 1-year period was subject to an ongoing presence condition. The bonus shares vested in the employees concerned on 26 September 2019.

As a result, on 27 November 2019, the Bigben group issued 19,799 new shares through the capitalisation of reserves.

- **2019 bonus share award**

On 4 September 2019, Bigben Interactive SA's Board of Directors awarded 272,533 bonus shares, mainly to employees and corporate officers of entities that had recently joined the Group. The vesting of those shares after a 1-year period is again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income. Based

on the number of bonus shares vested, the Bigben group will issue new shares through the capitalisation of reserves, and a special appropriated earnings account equal to the total par value of the 272,533 shares awarded, i.e. €545,066, was set up at the time of the awards.

- **Acquisition of 100% of Spiders SAS**

See section 2.1.2.

- **Acquisition of a 43.5% stake in Lunar Great Wall Studios S.r.l. (RaceWard)**

See section 2.1.2.

- **Crossing of ownership disclosure thresholds**

In a letter received by the AMF on 21 February 2020, Swiss public limited company Quaero Capital (Genève), acting on behalf of investment fund Quaero Capital Funds (Lux)¹⁶, disclosed to the Autorité des Marchés Financiers that its ownership of Bigben Interactive's voting rights had fallen below 5% on 20 February 2020 and that it held, on behalf of that fund, 1,109,073 Bigben Interactive shares representing the same number of voting rights, i.e. 5.62% of the company's share capital and 4.95% of its voting rights¹⁷. Quaero Capital (Lux) informed the AMF that the crossing of the 5% threshold resulted from the sale of Bigben Interactive shares in the market (AMF notice 220C0712).

The Company's ownership structure at 31 March 2020 was as follows:

Shareholder	Category	% of share capital	% of voting rights (1)
Alain Falc (2)	Chairman	13.22%	22.87%
Nord Sumatra (Bolloré)	Institutional investor	20.09%	17.69%
Quaero Capital	Institutional investor	5.62%	4.95%
Free float	-	60.96%	54.49%
Liquidity agreement	-	0.11%	0.00%
Total		100.00%	100.00%

(1) gross voting rights

(2) directly and indirectly via AF Invest

2.1.4. OTHER EVENTS

- **Changes in debt**

In 2019/20, Bigben Interactive SA took out €19 million of new medium-term loans and made repayments on medium-term bank loans and finance leases according to their repayment schedules.

All of those medium-term borrowings were transferred to NACON SA at the time of the aforementioned spin-off.

- **Covid-19 (coronavirus) crisis**

The Company has been affected by this global public health crisis in the following ways:

- Its Asian sources of supplies have been disrupted since early January 2020.
- Stores have closed because of lockdown measures imposed by the main European countries in March 2020.
- Measures have been taken to protect employees and third parties (remote working).

¹⁶ Quaero Capital (Lux) acts as the "investment manager" of Quaero Capital Funds (formerly called SICAV Argos Funds), for which FundPartner Solutions (Europe) S.A. is the administrator and Pictet & Cie (Europe) S.A. is the custodian.

¹⁷ Based on the share capital consisting of 19,718,503 shares representing 22,392,349 voting rights, applying the second paragraph of Article 223-11 of the AMF's General Regulation.

In operational terms, support staff and development teams have been working remotely since mid-March 2020. Only a few staff members, whose work was limited or impossible to carry out remotely, have been put on furlough.

2.1.5. POST-BALANCE SHEET EVENTS

- **Further developments in the Covid-19 (coronavirus) crisis**

Bigben Interactive SA expects the crisis to have repercussions on its sales of Audio products and earnings in its 2020/21 financial year.

Revenue in the first quarter of 2020/21 was affected by the exceptional consequences of the Covid-19 crisis.

To deal with the situation as effectively as possible, from the outset of the crisis Bigben Interactive SA took steps to minimise the direct impact on its operations and costs. The vast majority of people working in support services have been doing so remotely, while the logistics warehouse has adjusted its workload so that it can operate with a reduced staff. As a result, Bigben Interactive SA has only furloughed staff members whose work has had to be suspended or is impossible to carry out remotely.

Bigben Interactive SA has been applying a strict lockdown-easing plan since May 2020, protecting the health of its staff members and third parties when they return to the Group's premises and allowing activity to resume gradually in accordance with health guidelines.

Procurement of Audio products from the Group's suppliers has been back to normal since mid-April 2020. Bigben Interactive SA has also invested in improving its e-commerce sites for its main product ranges.

The Group is already preparing, with the help of its customers and partner-suppliers, a targeted plan of action that is enabling it to deal with the lockdown-easing period as efficiently as possible. The plan includes opening new distribution channels for Audio products and carrying out targeted promotional campaigns for physical products recently delivered to distributors in order to boost their sales when stores reopen.

Bigben Interactive SA's order book suggests that sales of inventories will be satisfactory in the next few months.

Trade receivables at 31 March 2020 are being collected in accordance with agreed payment times.

- **Arrangement of new medium-term loans**

To address any pressure on its cash position in the next few months in relation to the Covid-19 crisis, the Bigben group intends to fund its working capital requirement in 2020/21 by using French state-guaranteed loans. Accordingly, in May and June 2020, Bigben Interactive SA reached an agreement with three banks to take out two French state-guaranteed loans in a total amount of €15 million. Those loans will have a one-year term, although the Group will be able to request the rescheduling of payments over a five-year period.

2.2. ACCOUNTING POLICIES AND PRINCIPLES

Application of ANC regulations 2014-03, 2015-06 and 2016-07.

Generally accepted accounting conventions have been applied in accordance with the principle of prudence and the general rules for preparing and presenting annual financial statements, i.e. going concern, consistency of accounting policies and accrual basis.

Historical cost is the basic method used to measure items recorded in the financial statements.

When preparing the financial statements, the Company's management may make estimates and use

assumptions that affect the value of assets and liabilities, income and expenses, along with information provided in the notes, particularly as regards non-current financial assets and other receivables.

Those estimates and assumptions are based on information and estimates known on the accounts closing date and may prove substantially different from actual figures. Assumptions relate in particular to the valuation of equity securities and associated loans, commitments to employees and provisions.

2.2.1. CHANGES IN ACCOUNTING POLICIES

No change in accounting policies took place during the financial year.

2.2.2. CHANGE IN PRESENTATION METHOD

The presentation methods adopted in the annual financial statements are identical to those used in Bigben Interactive SA's financial statements for the year ended 31 March 2019.

2.2.3. ACCOUNTING POLICIES

From the 2018/19 financial year, accounting policies are presented directly in the notes to which they relate, in order to facilitate understanding of the financial statements.

2.3. ADDITIONAL NOTES

2.3.1. ADDITIONAL NOTES TO THE BALANCE SHEET

For convenience, a "Spin-off" column corresponding to the transfer of the assets of Bigben Interactive SA's Gaming division to NACON SA (see section 2.1.2) has been added to each table relating to the balance sheet.

► Note 1 – Intangible assets

Changes in the year were as follows:

(in thousands of euros)	31 March 2019	Acquisitions	Spin-off	Disposals or transfers	31 March 2020
Software	1,150	13	114	19	1,068
Trademarks	1,346	-	1,266	-	80
Patents	340	-	340	-	-
Advances	14	120	(5)	(19)	110
Total	2,850	133	(1,725)	-	1,258

Changes in amortisation during the year were as follows:

(in thousands of euros)	31 March 2019	Additions	Spin-off	Reversals	31 March 2020
Software	1,082	51	(98)	-	1,035
Trademarks	260	-	(228)	-	33
Patents	299	14	(312)	-	-
Total	1,641	65	(638)	-	1,068

If protection of a patent is not renewed, its remaining carrying amount is amortised.

⇒ **Accounting policy – Intangible assets**

Intangible assets are recognised at cost and amortised as follows:

Category	Amortisation method
Software	12-36 months
Patents	Straight-line, 10 years
Trademarks	Not amortised - subject to impairment tests

► **Note 2 - Property, plant and equipment**

Changes in the year were as follows:

(in thousands of euros)	31 March 2019	Acquisitions	Spin-off	Disposals or transfers	31 March 2020
Land	1	-	-1	-	0
Buildings	5,040	-	-5	-	5,035
Building improvements	128	-	-	-	128
Plant and equipment	97	24	-	-	121
Fixtures and fittings	915		-48	-	867
Vehicles	5	1	-5	-	1
Office furniture and equipment	1,185	50	-592	-117	526
Property, plant and equipment in progress	298	460	-	-34	724
Total	7,669	535	-651	-151	7,402

Accounting depreciation of the photovoltaic installation (presented under “Buildings”) started on 1 October 2014.

Changes in depreciation during the year were as follows:

(in thousands of euros)	31 March 2019	Additions	Spin-off	Reversals	31 March 2020
Buildings	1,624	217	(4)	-	1837
Building improvements	39	8	-	-	47
Plant and equipment	92	8	-	-	100
Fixtures and fittings	679	50	(4)	-	725
Vehicles	5	1	(4)	-	2
Office furniture and equipment	994	72	(475)	(151)	440
Total depreciation	3,433	356	(487)	(151)	3,151
Photovoltaic installation - Impairment	1,539	-	-	(89)	1,450
Total depreciation and provisions	4,972	356	(487)	(240)	4,601

⇒ **Accounting policy – Property, plant and equipment**

Property, plant and equipment are recognised at cost and are mainly depreciated on a straight-line basis over their useful lives, as follows:

Category	Depreciation method
Buildings	Straight-line, between 15 and 25 years
Photovoltaic installations	Straight-line, between 10 and 25 years
Building improvements	Straight-line, between 10 and 20 years
Fixtures and fittings	Straight-line, between 4 and 10 years
Plant and equipment	Straight-line, between 5 and 8 years
Vehicles	Straight-line, 4 years
Furniture, office equipment	Straight-line, between 3 and 10 years

► Note 3 – Equity securities

Gross value of equity securities

Company	Gross value 31 March 2019	Increases	Spin-off	Decreases	Gross value 31 March 2020
Bigben Interactive (HK) Ltd	269	-	-	-	269
Bigben Connected SAS	21,854	-	-	-	21,854
Innovi – MDL Technology	234	-	-	-	234
Bigben Interactive España	100	-	-	-	100
Sub-total - equity securities in the Audio/Telco business	22,457				22,457
Bigben Interactive Belgium	2,897	-	(2,897)	-	-
Bigben Interactive GmbH	500	-	(500)	-	-
Games.fr SAS	2,849	-	(2,849)	-	-
Kylotonn SAS	2,787	-	(2,787)	-	-
Bigben Interactive USA	37	-	(37)	-	-
Bigben Interactive Italia S.r.l.	100	-	(100)	-	-
Cyanide SAS	22,588	286	(22,874)	-	-
Eko Software SAS	9,796	-	(9,796)	-	-
Lunar Great Wall Studios S.r.l.	-	180	(180)	-	-
Spiders SAS	-	6,400	(6,400)	-	-
NACON SA	-	65,614	-	-	65,614
NACON HK Ltd	-	118	(118)	-	-
Sub-total - equity securities in the Gaming business	41,554	72,598	(48,538)		65,614
Total securities	64,011	72,598	(48,538)	-	88,071

⇒ **Accounting policy – Non-current financial assets**

Equity securities are measured at their cost on the date they became part of the company's assets.

At the end of the period, management assesses the recoverable amount of:

- equity securities (see section 2.3.1 Additional notes to the balance sheet – Equity securities)
 - any receivables related to associates (see section 2.3.1 Additional notes to the balance sheet – Receivables related to associates)

- other non-current financial assets related to associates (losses on cancelled shares in a merger etc.) (see section 2.3.1 Additional notes to the balance sheet - Other non-current financial assets)

Provisions for impairment of these various items may be recognised at the end of the period depending on the value in use of equity securities and non-current financial assets relating to the relevant associates as assessed in aggregate by management. That assessment is carried out at the level of each Group business i.e. Audio/Telco and Gaming, according to the overall strategy adopted for each business and on the basis of discounted forecast cash flows for each business.

Where a subsidiary shows negative equity and the Company has an obligation (legal or constructive) to support that subsidiary, a contingency provision is recognised in the amount of the negative equity.

Impairment was recognised on shares in the Bigben Interactive España subsidiary in 2019/20. The net values of securities are as follows:

Company	Gross value	Provision	Net value
Bigben Interactive (HK) Ltd	269		269
Bigben Connected SAS	21,854		21,854
Innovi – MDL Technology	234	234	0
Bigben Interactive España	100	100	0
NACON SA	65,614		65,614
Total securities	88,071	334	87,737

The ModeLabs Group SAS (MDLG) subsidiary, former head holding company of the ModeLabs group that was acquired in 2011, was delisted in 2012 and is no longer active.

In its meeting on 20 November 2017, Bigben Interactive SA's Board of Directors gave its approval in principle to a transaction through which all of ModeLabs Group SAS' assets would be absorbed by Bigben Interactive SA, in order to simplify the Group's organisational structure. The absorption took place for legal purposes on 29 December 2017. ModeLabs Group SAS was wound up but not liquidated with retroactive effect for tax purposes on 1 April 2017.

The absorption had various accounting consequences for Bigben Interactive in 2017/18:

- Transfer of Bigben Connected SAS shares for €21,853 thousand
- Transfer of Innovi shares for €234 thousand, fully provisioned
- Technical merger loss of €55,218 thousand resulting from the transaction:

€99,252 thousand	value of ModeLabs Group shares
-€21,500 thousand	provision on ModeLabs Group shares set aside in 2014/15
<u>-€22,535 thousand</u>	Net equity transferred
€55,218 thousand	

In accordance with regulation 2015-06 of French accounting standards authority ANC, which applies to accounting periods starting on or after 1 January 2016, technical merger losses are allocated on a transaction-by-transaction basis to the underlying assets on which the unrealised gains existed. In the

present case, the underlying assets are non-current financial assets received through the absorption transaction. As a result, the technical merger loss of €55,218 thousand, for which the underlying asset consisted of Bigben Connected shares, was allocated to an accounting item that appears on the balance sheet under "Other non-current financial assets". See Note 5 below.

(See section 2.1.2)

On 29 July 2019, a non-controlling stake of 43.15% was acquired in Italian development studio Lunar Great Wall Studios S.r.l., which is better known under its trade name RaceWard. The Group, through its NACON subsidiary, has an option, which can be exercised at any time until 31 December 2021, to acquire an additional 10% stake in Lunar Great Wall Studios S.r.l.

On 3 September 2019, Bigben Interactive acquired 100% of the shares and voting rights in Spiders SAS.

The stakes in these two studios and in other existing studios were transferred to NACON as part of the aforementioned spin-off.

► **Note 4 - Receivables related to associates**

in thousands of euros, gross value excluding interest	31 March 2020	31 March 2019
Bigben Interactive GmbH	-	800
Provision	-	-
Total net value excluding interest	-	800

Earnings generated by Bigben Interactive GmbH in the financial year ended 31 March 2011 meant that the remainder of the debt written off in September 2005 with a clawback clause, i.e. €1,600 thousand, became payable again.

The declining business levels of the German subsidiary in the financial years prior to 2019/20, along with the absence of any material earnings, prevented the debt from being repaid as scheduled, and so the €1,600 thousand debt was rescheduled in 2016/17. An initial €300 thousand was repaid on 30 June 2017, a further €500 thousand on 30 June 2018 and the remaining €800 thousand on 30 June 2019. Since then, there have not been any receivables related to associates.

► **Note 5 – Other non-current financial assets**

(in thousands of euros)	31 March 2020	31 March 2019
Long-term investment securities	-	1
Cash held as security for Bpifrance loans	-	271
Technical merger loss on the absorption of MDL Group	55,218	55,218
Deposits and guarantees	-	10
Cash held under the liquidity agreement	126	173
Total	55,344	55,673

After shareholders in the 28 July 2010 Shareholders' General Meeting authorised a share buyback programme, the Company became the sole contributor to the liquidity agreement formed with brokerage firm Oddo & Cie.

A new liquidity agreement was formed in 2018/19 with Oddo BHF SCA. That new agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 January 2019. Since that date, it has replaced the previous liquidity agreement with Oddo & Cie, which had taken effect on 1 December 2010. The signature of this new liquidity agreement followed Autorité des Marchés Financiers decision no. 2018-01 of 2 July 2018, applicable since 1 January 2019, which establishes liquidity agreements relating to equity securities as an accepted market practice.

After transactions in the market, available cash under the liquidity agreement amounted to €126 thousand.

Please refer to the “Equity securities” section in Note 3 above for an explanation of the technical merger loss on the absorption of ModeLabs Group’s assets by Bigben Interactive, which affected figures in the 2017/18 financial year.

⇒ **Accounting policy – Other non-current financial assets**

Other non-current financial assets consist of rental deposits and long-term investment securities. Rental deposits are recognised at cost.

► **Note 6 – Inventories and work in progress**

(in thousands of euros)	31 March 2020	31 March 2019
Inventories (gross value)	13,253	43,516
Impairment	(1,936)	(12,376)
Inventories (net value)	11,317	31,139

€34,246 thousand of inventories were transferred to the NACON SA subsidiary when Bigben Interactive span off its Gaming division.

Provision at start of year - 01/04/2019	12,376
Net additions during the year	1,936
Spin-off Transfer of provisions	(10,729)
Net reversals during the year	(1,647)
Provision at the end of the year – 31/03/2020	1,936

⇒ **Accounting policy – Inventories and work in progress**

Inventories consist of merchandise valued at its weighted average price. The purchase price includes incidental costs.

Impairment is recognised on products held in inventory in the following way:

- *After-sales service inventories are written down in full.*
- *At each closing date, the values of products held in inventory are reviewed by comparing their last selling price (in the last 12 months) with their weighted average price. Impairment is recognised where appropriate.*
- *Management recognises additional impairment on specific product lines.*
- *Finally, and in addition to the two approaches mentioned above, additional impairment is recognised based on the age of the products held in inventory.*

► **Note 7 – Trade receivables**

(in thousands of euros)	31 March 2020	31 March 2019
Trade receivables	6,858	25,667
Doubtful receivables	122	500
Provisions for contingencies and doubtful receivables	(263)	(700)
Net trade receivables	6,717	25,467

Factored trade receivables amounted to €550 thousand at 31 March 2020 as opposed to €4,025 thousand at 31 March 2019.

Amounts receivable from subsidiaries totalled €4,510 thousand, including €2,482 thousand not yet due, reflecting a normal situation without any payment delays.

⇒ **Accounting policy – Receivables**

Receivables are measured at their nominal value. All receivables are due in less than one year.

A provision is set aside for doubtful or disputed receivables or receivables that show a recovery risk, after assessment on a case-by-case basis. 100% of the ex-VAT amount of doubtful receivables is provisioned. This item consists mainly of receivables from customers in liquidation or judicial insolvency proceedings that have very little prospect of being settled.

► **Note 8 – Other receivables**

(in thousands of euros)	31 March 2020	31 March 2019
Credits and discounts receivable from suppliers	720	878
Other amounts receivables from suppliers	56	6
Various receivables	112	111
Publisher game development costs	-	37,604
Loans to subsidiaries	12	529
VAT	2,670	2,305
Sub-total operating receivables	3,570	41,433
Receivables relating to divested non-current assets	-	-
Total other receivables	3,570	41,433

VAT

This includes a tax credit on charitable donations amounting to €651 thousand.

• Receivables: maturity schedule

	Gross amount	within 1 year	between 1 and 5 years	over 5 years
Receivables related to associates	-	-	-	-
Other financial assets	55,344	126	-	55,218
Trade receivables	6,980	6,858	122	-
Employees	2	2	-	-
Social security and other organisations	50	50	-	-
Central government and other public bodies	-	-	-	-
- VAT	329	329	-	-
- Other taxes and levies	2,341	2,341	-	-
Game development costs	-	-	-	-
Miscellaneous receivables	836	836	-	-
Group and associates	12	12	-	-
Prepaid expenses	99	99	-	-
Total	65,993	10,653	122	55,218

► **Note 9 – Marketable securities**

• Treasury shares

At 31 March 2020, the Company no longer held any of its own shares in treasury, since all those previously held by the Company had been transferred to the liquidity agreement.

- Treasury shares allocated to the liquidity agreement

(in thousands of euros)	31 March 2020	31 March 2019
Treasury shares (gross value)	277	171
Impairment	(23)	(2)
Treasury shares (net value)	254	169

The liquidity agreement with market-maker Oddo Corporate is in compliance with the AMAFI charter and the Company has been the sole contributor to it since 1 December 2010.

A new liquidity agreement was formed in 2018/19 with Oddo BHF SCA. That new agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 January 2019. Since that date, it has replaced the previous liquidity agreement with Oddo & Cie, which had taken effect on 1 December 2010. The signature of this new liquidity agreement followed Autorité des Marchés Financiers decision no. 2018-01 of 2 July 2018, applicable since 1 January 2019, which establishes liquidity agreements relating to equity securities as an accepted market practice.

Under the liquidity agreement, 21,528 shares were held with a gross value of €277 thousand at 31 March 2020, purchased at an average price of €12.89 per share. The average market price per share in March 2020 was €11.798, and the market price at the end of March 2020 was €10.50.

► **Note 10 - Prepaid expenses**

(in thousands of euros)	31 March 2020	31 March 2019
General expenses and merchandise	87	350
Finance leases	11	28
Moulds and prototypes	-	212
Costs incurred on games by the publisher	-	634
Other expenses	1	16
Total	99	1,240

Costs incurred on games by the publisher mainly included the cost of trailers at 31 March 2019. Bigben Interactive SA transferred this business to NACON SA at the time of the aforementioned spin-off.

► **Note 11 – Equity**

- Equity

The share capital is made up of 19,718,503 shares with par value of €2 each. During the financial year, changes corresponded to the following events:

- On 3 September 2019, 198,585 bonus shares under the 2018 bonus share plan vested in employees and corporate officers of Group entities, particularly those of newly acquired companies within NACON. Since all Group entities met their performance conditions in part or in full, 198,585 new shares were issued through the capitalisation of reserves on 3 September 2019.
- On 26 November 2019, 19,799 bonus shares under the 2018 bonus share plan, subject to a presence condition, vested in employees and corporate officers of NACON group entities. As a result, on 27 November 2019, 19,799 new shares were issued through the capitalisation of reserves.

- Issue and contribution premiums

There was no change in issue and contribution premiums in 2019/20.

- Reserves

Net income of €18,122,571 in the financial year ended 31 March 2019 was appropriated as follows in the Combined Shareholders' General Meeting of 19 July 2019:

Appropriation of income

Net income for the year	€18,122,571
Appropriation to the statutory reserve	€348,525
Appropriation to retained earnings	€13,876,222
Dividend payment	€3,897,824
Previous balance of retained earnings	€19,117,132
New balance of retained earnings	€32,993,354

► **Note 12 – Change in equity**

Equity at 31 March 2017	107,241
August 2016 bonus share plan	282
Use of appropriated earnings	(282)
Net income for the 2017/18 financial year	2,058
Interim dividend payment	(1,835)
Regulated provisions (1)	(307)
Equity at 31 March 2018	107,157
Cyanide acquisition	9,959
August 2017 bonus share plan	288
Use of appropriated earnings	(288)
Eko acquisition	3,009
Final dividend payment	(1,904)
Net income for the 2018/19 financial year	18,123
Equity at 31 March 2019	136,344
2018 bonus share plan	437
Use of appropriated earnings	(437)
Dividend payment	(3,898)
Regulated provisions (2)	367
Net income for the 2019/20 financial year	6,645
Equity at 31 March 2020	139,458

- (1) Reversal of the special amortisation of expenses on the purchase of ModeLabs Group shares following that company's absorption by Bigben Interactive.
- (2) The Company has changed its tax treatment of the exercise of the option under the Lesquin building finance lease in 2015. As a result, special amortisation was recognised in 2019/20 on a retroactive basis covering the periods from 2015/16 to 2019/20, generating a regulated provision of €367 thousand that will be remeasured every year until the building is sold.

► **Note 13 - Contingency and loss provisions**

(in thousands of euros)	31 March 2019	Additions	Provisions used	Spin-off	31 March 2020
Provisions for foreign exchange losses	-	18	-	-	18
Provisions for unrealised losses on derivative instruments	245	127	(245)	(127)	-
Provisions for industrial property disputes	530	-	-	(530)	-
Provisions for workforce-related disputes	34	-	-	-	34
Provisions for retirement benefits	216	-	(18)	(114)	84
Provisions for defective product returns	523	429	(523)	(314)	115
Total	1,548	574	(786)	(1,085)	251

- Provisions for exchange rate risks

Given movements in the EUR/USD exchange rate, exchange-rate derivatives show no unrealised losses and so require no provisions. Since no derivative instruments were outstanding at the end of the period, no provisions were set aside.

- Industrial property dispute

This dispute, previously mentioned in Bigben Interactive SA's statutory financial statements for the financial year ended 31 March 2019, was transferred to NACON SAS at the time of the spin-off.

⇒ **Accounting policy – Contingency and loss provisions**

Retirement benefit obligations: When they retire, employees are entitled to receive benefits under the collective agreement for the French wholesale distribution industry. The obligation is calculated assuming that employees retire voluntarily at age 65 and based on the probability that employees will be at the company when they reach retirement age. Actuarial gains and losses are taken to the income statement.

Assumptions used	31 March 2020	31 March 2019
Discount rate	1.57%	1.40%
Turnover	7.0% to 8.0%	6.5% to 8.0%
Mortality rates	TF & TH 00.02	TF & TH 00.02
Rate of salary increase		
Managers	2.0%	2.0%
Supervisory, technical and clerical staff members	2.0%	2.0%

Derivative instruments: Since derivative instruments are not designated as hedges, they are valued at each accounts closing date. A contingency provision is set aside if they are likely to generate a loss. There were no longer any derivative instruments outstanding at 31 March 2020.

Other provisions:

Provisions are assessed by Management to cover the company's present obligations (legal or constructive) in accordance with French GAAP. Litigation provisions are measured on the basis of claims made by third parties, adjusted as the case may be to take account of the Company's defence.

► **Note 14 – Borrowings and debt owed to financial institutions**

(in thousands of euros)	31 March 2020	within 1 year	from 1 to 5 years	over 5 years	31 March 2019
Borrowings from financial institutions (1)	-	-	-	-	37,792
Bank facilities	1,591	1,591	-	-	1,856
Factoring	-	-	-	-	-
Accrued interest not matured on borrowings	-	-	-	-	16
Total	1,591	1,591	-	-	39,664

(1) All medium-term borrowings taken out by Bigben Interactive were transferred to the NACON SA subsidiary when Bigben Interactive span off its Gaming division.

► **Note 15 – Operating liabilities**

All operating liabilities are due in less than one year and break down as follows:

(in thousands of euros)	31 March 2020	31 March 2019
Trade payables	4,385	20,238
Social security liabilities	615	1,339
Tax liabilities	2,130	2,252
Total	7,130	23,829

► **Note 16 – Miscellaneous liabilities**

(in thousands of euros)	31 March 2020	31 March 2019
End-of-year discounts to be granted to customers	2,362	1,715
Customer accounts in credit	702	2,238
Advances from subsidiaries (1)	16,871	14,909
Liabilities relating to non-current assets	362	3,106
Total	20,297	21,968

(1) from Bigben Connected and NACON SA

At 31 March 2019, liabilities relating to non-current assets included the earn-out payments due on the acquisitions of Cyanide SAS and Eko Software SAS. Those liabilities were transferred to NACON SA at the time of the spin-off from Bigben Interactive SA.

► **Note 17 - Liabilities: maturity schedule**

	Gross amount 31 March 2020	within 1 year	from 1 to 5 years	over 5 years
Bank borrowings	-	-	-	-
Trade payables	4,385	4,385	-	-
Employees	350	350	-	-
Social security and other organisations	265	265	-	-
Central government and other public bodies				
- Income tax	1,531	1,531	-	-
- VAT	466	466	-	-
- Other taxes and levies	133	133	-	-
Liabilities relating to non-current assets	362	362	-	-
Miscellaneous creditors	19,935	19,935	-	-
Prepaid income	50	50	-	-
Total	27,477	27,477	-	-

► **Note 18 – Items relating to several balance sheet and income statement items**

Item	Related companies	Associates
Non-current assets		
Associates (including technical merger loss on the absorption of MDL Group)	143,054	234
Receivables related to associates		-
Current assets		
Trade receivables	6,023	-
Other receivables	12	-
Liabilities		
Trade payables	4,840	-
Liabilities relating to non-current financial assets	-	-
Other payables	16,871	-
Net financial income/expense		
Financial income	13	-
Dividends received from subsidiaries	3,260	-
Financial expense	92	-
Tax consolidation		
Tax credit on charitable donations	330	-
CICE (competitiveness and jobs tax credit)	-	-

Values shown in this table are gross figures, excluding any impairment.

► **Note 19 – Accrued expenses**

(in thousands of euros)	31 March 2020	31 March 2019
Accrued interest payable to banks	-	16
Purchase invoices not yet received	373	1,324
Social security liabilities	458	895
Directors' attendance fees	59	59
Salary-based taxes	4	56
Tax liabilities	359	436
End-of-year discounts to be granted to customers	2,362	1,715
Interest on miscellaneous liabilities	2	8
Total	3,617	4,509

2.3.2. ADDITIONAL NOTES TO THE INCOME STATEMENT

► **Note 20 - Breakdown of revenue**

- Breakdown of revenue by geographical zone

(in thousands of euros)	2019/20	2018/19
France	25,377	33,941
Exports and deliveries within the EU	40,126	54,465
Total	65,503	88,406

As regards the 2018/19 financial year and until 1 October 2019:

Gaming revenue from 1 April 2019 until the spin-off on 1 October 2019 and recorded at Bigben Interactive SA with respect to the 2019/20 financial year amounted to €44,764 thousand, including €15,985 thousand of Gaming Accessories revenue and €28,779 thousand of Video Games revenue.

Bigben Interactive SA's Gaming revenue with respect to 2018/19 amounted to €67,533 thousand, including €38,011 thousand of Gaming Accessories revenue and €29,523 thousand of Video Games revenue.

⇒ **Accounting policy – Revenue**

Revenue is measured on the basis of the consideration specified in an agreement signed with a client.

- *Sales of audio products, retail games and accessories: Revenue generated by sales of audio products, physical video games and accessories is recognised on the date on which the products are delivered to distributors, minus any commercial discounts and the price reductions that Bigben applies if sales in retailers' stores prove insufficient.*
- *Sales of digital games: revenue is recognised on the date the content is made available to console manufacturers or platforms. Bigben Interactive acts as a principal with respect to console manufacturers and platforms, to which the games masters are sent (and not with respect to end-users) and therefore recognises the amounts specified in contracts with those console manufacturers and platforms in revenue (and not the amounts billed to end-customers). Amounts guaranteed by platforms are recognised as revenue as soon as the games master is made available, and additional amounts (royalties) depending on future console and platform sales are recognised when those sales take place.*

► **Note 21 – Other operating income and releases of provisions**

(in thousands of euros)	2019/20	2018/19
Releases of operating provisions		
- Inventories	1,647	1,920
- Current assets	222	135
- Contingency and loss provisions	541	663
Sub-total	2,410	2,718
Miscellaneous operating income		
- Expense transfers	3,753	927
- Other operating revenue	320	321
Sub-total	4,073	1,248
Total	6,483	3,966

Expense transfers mainly correspond to the onward invoicing of expenses to Bigben Connected and NACON.

► **Note 22 - Research and development costs**

(in thousands of euros)	2019/20	2018/19
Applications	500	703

Research and development costs include all fees paid for feasibility studies and patent, trademark and model applications relating to products developed by the Company.

► **Note 23 - Depreciation, amortisation and operating provisions**

(in thousands of euros)	2019/20	2018/19
Intangible assets	64	102
Property, plant and equipment	268	303
Deferred expenses	-	-
Inventories	1,936	4,114
Other current assets	426	205
Contingency and loss provisions	430	531
Total	3,124	5,255

► **Note 24 – Net financial income/expense**

(in thousands of euros)	2019/20	2018/19
Dividends received from subsidiaries	3,261	17,654
Foreign exchange gains/losses	172	279
Loans interest paid to subsidiaries	(92)	(120)
Loan interest received from subsidiaries	2	11
Interest received	10	2
Provisions for exchange-rate risks	(95)	(50)
Releases of/(additions to) provisions for unrealised losses on derivative instruments	195	1,440
Releases of/(additions to) provisions on securities in subsidiaries	200	(2,500)
Additions to provisions on treasury shares	(21)	(2)
Interest paid	(386)	(473)
Total	3,246	16,241

► **Note 25 - Net non-recurring income/(expense)**

• Non-recurring income and expense

(in thousands of euros)	2019/20	2018/19
Non-recurring expense		
Losses on treasury shares	-	67
Special amortisation (1)	366	-
Additions to provisions on property, plant and equipment	89	89
Donations and gifts	536	-
Net carrying amount of shares: Newave (in liquidation)	-	-
Other non-recurring expenses	-	-
Total	991	156
Non-recurring income		
Disposal of non-current assets	4	4
Gains on treasury shares	59	-
Releases of provisions on property, plant and equipment	89	89
Expense transfer related to donations	359	-
Releases of special amortisation	-	-
Other non-recurring income	-	-
Total	511	93

(1) The Company has changed its tax treatment of the exercise of the option under the Lesquin building finance lease in 2015. As a result, special amortisation was recognised in 2019/20 on a retroactive basis covering the periods from 2015/16 to 2019/20, generating a regulated provision of €366 thousand that will be remeasured every year until the building is sold.

• Non-recurring items by type

(in thousands of euros)	2019/20	2018/19
Gains or losses on disposals of treasury shares	59	(67)
Capital gains on disposals of property, plant and equipment	4	4
Donations and gifts	(177)	-
Special amortisation	(366)	-
Other	-	-
Total	(480)	(63)

► **Note 26 – Income tax**

• Breakdown of income tax

(in thousands of euros)

	Recurring income	Net non-recurring income/(expense) and employee profit-sharing	Miscellaneous	Total
Pre-tax income	6,898	(480)	227	6,645
Tax at the standard rate of 31%	-	-	-	-
Income after tax	6,898	(480)	227	6,645

The “Miscellaneous” item includes a tax credit on charitable donations of €321 thousand and a tax consolidation expense of €94 thousand.

- Deferred and contingent tax

Tax due on:

Regulated provisions	-
Expenses deducted from taxable income but not yet recognised	-
Total increases	-

Tax paid in advance on:

Provisions not deductible in the year of recognition (following year):

Employee profit-sharing	-
CSSS (corporate social solidarity contribution)	0
To be deducted subsequently:	
Exchange differences (liabilities)	-
Provisions for exchange-rate risks	146
Directors’ attendance fees	30
Real-estate finance lease payments added back	280
Impairment of non-current assets	450
Provisions for retirement benefit obligations	26
Taxable income not yet recognised	0
Total reductions	932
<i>(at the standard tax rate of 31%)</i>	
Future tax saving:	0
<i>Tax loss carryforwards in the tax consolidation group</i>	

- Tax inspection

It should be noted that Bigben Interactive SA was subject to an inspection by the tax authorities regarding its financial years from 1 April 2013 to 31 March 2018, including the Bigben Interactive SA gaming business that was transferred to NACON SA on 1 October 2019. A reassessment proposal was received on 2 March 2020. Bigben Interactive SA intends to reply to the tax authorities within the timeframe allowed within the context of the Covid-19 crisis, disputing most of the proposed reassessments.

Under the spin-off transaction, Bigben Interactive SA and NACON SA are jointly and severally liable for taxes relating to the gaming business arising from taxable events prior to the transaction. The transferee may dispute the merits of the tax reassessments concerned before the tax authorities and courts to the extent of the sums for which it may be found jointly and severally liable, and the transferor may also dispute the collection of tax in the same way as the transferee.

If the reassessments were confirmed, the financial consequences would be very limited since the additional tax charged by the tax authorities would be deducted over the subsequent years.

2.3.3. OTHER INFORMATION

► Note 27 – Off-balance sheet commitments

- Guarantees given

Commitments given	by	Beneficiary	Amount 31/03/20 20	Amount 31/03/201 9	Purpose of the commitment
Bank guarantee	Bigben Interactive SA	HSBC Hong Kong	9,971	9,791	USD 11,000 thousand bank guarantee - combined facility for Bigben Interactive HK and NACON HK
Bigben Connected loan	Bigben Interactive SA	CIC	83	418	Joint and several guarantee provided to CIC for Bigben Connected's loan
Stand-alone guarantee (1)	Bigben Interactive SA	Huawei Technologies France SASU	1,300	1,300	Bigben Connected counter-guarantee
Guarantee (2)	Bigben Interactive SA	Bigben Connected	3,397	3,397	Bigben Connected counter-guarantee
Joint and several guarantee (3)	Bigben Interactive SA	Various financial institutions	12,574	0	Joint and several guarantee for borrowings transferred through the spin-off
Joint and several guarantee (4)	Bigben Interactive SA	CIC	2,850	0	Joint and several guarantee provided to CIC for NACON SA's loan (underlying loan from the EIB)
Joint and several guarantee (4)	Bigben Interactive SA	CIC	2,850	0	Joint and several guarantee provided to CIC for NACON SA's loan (underlying loan from BFCM)
Bank guarantee (5)	Bigben Interactive SA	La Banque Postale (LBP)	4,837	0	Joint and several guarantee provided to LBP for NACON SA's loan

- (1) Guarantee provided by Bigben Interactive SA to Huawei for the supply of goods and/or services to Bigben Connected.
- (2) Pledge of the Lesquin building as security by Bigben Interactive SA on behalf of Bigben Connected pending the resolution of a tax dispute.
- (3) Joint and several guarantees provided by Bigben Interactive SA to various financial institutions to guarantee the transfer of underlying loans to NACON as part of the spin-off of Bigben Interactive's Gaming division.
- (4) Joint and several guarantees provided by Bigben Interactive SA to CIC Paris to guarantee its obligations with respect to underlying loans from the EIB (European Investment Bank) and BFCM (Banque Fédérative du Crédit Mutuel), granted under a co-financing agreement aimed at funding the development costs of NACON SA, which was a newly incorporated company at the time those loans were arranged.
- (5) First-demand bank guarantee provided by Bigben Interactive SA to LBP to guarantee its obligations with respect to a bank loan granted to fund the development costs of NACON SA, which was a newly incorporated company at the time that loan was arranged.

- Import documentary credits

At 31 March 2020, no import documentary credits were outstanding.

- Exchange-rate risk management

At 31 March 2020, the Company was not a party to any FX TARN/accumulator contracts. FX TARNs/accumulators are complex structured derivatives through which the Group undertakes to buy or sell USD according to a schedule and at rates defined when the contract is signed. The use of TARNs/accumulators is a strategy that aims to accumulate USD at a better exchange rate than the

available spot and forward rates in return for uncertainty about the total amount of USD that may be accumulated. In the event of a significant change in the EUR/USD exchange rate (upward or downward respectively depending on whether the Company is buying or selling USD), long or short exposure may increase leading to the recognition of foreign exchange losses on those instruments.

⇒ **Accounting policy – Exchange-rate risk management**

Foreign-currency receivables are measured at the period-end exchange rate.

As regards exchange-rate risk, most purchases, including purchases of accessories, are in foreign currency (mainly USD and GBP). As part of its currency risk management, the Group has in the past subscribed to complex derivative financial instruments. There were no derivative instruments outstanding at 31 March 2020.

• **Interest-rate risk management**

There are no longer any interest-rate hedges in place.

⇒ **Accounting policy – Interest-rate risk management**

As regards interest-rate risk, the Company may use floating-rate financing (linked to Euribor) or fixed-rate financing, i.e. short-term bank facilities and the historic medium-term debts of Bigben Interactive. In the past, the Group used swap-type derivative instruments to fix the interest rate on part of its debts, but no interest-rate hedges have been in place since July 2016.

• **Bank covenants**

Since bank loans subject to covenants were transferred to the NACON SA subsidiary at the time of the spin-off of the Gaming division, there are no longer any bank covenants applicable to Bigben Interactive SA.

► **Note 28 - Finance lease liabilities at 31 March 2020**

<u>(in thousands of euros)</u>	Buildings	Plant, equipment and tools	Other	Total
LEASE VALUE	12,385	1,856	258	14,499
ORIGINAL VALUE	11,104	1,800	253	13,157
DEPRECIATION				
Previous total	3,686	713	146	4,545
Current year	544	203	47	794
Net value	6,874	883	61	7,818
LEASE PAYMENTS MADE				
Previous total	7,847	1,292	187	9,326
Current year	988	205	30	1,223
LEASE PAYMENTS TO BE MADE				
Less than 1 year	1,017	172	24	1,213
Between 1 and 5 years	2,533	187	17	2,737
More than 5 years				
Total	3,550	359	41	3,950
RESIDUAL VALUE	0	18	3	21
EXPENSES	988	216	31	1,235

► **Note 29 - Bonus shares**

• Bonus share plan:

As mentioned in section 2.1.3 above:

- On 3 September 2018, Bigben Interactive SA's Board of Directors awarded 230,201 bonus shares, mainly to employees and corporate officers of recently acquired NACON group entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and a condition related to achieving a predetermined level of recurring operating income. Since all of the Group's entities met their performance condition in part or in full, 198,585 2018 bonus shares vested in 353 Group beneficiaries (including 191 employees and corporate officers of NACON entities, representing 150,616 shares) following the departure of 34 staff members.
- On 26 November 2018, Bigben Interactive's Board of Directors awarded 19,799 bonus shares to certain key staff members of studios newly acquired by NACON. The vesting of those shares after a 1-year period was subject to an ongoing presence condition. Since the presence condition applicable to the employees concerned was met, the 19,799 bonus shares vested in those NACON group employees on 26 September 2019.
- On 4 September 2019, the Board of Directors awarded 272,533 bonus shares, mainly to employees and corporate officers of entities that had recently joined the Group. The vesting of those shares after a 1-year period is again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income. The performance conditions of the 2019 bonus share plan were fully or partly met by all Group entities at 31 March 2020. The bonus shares will vest in the employees on 4 September 2020 subject to a presence condition. As a result, the 200,285 shares (including 185,508 shares for the NACON group), based on the workforce at 31 March 2020, represent the maximum number of shares that could vest on 4 September 2020.

Date of award (Board of Directors meeting)	31/08/2016	31/08/2017	03/09/2018	26/11/2018	04/09/2019
Date of the Shareholders' General Meeting	EGM 22/07/2016	EGM 21/07/2017	EGM 20/07/2018	EGM 20/07/2018	EGM 19/07/2019
Number of bonus shares initially awarded	155,700	153,260	230,201	19,799	272,533
Number of shares vested	140,800	143,760	198,585	19,799	N/A
Number of shares potentially capable of vesting at 31 March 2020	-	N/A	N/A	N/A	200,285
Bonus share award date	31/08/2016	31/08/2017	03/09/2018	26/11/2018	04/09/2019
Vesting date	31/08/2017	31/08/2018	03/09/2019	26/11/2019	04/09/2020
End of the lock-up period	31/08/2019	31/08/2020	03/09/2021	26/11/2021	04/09/2022
Share price on the date the plan was announced	5.05	9.72	10.62	7.72	12.0
Share price on the vesting date	9.79	10.52	11.8	14.9	N/A

At 31 March 2020, following the award of bonus shares in the 2019/20 financial year, Bigben Interactive SA recognised the following additional liabilities on its statutory balance sheet:

- Special appropriated earnings reserve equal to the total par value of the 272,533 awarded to Group employees, i.e. €545 thousand,
- Provision for the employer contributions payable at the time of the future vesting of bonus shares in the Group's own employees in an amount of €17 thousand.

► **Note 30- Remuneration of executives and corporate officers**

• Remuneration of the Management Committee

Bigben Interactive SA's Executive Committee has five members. Total gross remuneration paid to all members of the Company's Management Committee amounted to €327 thousand with respect to the 2019/20 financial year as opposed to €334 thousand in respect of 2018/19. Retirement benefit obligations relating to Management Committee members amounted to €31 thousand at 31 March 2020 as opposed to €49 thousand at 31 March 2019.

• Remuneration of corporate officers

The remuneration of Bigben Interactive SA's four corporate officers in respect of their roles at Bigben Interactive SA alone is summarised below:

Remuneration awarded to members of management bodies in respect of their roles as corporate officers

in thousands of euros	Short-term benefits	Provisions for retirement benefits ⁽¹⁾	Share-based payments	Termination benefits	Specific supplementary pension plan
2018/19	349	4	22		
2019/20	325	(20)	18		

The CEO and COO are included in both the above table and in the above Management Committee remuneration figures.

Following the creation of NACON and the subsequent spin-off of the Gaming division in October 2019, certain members of Bigben Interactive SA's Executive Committee were transferred to NACON SA and joined NACON SA's Executive Committee, while other members joined Bigben Interactive SA's Management Committee.

In the table and comments above, for convenience and to avoid any distortion with respect to comparative figures for the 2018/19 financial year, the remuneration of executives transferred to NACON has not been broken down between Bigben Interactive SA and NACON SA in respect of the time when they were working for Bigben Interactive SA in 2019/20 and 2018/19. All of their remuneration has been allocated to NACON SA. Accordingly, they were regarded as belonging to NACON SA's Executive Committee as if NACON SA had existed in its current form in the financial years ended 31 March 2020 and 31 March 2019. The same approach was taken for the new members of Bigben Interactive SA's Management Committee.

► **Note 31 - Related-party transactions – ANC regulation 2010.02**

Until the IPO of its NACON SA on 4 March 2020, no transactions with related parties were disclosable in the notes to the statutory financial statements because they were:

- carried out with wholly owned subsidiaries, or
- carried out on an arm's-length basis, or
- regarded as non-material.

Since 4 April 2020, Bigben Interactive SA has only owned 76.67% of NACON SA and so it is no longer necessary to detail its transactions with parties related to the NACON group.

From 1 October 2019, amounts have been recharged between certain Bigben group entities, particularly Bigben Interactive SA (the Bigben group's parent company) and entities in the NACON sub-group in the manner described below. These recharging agreements have been formed on an arm's-length basis.

NACON's main intra-group flows therefore consist of the following.

- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to NACON SA and its subsidiaries along with its own Bigben Connected subsidiary at a rate of 2.5% of gross revenue before any price reduction or discount, excluding product taxes and excluding NACON SA's sales of digital video games. These agreements have been entered into on an arm's length basis, and in particular the fees paid for the services are in line with those practised by outside service providers;

- To a lesser extent, the supply of
 - o Audio products by Bigben Interactive SA to certain NACON SA subsidiaries¹⁸ which continue to sell a few other Bigben Group products in addition to NACON's gaming products; the Audio products concerned are Bluetooth speakers, sound bars, etc.;
 - o The supply of Mobile products by Bigben Connected SAS to those same NACON SA subsidiaries: the Mobile products concerned are mobile phone accessories (cables, protective cases and covers, etc.);
 - o For those distribution subsidiaries, these sales in 2019/20 amounted to €6.1 million, equal to 4.7% of the NACON group's annual revenue.
- Monthly cross-invoicing takes place for administrative services provided by Bigben Interactive SA and NACON SA. Under the agreements, remuneration is equal to the cost borne by the company providing the service, plus a margin of 5%. For 2019/20, that remuneration amounted to €23,800 per month in favour of Bigben Interactive SA and €48,800 per month in favour of NACON SA (a net amount of €25,000 per month in favour of NACON SA);
- Rent for offices and shared space made available by Bigben Interactive SA to NACON SA within its premises, amounting to €0.2 million per year; this agreement has been entered into on an arm's length basis;
- A cash management agreement between Bigben Interactive and NACON, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

► **Note 32- Average number of employees in the period**

Salaried staff members	2019/20	2018/19
Managers	51	67
Supervisory staff	15	15
Employees	76	82
Total	142	164

Bigben Interactive SA's average headcount fell sharply because of the transfer of almost 100 employees to NACON SA as part of the spin-off that took place on 31 October 2019 with retroactive effect for accounting and tax purposes from 1 October 2019.

► **Note 33 – Tax consolidation agreement**

The following companies are part of the tax consolidation group:

Company	% owned by the parent company (for tax purposes)	Date of entry into the Group	
Bigben Interactive SA	N/A	01/04/1999	Parent
Bigben Connected SAS (formerly ModeLabs SA)	100%	01/01/2012	Subsidiary

The former tax group made up of ModeLabs Group and Bigben Connected SAS (formerly ModeLabs SA) joined Bigben Interactive's tax consolidation group on 1 January 2012, as the Group opted to use tax loss carryforwards across a broader base.

¹⁸ Prior to the spin-off in October 2019 from Bigben Interactive to NACON, the Bigben Interactive Italia, Bigben Interactive Belgium, Bigben Interactive GmbH and Games.fr subsidiaries generated less than €2 million of Audio and Mobile revenue. At the time of the spin-off in October 2019, it was decided not to split out these activities and create a second local subsidiary for the Audio/Telco business, which would not have had the critical mass required to operate on a stand-alone basis. These revenues come under the "Other" category of NACON's revenue.

At 31 March 2017, all tax losses of the group made up of ModeLabs Group and Bigben Connected became part of the tax consolidation group of Bigben Interactive, the group's head company. ModeLabs Group left the tax consolidation group on 31 March 2018 after all of its assets were absorbed by Bigben Interactive in late 2017.

The Games.fr subsidiary, which joined Bigben Interactive's tax consolidation group on 1 April 1999 and was previously wholly owned by Bigben Interactive SA, was transferred to NACON SA as part of the spin-off of Bigben Interactive SA's Gaming division to NACON SA on 31 October 2019, with retroactive effect for accounting and tax purposes from 1 October 2019. That subsidiary then automatically left Bigben Interactive's tax consolidation group when NACON SA's IPO took place on 4 March 2020, since the Bigben Interactive group's indirect stake in it had fallen below 95%.

At 31 March 2020, NACON SA's entities were not part of any tax consolidation group.

Table of subsidiaries and associates

	Share capital	Equity other than share capital	Percentage of share capital held (%)	Carrying amount of shares held		Loans and advances granted	Amount of guarantees and commitments provided for the company	Ex-VAT revenue in the most recent financial year	Income or loss in the most recent financial year	Dividends received during the financial year
				Gross	Net					
Subsidiaries (more than 50%-owned) in thousands of euros										
Bigben Interactive HK Ltd – Hong Kong	235	5,327	100%	269	269	-	9,971	32,268	438	1,362
Bigben Connected	2,977	41,029	100%	21,854	21,854	-	4,780	119,183	3,565	-
Bigben Interactive España	100	133	100%	100	0	12	-	3,238	35	-
NACON SA	84,909	91,061	76.67%	65,614	65,614	-	23,111	49,068	1,396	-
Associates (25%- to 50%-owned)										

18.1.2 Change of accounting reference date

See the annual consolidated financial statements presented in section 18.1.6.

18.1.3 Accounting standards

See the annual consolidated financial statements presented in section 18.1.6.

18.1.4 Change of accounting standards

Not applicable.

18.1.5 French GAAP financial reporting

See the annual statutory financial statements presented in section 18.1.1.

18.1.6 Consolidated financial statements

1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

1.1 STATEMENT OF FINANCIAL POSITION

<i>in thousands of euros</i>	Notes	31 March 2020	31 March 2019
Goodwill	1	63,903	58,285
Right-of-use assets		4,904	
Other intangible assets	2	81,332	66,188
Property, plant and equipment	3	13,179	13,419
Shares in associates	4	43	44
Other financial assets	5	1,447	919
Deferred tax assets	6	3,369	2,582
Non-current assets		168,178	141,436
Inventories	7	66,054	57,647
Trade receivables	8	65,082	61,549
Other receivables	9	16,672	16,008
Current tax assets		6,578	1,096
Cash and cash equivalents	10	118,147	14,213
Current assets		272,531	150,513
TOTAL ASSETS		440,709	291,949
Share capital		39,437	39,000
Share premiums		34,463	43,439
Consolidated reserves		147,659	63,959
Net income for the period		16,115	17,346
Exchange differences		917	605
Equity attributable to equity holders of the parent		238,592	164,349
Non-controlling interests		43,772	
Total equity	16	282,364	164,349
Long-term provisions	14	1,306	1,214
Long-term financial liabilities	12	52,825	35,911
Long-term lease liabilities		2,474	
Deferred tax liabilities	13	4,107	3,730
Non-current liabilities		60,713	40,855
Short-term provisions	14	564	908
Short-term financial liabilities	12	21,878	14,517
Short-term lease liabilities		2,426	
Trade payables		37,777	40,359
Other payables	15	31,164	28,510
Current tax liabilities		3,823	2,452
Current liabilities		97,632	86,745
Total equity and liabilities		440,709	291,949

1.2 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(in thousands of euros)	Notes	2019/20	2018/19
Revenue	17	263,498	245,502
Purchases consumed	18	(154,573)	(147,861)
Gross profit		108,925	97,641
Other operating revenue	19	867	745
Other purchases and external expenses	20	(30,994)	(28,457)
Taxes other than income tax		(1,744)	(1,873)
Personnel costs		(22,991)	(21,918)
Other operating expenses		(1,565)	(1,210)
Gains or losses on disposals of non-current assets		0	11
Depreciation and amortisation of non-current assets		(28,812)	(23,211)
Recurring operating income		23,686	21,728
Bonus share and stock-option plans	21	(2,339)	(1,852)
Other non-recurring operating items	22	(522)	2,530
Income from associates - Similar activity	23	(1)	(87)
Operating income		20,823	22,319
Financial income		1,956	2,839
Financial expense		(3,039)	(2,379)
Net financial income/expense	24	(1,084)	460
Pre-tax income		19,739	22,779
Income tax	25	(3,492)	(5,433)
After-tax income from continuing operations		16,247	17,346
After-tax income from discontinued operations			
Net income for the period		16,247	17,346
Gains and losses recognised in other comprehensive income		6	(5)
Exchange differences		312	506
Comprehensive income for the period		16,565	17,847
of which attributable to non-controlling interests		132	
of which attributable to equity holders of the parent		16,433	17,847
Net income for the period		16,247	17,346
of which attributable to non-controlling interests		132	0
of which attributable to equity holders of the parent		16,115	17,346

Earnings per share

Basic earnings per share (in euros)	26	€0.82	€0.91
<i>Weighted average number of shares before capital increase</i>		19,696,233	19,103,214
<i>Net income attributable to equity holders of the parent</i>		16,247,487	17,346,436
Diluted earnings per share (in euros)	26	€0.82	€0.90
<i>Average number of shares after dilution</i>		19,896,518	19,340,127
<i>Net income attributable to equity holders of the parent</i>		16,247,487	17,346,436

Transition from recurring operating income to EBITDA

(in thousands of euros)	2019/20	2018/19
Recurring operating income	23,686	21,728
Depreciation and amortisation of non-current assets	28,812	23,211
EBITDA	52,498	44,939
EBITDA margin (% of revenue)	19.9%	18.3%

EBITDA is not an indicator defined by IFRSs and does not have a standard definition. See the definition of EBITDA and calculation method used by the Bigben group in section 2.3.1.

1.3 CHANGE IN EQUITY

in thousands of euros	Notes	Number of shares	Share capital	Share premiums	Consolidated reserves			Equity attributable to non-controlling interests	Total equity
					Reserves	Exchange differences	Equity attributable to equity holders of the parent		
Equity at 31 March 2018		18,363,339	36,727	33,481	64,298	99	134,605	0	134,605
Net income for the financial year ended 31 March 2019					17,346		17,346	0	17,346
Gains and losses recognised in other comprehensive income						506	506		506
Actuarial gains and losses on provisions for retirement benefits					(5)		(5)		(5)
Comprehensive income					17,341	506	17,847	0	17,847
Dividends paid to the parent company's shareholders ⁽¹⁾	27				(1,904)		(1,904)		(1,904)
Capital increase – Cyanide acquisition	26	697,445	1,395	7,978			9,373		9,373
Capital increase – Eko Software acquisition	26	295,575	591	1,980			2,572		2,572
Liquidity agreement					6		6		6
Bonus share plan – issuance of BBI shares	26	143,760	288		1,565		1,852		1,852
Other					(1)		(1)		(1)
Equity at 31 March 2019		19,500,119	39,000	43,439	81,305	605	164,350	0	164,350
Net income for the financial year ended 31 March 2020					16,115		16,115	132	16,247
Other comprehensive income						312	312		312
Actuarial gains and losses on provisions for retirement benefits					6		6		6
Comprehensive income					16,121	312	16,433	132	16,565
Dividends paid to the parent company's shareholders ⁽²⁾					(3,898)		(3,898)		(3,898)
Capital increase – NACON	27				102,974		102,974		102,974
Liquidity agreement					(122)		(122)		(122)
Bonus share plan – issuance of BBI shares	26	218,384	437		1,902		2,339		2,339
Other adjustments					374				
Non-controlling interests					(43,858)		(43,858)	43,640	(218)
Equity at 31 March 2020		19,718,503	39,437	43,439	154,798	917	238,592	43,772	282,364

- (1) After shareholders in the 20 July 2018 Shareholders' General Meeting approved a dividend of €0.20 per share with respect to the 2017/18 financial year, payment of the final dividend of €0.10 per share (with an interim dividend of €0.10 per share with respect to 2017/18 having already been paid in the 2017/18 financial year)
- (2) After shareholders in the 19 July 2019 Shareholders' General Meeting approved a dividend of €0.20 per share with respect to the 2017/18 financial year, payment of the dividend of €0.20 per share

1.4 CASH FLOW STATEMENT

in thousands of euros

	Notes	2019/20	2018/19
Net cash flow from operating activities			
Net income for the period		16,115	17,346
<i>Elimination of income and expenses that have no cash impact or are unrelated to operating activities</i>			
• Income from associates		(1)	87
• Attributable to non-controlling interests		132	
• Additions to depreciation, amortisation and impairment		28,812	23,211
• Change in provisions		(248)	430
• Net gain or loss on disposals		10	(11)
• Net financial income/expense		1,394	1,085
• Other non-cash income and expense items		2,339	(685)
• Income tax expense		3,492	5,433
Funds from operations		52,045	46,896
Inventories		(8,780)	(6,106)
Trade receivables		(8,636)	(11,957)
Trade payables		(4,090)	(3,816)
Change in WCR		(21,506)	(21,878)
Cash from operating activities		30,539	25,018
Income tax paid		(2,993)	(1,788)
Interest paid	24		(679)
NET CASH FLOW FROM OPERATING ACTIVITIES		27,546	22,551
Cash flow from investing activities			
Purchases of intangible assets	2	(35,219)	(29,606)
Amortisation included in development costs		622	
Purchases of property, plant and equipment	3	(1,253)	(683)
Disposals of property, plant and equipment and intangible assets		4	41
Purchases of non-current financial assets	5	(561)	(17)
Disposals of non-current financial assets		3	87
Net cash inflow/(outflow) from disposals and acquisitions of subsidiaries		(7,040)	(13,786)
NET CASH FLOW FROM INVESTING ACTIVITIES		(43,444)	(43,964)
Cash flow from financing activities			
Issuance of new shares – NACON	1.3	102,974	
Dividends paid to the parent company's shareholders	27	(3,899)	(1,904)
Own shares repurchased and resold		46	0
Interest paid		(1,353)	(406)
Cash inflows from borrowings		35,454	28,812
Repayments of borrowings and debts		(13,495)	(7,320)
NET CASH FLOW FROM FINANCING ACTIVITIES		119,727	19,182
Impact of changes in exchange rates		(64)	321
Net change in cash and cash equivalents		103,766	(1,910)
Cash and cash equivalents at start of period		9,285	11,195
Cash and cash equivalents at end of period	10	113,051	9,285

⇒ Accounting policy – Cash flow statement

The cash flow statement is prepared using the indirect method, which shows the transition from income to cash flows from operating activities. Cash and cash equivalents at the start and end of the period, as mentioned in the cash flow statement, include cash, marketable securities and short-term bank facilities.

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 BASIS OF PREPARATION

2.1.1 Introduction

- **Information about the company**

The financial statements cover Bigben Interactive SA – whose registered office is located at 396/466 rue de la Voyette, CRT2, 59273 Fretin, France – and its subsidiaries (known collectively as the Bigben Interactive group) for the 12 months ended 31 March 2020. Bigben Interactive SA is listed on compartment B of Euronext Paris's Eurolist exchange (ISIN: FR0000074072; Reuters: BIG.PA; Bloomberg: BIG FP).

The Bigben Interactive group (hereinafter the "Group") is a pan-European player in publishing video games and designing and distributing mobile accessories, gaming accessories and audio products, with a strategy of having complementary expertise and product ranges in order to address the changing multimedia market. The Group is known for being innovative and creative, and aims to be one of Europe's leading companies in each of its business lines.

The consolidated financial statements for the financial year ended 31 March 2020 and the related notes were finalised by the Board of Directors on 25 May 2020. They will be submitted to shareholders for approval in the 30 July 2020 Shareholders' General Meeting and may therefore be amended (IAS 10.17).

- **Information relating to the spin-off of the Gaming division to form NACON**

As explained in section 2.2.3., the main events in the 2019/20 financial year included the spin-off of Bigben Interactive SA's Gaming division to form a new entity called NACON, along with the initial public offering of NACON SA.

The main information relating to the creation of the group consisting of NACON and its subsidiaries is contained in this introduction.

NACON SAS was incorporated on 18 July 2019 for a term expiring on 17 July 2118, and is registered with the Lille Métropole trade and companies register under number 852 538 461.

Its corporate purpose is the development, publishing, marketing and distribution of video game software in physical and digital form, along with the design, development, manufacturing and trading of video game accessories.

Bigben Interactive SA, NACON's parent company, has over the years developed a Gaming division in France and abroad, particularly through subsidiaries that it has created, and has also acquired video game studios, with the aim of becoming a major global player in the video games across all media and in related accessories.

The spin-off of that business into NACON took place, from the legal and economic point of view, through an internal restructuring of the Bigben Interactive group with the aim of optimising the operational and strategic organisation of its Gaming activities.

The spin-off involved a carve-out of the Gaming activities of Bigben Interactive SA, Bigben Interactive España and Bigben Interactive (HK) Ltd, with all the assets of other subsidiaries focusing mainly on the Gaming business being transferred in full to NACON SA. However, in Spain and Hong Kong, where a large proportion of the business activities of Bigben Interactive SA's subsidiaries focus on the group's other divisions (Mobile and Audio), those subsidiaries underwent demergers. Assets relating to the Gaming business were transferred to companies newly created for that purpose, i.e. NACON Gaming España and NACON (HK) Ltd, before the shares in Gaming subsidiaries were spun off from Bigben Interactive SA to NACON SA on 31 October 2019 with retroactive effect from 1 October 2019.

After the spin-off, NACON owned, directly or indirectly, the shares of NACON (HK) Ltd, NACON Gaming España, Bigben Interactive Belgium SA, Bigben Interactive Nederland BV, Bigben Interactive GmbH (Germany), Bigben Interactive Italia SpA, Games.fr SAS, Cyanide SAS, Amusement Cyanide Inc., Eko Software SAS, Kylotonn SAS, Spiders SAS, Lunar Great Wall Studios S.r.l. (RaceWard) and the joint venture Bigben Interactive USA Inc.

This reorganisation gave the Gaming division its own identity, by giving it the resources it needs to pursue its development, particularly as regards financing. To support its future growth and continue if appropriate its policy of selectively acquiring games studios, NACON then raised funds via a public offering in March 2020 (see section 2.2.4). The Bigben Interactive group retained control over NACON after these financing transactions and at 31 March 2020 owned a 76.67% equity stake in NACON SA.

As part of the planned IPO, combined financial statements have been prepared for the purpose of presenting historical

information with respect to the three 12-month periods ended 31/03/2017, 31/03/2018 and 31/03/2019 (see the Registration Document relating to NACON's IPO). The combined financial statements were prepared as if the spin-off transactions had taken place on 1 April 2016, with the exception of those relating to subsidiaries or associates acquired after 1 April 2016, fully consolidated or accounted for under the equity method in the combined financial statements from the date on which the Bigben Interactive SA group acquired control or significant influence.

The spin-off of the Gaming activities in France, Hong Kong and Spain and the incorporation of the NACON group on 1 October 2019 through the transfer of Bigben Interactive SA's Gaming business to NACON SAS constituted an internal restructuring transaction in which transfers took place at their carrying amounts. In the circumstances, and given that IFRSs contain no specific provisions for transactions involving the combination of businesses under common control, NACON prepared its first consolidated financial statements for the year ending 31 March 2020 as a continuation of the combined financial statements already prepared, as if the spin-off transactions had been carried out at the start of the comparative period, i.e. on 1 April 2018.

2.1.2 Scope of consolidation

► List of consolidated companies

At 31 March 2020:

Company	Country	% owned	Method of consolidation
Bigben Audio/Telco entities			
Bigben Interactive SA	France	Parent company	
Bigben Connected SAS	France	100.00%	Full consolidation
Bigben Interactive HK Ltd	Hong Kong	100.00%	Full consolidation
Bigben España SL	Spain	100.00%	Full consolidation
Bigben Connected Polska ZO.O	Poland	100.00%	Full consolidation
NACON Gaming entities			
NACON SA	France	76.67%	Full consolidation
Bigben Belgium SA	Belgium	76.67%	Full consolidation
Bigben Nederland BV	Netherlands	76.67%	Full consolidation
NACON HK Ltd	Hong Kong	76.67%	Full consolidation
Bigben Interactive GmbH	Germany	76.67%	Full consolidation
NACON Gaming España SL	Spain	76.67%	Full consolidation
Bigben Italia Srl	Italy	76.67%	Full consolidation
Games.fr SAS	France	76.67%	Full consolidation
Kylotonn SAS	France	76.67%	Full consolidation
Cyanide SAS	France	76.67%	Full consolidation
Cyanide Amusement Inc	Canada	76.67%	Full consolidation
Eko Software SAS	France	76.67%	Full consolidation
Spiders SAS	France	76.67%	Full consolidation
Bigben Interactive USA Inc *	United States	38.34%	Equity method
Lunar Great Wall Studios Srl	Italy	33.08%	Full consolidation
NACON Gaming Inc	United States	76.67%	Full consolidation
NACON PTY Ltd	Australia	76.67%	Full consolidation

* Bigben Interactive USA Inc is no longer operational and will soon be wound up.

► Change in scope

See Note 2.2.2.

Bigben Audio/Telco entities

Bigben Connected Polska ZO.O entered the Bigben group's scope of consolidation on 31 May 2019, when it was registered with the Polish National Court Register (KRS).

Hong Kong company ModeLabs Sourcing Ltd was wound up in December 2019 and therefore left the Group's scope of consolidation in the 2019/20 financial year.

NACON Gaming entities

After NACON SA's IPO on 4 March 2020, Bigben Interactive SA now only holds a 76.67% equity stake in NACON SA and its subsidiaries.

Spiders SAS entered the Bigben group's scope of consolidation on 3 September 2019 when it was acquired, and was transferred to NACON as part of the 2019 spin-off.

NACON Gaming Inc entered the NACON group's scope of consolidation, and therefore that of the Bigben group because of its stake in NACON, on 11 February 2020, when it was created.

NACON Pty Ltd entered the NACON group's scope of consolidation, and therefore that of the Bigben group because of its stake in NACON, on 17 March 2020, when it was created.

2.2 KEY EVENTS IN THE 2019/20 FINANCIAL YEAR

2.2.1 Commercial development

In 2019/20, annual consolidated revenue from continuing operations totalled €263.5 million, up 7.3% compared with 2018/19, due to strong growth in Publishing and good performance in the Audio business.

GAMING

Growth in the Gaming segment was driven mainly by the Publishing business.

- **Video Games:**

Publishing revenue growth was driven mainly by digital sales, which were up 140.7% year-on-year and accounted for 69.2% of total Video Games revenue in 2019/20 (versus 40.5% in 2018/19).

- **Gaming Accessories:**

Gaming Accessories revenue fell because there were no major new accessory launches in 2019/20 apart from the *REVOLUTION Pro Controller 3* for PlayStation 4™.

AUDIO/TELCO

Sales of Mobile accessories fell, mainly due to changes in the market, with customers waiting longer to replace their products and adopting a wait-and-see attitude ahead of the arrival of 5G technology. This made consumers less keen to buy new smartphones and related accessories, but also contributed to the good performance of products that extend the lives of devices, such as protective products (Force Glass® and Force Case®) and extended-life products (such as the Force Power® charger, which has a lifetime guarantee). The initial success enjoyed by the Justgreen® range, aimed at consumers with an interest in social and environmental responsibility, also helped offset the decline in the market.

In a market clearly shifting towards smart speakers, the Audio business saw an increase in sales driven by numerous new product launches in 2019/20 along with the opening of new sales channels.

2.2.2 Change in scope

Bigben - Audio/Telco entities

- **Registration of Bigben Connected Polska ZO.O**

As part of its continuing expansion in Europe, Bigben Connected SAS, in charge of Mobile accessories, set up a new subsidiary in Poland in early 2019. That subsidiary obtained a registration number from the Polish National Court Register on 31 May 2019. The company started operating in August 2019, with the aim of supporting the Group's commercial activities in the Telco business in Poland.

- **Deconsolidation of ModeLabs Sourcing**

Hong Kong company ModeLabs Sourcing Ltd was set up in 2010 to purchase mobile accessories and mobile devices. Since purchases of accessories are now controlled by Bigben Interactive (HK) Ltd, ModeLabs Sourcing Ltd has not been operational since March 2013 and was wound up in December 2019. It therefore left the Group's scope of consolidation in the 2019/20 financial year.

NACON - Gaming entities

- **Acquisition of a stake in Lunar Great Wall Studios S.r.l.**

On 29 July 2019, Bigben Interactive acquired a 43.15% stake in Italian development studio Lunar Great Wall Studios S.r.l., which is better known under its trade name RaceWard. The consideration was paid in cash.

The stake was transferred to NACON as part of the 2019 spin-off.

The NACON group has an option, which can be exercised at any time until 31 December 2021, to acquire an additional 10% stake in Lunar Great Wall Studios S.r.l., taking its stake in that company to 53.15%.

The studio is based in Milan and is expanding rapidly. It expects its team to have 30 members in the near future, veterans of the video game industry and all passionate about racing simulation games, particularly motorbike racing games.

The NACON group's purchase of a stake in this studio will strengthen its expertise in the Racing segment, which is one of the key pillars of its video-game portfolio, by developing synergies with its other studios.

See Note 1 for information about the treatment of goodwill arising from the purchase of this stake.

- **Acquisition of 100% of Spiders SAS**

On 3 September 2019, Bigben Interactive acquired all of the capital and voting rights of development studio Spiders SAS for cash. The studio was transferred to NACON as part of the 2019 spin-off.

Two earn-out payments relating to two development projects currently underway at Spiders may be made between 2022 and 2024. Those payments are capped and contingent on the achievement of a certain quality level and volume of future games sales.

Spiders was founded in 2008 by former developers of *Monte Cristo™* who worked together on the *Silverfall™* game. It has specialised for several years in action and role-playing games, and has major expertise in home consoles. It has developed six multiplatform games, including the well-known *Mars: War Logs™*, in which the action takes place on the planet Mars, *Bound by Flame™*, a medieval fantasy RPG¹⁹ that has been a big commercial hit, and *The Technomancer™*, a cyberpunk RPG. Spiders' new game *Greedfall™*, hotly anticipated among the gamer community, was released in September 2019 and has a unique visual identity inspired by the Baroque art of Europe in the 17th Century.

The studio is based in Paris and has some 30 employees. It uses its own game engine called Silk Engine, which features all the latest functionalities and technologies, enabling it to design games for all platforms, both PC and console.

The deal gives NACON group outstanding expertise, which Spiders has built up over a number of productions with established developers who are known for the high quality of their games.

Spiders SAS has been consolidated in the Group's financial statements since early September 2019.

See Note 1 for information about the treatment of goodwill and earn-out payments arising from this acquisition.

- **Incorporation of NACON Gaming Inc.**

Following the agreement with Poly (Plantronics Inc.) in the fourth quarter of 2019/20 regarding the acquisition of its gaming headset business and its premium RIG™ brand (see section 2.2.6), NACON created NACON Gaming Inc on 11 February 2020. The company is incorporated under the law of Delaware, where its head office is located, and it has a commercial establishment in Seattle (Washington state) and a logistics establishment in Santa Cruz (California). The company supports the Group's commercial activities in the United States in the video games and accessories sector. Its purpose is to grow sales of RIG™ headsets and other NACON group products in that territory.

- **Incorporation of NACON Pty Ltd**

Following the agreement with Poly (Plantronics Inc.) in the fourth quarter of 2019/20 regarding the acquisition of its gaming headset business and its premium RIG™ brand (see section 2.2.6), NACON created NACON Pty Ltd on 17 March 2020. The company supports the Group's commercial activities in the Australia in the video game accessories sector and its purpose is to grow sales of RIG™ headsets and other NACON group products in that territory.

2.2.3 Spin-off of Bigben Interactive SA's Gaming division to NACON SAS

Legal aspects

NACON (the "**Company**") was incorporated on 18 July 2019 in the form of a simplified joint-stock corporation (*société par actions simplifiée*) with share capital of €10,000.

Bigben Interactive SA's Board of Directors, in its 4 September 2019 meeting, approved the principle of combining the

¹⁹ RPG: role-playing game.

assets and liabilities making up its Gaming division and spinning them off (the “**Spin-off**”) to NACON SAS, a wholly owned subsidiary of Bigben Interactive SA.

Bigben Interactive’s shareholders, in an extraordinary shareholders’ meeting held on 31 October 2019, approved the completion of the spin-off transaction. The Company’s sole shareholder also approved the Spin-off on 31 October 2019, with retroactive effect from 1 October 2019 in accordance with Article L. 236-4 of the French Commercial Code.

The value of the net assets transferred was estimated at €65,087,988 on that date. Through a decision by the Company’s sole shareholder on 31 October 2019, NACON’s share capital was increased by €65,087,988, taking it from €10,000 to €65,097,988, through the issue of 65,087,988 shares with par value of €1 each to Bigben Interactive, as payment for the spin-off from Bigben Interactive (transferor) to the Company (transferee).

Since the accounts closing was finalised subsequently at the time that the interim financial statements were approved on 25 November 2019, the actual net assets transferred as shown by both companies’ statutory financial statements was €65,603,700. As a result and in accordance with the Spin-off Agreement, NACON offset the additional sum of €515,712 by recording it under share premiums as part of NACON’s equity.

Operational aspects

The transaction, which took the form of a spin-off as described above, included the development studios acquired by the Group in the previous two years, dedicated distribution subsidiaries and contracts related to the business, along with all of the Gaming division’s patents and intellectual property.

As a result of the spin-off, NACON owns, directly or indirectly, shares in NACON (HK) Ltd, NACON Gaming España, Bigben Interactive Belgium SA, Bigben Interactive Nederland BV, Bigben Interactive GmbH (Germany), Bigben Interactive Italia Sprl, Games.fr SAS, Cyanide SAS, Amusement Cyanide Inc., Eko Software SAS, Kylotonn SAS, Spiders SAS, Lunar Great Wall Studios S.r.l. (RaceWard) and joint venture BBI USA Inc.

Since 31 October 2019, NACON SAS has been led by Alain Falc as Chairman, and then as Chairman/CEO since the Company became a public limited company (*société anonyme*) on 22 January 2020.

The Spin-off has clarified the Bigben group’s organisation, creating a legal distinction between its three divisions – Gaming on the one hand, and Mobile and Audio on the other – within two distinct operational business segments, i.e. the “Bigben - Audio/Telco” segment and the “NACON - Gaming” segment.

The creation of NACON has given the Gaming division the independence it needs, while enhancing its operational and strategic organisation.

Accounting aspects

In the absence of specific guidance in IFRSs relating to combinations of businesses under common control, NACON SA recognised the spun-off assets at their carrying amounts as stated in the consolidated financial statements of Bigben Interactive SA.

2.2.4 The NACON SA IPO

By giving the Gaming division its own identity, Bigben Interactive gave it the resources it needs to develop more quickly, particularly as regards funding.

To support its subsidiary’s future growth and enable it to continue its selective policy of acquiring games studios, Bigben Interactive SA looked at various options for its expansion and decided that an initial public offering for its NACON SA subsidiary was the best option to secure funding for its Gaming business.

The timetable of the Company’s IPO was as follows:

- ♦ 22 January 2020: conversion of the Company into a public limited company (*société anonyme*) and appointment of the Company’s main governing bodies.
- ♦ 29 January 2020: approval of the Company’s Registration Document by the Autorité des Marchés Financiers (“**AMF**”) under number I.20-003.
- ♦ 19 February 2020: approval of the Prospectus by the AMF under number 20-047.
- ♦ 20 February 2020: publication of the press release announcing the start of the French public offering (“**FPO**”) and the International Offering (the “**IO**”) (together the “**Offering**”), publication of the Prospectus and publication by Euronext of the notice announcing the start of the Offering.
- ♦ 27-28 February 2020: End of the FPO and IO, setting of the Offering price, signature of the Placement Agreement and publication by Euronext of the notice announcing the result of the Offering.
- ♦ 3 March 2020: settlement-delivery of the FPO and the IO.

- ◆ 4 March 2020: first day on which the Company's shares were traded on Euronext's regulated market in Paris on a trading line entitled "NACON" and start of the stabilisation period.
- ◆ 26 March 2020: end of the stabilisation period.

On 4 March 2020, following the success of the Offering at a price of €5.50 per share, which was four times oversubscribed (€7.7 million of subscriptions to the FPO with the extension clause fully exercised, and the IO fully subscribed), the Company's Board of Directors officially noted the first listing of the Company's shares on Euronext's regulated market in Paris and voted to increase its capital by €18,181,819 by issuing 18,181,819 new shares with par value of €1 each, plus a total share premium of €81,818,185.50 (i.e. €4.50 per ordinary share). As a result, the share capital amounted to €83,279,807 on that date, divided into 83,279,807 ordinary shares with par value of €1 each, fully subscribed and fully paid-up.

After that transaction, the Company's market capitalisation was around €458 million based on the IPO price of €5.50. The free float represented 19.65% of the Company's share capital and Bigben Interactive SA held 78.17% of its capital.

In accordance with Article L. 225-135-1 of the French Commercial Code, and to stabilise the Company's share price in the context of its IPO, on 28 February 2020 the Company's Board of Directors granted to Louis Capital Markets, as stabilising agent, an over-allotment option allowing up to 1,818,181 additional new shares to be subscribed at the offering price of €5.50. That over-allotment option could be exercised until 27 March 2020.

The share price having remained stable, the stabilising agent informed the Company on 26 March 2020 that the stabilisation transactions had ended, stating that the Company's shares offered as part of the over-allotment transactions had been subscribed in an amount of €9 million. Following the partial exercise of the over-allotment option, the Company's Board of Directors decided to increase its capital by €1,629,112 by issuing 1,629,112 additional new shares at a price of €5.50, i.e. €1 par value and a €4.50 issue premium, representing subscriptions totalling €8,960,116 including the issue premium.

As a result, the total number of the Company's shares issued as part of its IPO amounted to 19,810,931, i.e. 23.33% of the Company's capital, taking the size of the issue to €109 million. The Company's share capital is now made up of 84,908,919 shares.

Bigben Interactive SA has therefore held 76.67% of the Company's capital since 4 April 2020 and still controls NACON SA following the transaction.

2.2.5 Ownership structure

► Bigben Interactive capital increase following the vesting of bonus shares awarded in 2018

On 3 September 2018, Bigben Interactive SA's Board of Directors awarded 230,201 bonus shares, mainly to employees and corporate officers of recently acquired NACON group entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and a condition related to achieving a predetermined level of recurring operating income. Since all of the Group's entities met their performance condition in part or in full, 198,585 2018 bonus shares vested in 353 Group beneficiaries (including 191 employees and corporate officers of NACON entities, representing 150,616 shares) following the departure of 34 staff members.

As a result, on 4 September 2019, the Bigben group issued 198,585 new shares through the capitalisation of reserves.

On 26 November 2018, Bigben Interactive SA's Board of Directors awarded 19,799 bonus shares to certain key managers of the newly acquired studios. The vesting of those shares after a 1-year period was subject to an ongoing presence condition. The bonus shares vested in the employees concerned on 26 September 2019.

As a result, on 27 November 2019, the Bigben group issued 19,799 new shares through the capitalisation of reserves.

The Bigben group's residual IFRS 2 expense for 2019/20 was €1.0 million, with a balancing entry under reserves.

► Award of Bigben Interactive 2019 bonus shares

On 4 September 2019, Bigben Interactive SA's Board of Directors awarded 272,533 bonus shares, mainly to employees and corporate officers of entities that had recently joined the Group. The vesting of those shares after a 1-year period is again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income. Based on the number of bonus shares vested, the Bigben group will issue new shares through the capitalisation of reserves, and a special appropriated earnings account equal to the total par value of the 272,533 shares awarded, i.e. €545,066, was set up at the time of the awards.

The Bigben group's IFRS 2 expense with respect to 2019/20 was €1.3 million, with a balancing entry under reserves.

2.2.6 Other events

► Acquisition of RIG™ Gaming headsets and the RIG™ premium brand from Plantronics Inc. (“Poly”)

On 5 February 2020, Bigben Interactive announced an agreement between its NACON subsidiary and Plantronics Inc. (“Poly”) regarding the acquisition of the latter company’s gaming headsets business and RIG™ premium brand. That acquisition was completed on 20 March 2020 after the usual prior conditions were met.

The company analysed the acquisition with regard to IFRS 3. Under IFRS 3, the acquisition cannot be regarded as the acquisition of a business. As a result, the company regards the acquisition as an acquisition of isolated assets.

NACON intends to continue and develop the RIG™ headsets business, particularly in the US market where the brand and sales of these specific products are particularly well established. The transaction should enable NACON to establish itself in the world’s largest market for this kind of product and to market all of its Gaming products effectively.

After expanding into the US market, the deal should enable NACON to strengthen and increase its Gaming Accessories range significantly through the addition of RIG™ products, which complement its existing products very well and are acknowledged by gamers to be of high quality, but also to underpin and strengthen the NACON® brand’s premium position in the market.

► Covid-19 (coronavirus) crisis

The Bigben group has been affected by this global public health crisis in the following ways:

- Its Asian sources of supplies have been disrupted since early January 2020.
- Stores have closed because of lockdown measures imposed by the main European countries in March 2020.
- Measures have been taken to protect employees and third parties (remote working etc.).

In operational terms, support staff and development teams have been working remotely since mid-March 2020. Only a few staff members, whose work was limited or impossible to carry out remotely, have been put on furlough.

The Group estimates the Covid-19-related shortfall in revenue at €7-10 million and in recurring operating income at €4-5 million in the second half of March 2020.

► Changes in debt

In 2019/20, Bigben Interactive SA took out €19 million of new medium-term loans and made repayments on medium-term bank loans and finance leases according to their repayment schedules.

All of those medium-term borrowings were transferred to NACON SA at the time of the aforementioned spin-off.

2.2.7 Events after the 31 March 2020 balance-sheet date

► Further developments in the Covid-19 (coronavirus) crisis

The impact of Covid-19 is twofold: negative in the short term on Mobile Accessories and on Audio products, but positive on sales of digital Video Games and Gaming Accessories. Overall, the impact is very negative in terms of revenue but much less so in terms of operating income, given the wider margins generated by digital sales.

Revenue in the first quarter of 2020/21 was affected by the exceptional consequences of the Covid-19 crisis.

To deal with the situation as effectively as possible, from the outset of the crisis the Group took steps to minimise its direct impact on its operations and costs. The vast majority of people working in support services and development have been doing so remotely, while the logistics warehouse has adjusted its workload so that it can operate with a reduced staff. As a result, Bigben has only furloughed staff members whose work has had to be suspended or is impossible to carry out remotely.

Bigben Interactive SA has been applying a strict lockdown-easing plan since May 2020, protecting the health of its staff members and third parties when they return to the Group’s premises and allowing activity to resume gradually in accordance with health guidelines.

Procurement of accessories from the Group’s suppliers has been back to normal since mid-April 2020. Through its NACON subsidiary, the Group can rely on its fast-growing digital sales and has invested in improving its e-commerce sites for its main product ranges.

The Group is already preparing, with the help of its customers and partner-suppliers, a targeted plan of action that will enable it to deal with the lockdown-easing period as efficiently as possible. The plan includes developing new accessories, opening new distribution channels for Audio products, developing new *Justgreen*[®] products and carrying out targeted promotional campaigns to boost the distribution of physical products as soon as stores reopen. Following the agreement with Poly (Plantronics Inc.) in the fourth quarter of 2019/20 regarding the acquisition of its gaming headset business and its premium RIG™ brand, the Group will also roll out RIG™ headsets in the USA and Australia.

The Group's order book suggests that sales of inventories will be satisfactory in the next few months.

Trade receivables at 31 March 2020 are being collected in accordance with agreed payment times.

The Group is not expecting any cash flow problems. The Gaming segment has a large cash position with which to fund its development following NACON's recent IPO, through which it raised €103 million (after deducting IPO expenses) in March 2020, while the Audio/Telco entities will cover their own working capital requirement in 2020/21 by using state-guaranteed loans offered by the French government. Accordingly, in May and June 2020, Bigben Interactive SA reached an agreement to take out two French state-guaranteed loans in a total amount of €15 million.

As a result, the Group is able to maintain and develop its business activities in the 2020/21 financial year.

► Changes in debt

As mentioned above, the Group has arranged two French state-guaranteed loans, for €10 million and €5 million respectively, from three banks after the accounts closing date. Those loans will have a one-year term, although the Group will be able to request the rescheduling of payments over a five-year period.

► Change in scope

None

2.3 ACCOUNTING POLICIES AND PRINCIPLES

2.3.1 Statement of compliance

The consolidated financial statements of Bigben Interactive SA and its subsidiaries (the "Group") are prepared in accordance with IFRSs as endorsed by the European Union and applicable to the financial year ended 31 March 2020, compared with the consolidated financial statements for the financial year ended 31 March 2019 prepared according to the same accounting standards. The applicable standards are available on the European Commission website, at the following address:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

New standards, amendments and interpretations in force and applicable to accounting periods covered by the combined financial statements are detailed below.

► Standards and interpretations newly applicable to the financial year ended 31 March 2020

New IFRS texts	EU adoption date (periods starting on or after)	Main impacts
IFRS 16 "Leases"	01/01/2019	IFRS 16 leads to a more accurate representation of companies' assets and liabilities by abandoning the distinction, on the lessee's side, between operating leases and finance leases. It provides a new definition of a lease. For the lessee, IFRS 16 introduces a single model for recognising leases on the balance sheet. The lessee recognises a "right-of-use asset", which represents its right to use the underlying asset, and a lease liability that represents its obligation to make lease payments. The impact of adopting IFRS 16 is set out below.
IFRIC 23 "Uncertainty over Income Tax Treatments"	01/01/2019	This interpretation clarifies the application of IAS 12 "Income taxes" regarding recognition and measurement of a liability in the event of uncertainty (i.e. if it is unlikely that the tax authorities will accept the tax position). The impact of adopting IFRIC 23 is set out below.
"Prepayment Features with Negative Compensation" (amendments to IFRS 9)	01/01/2019	

- Other standards:

The application of other standards did not have any material impact on the group's financial statements.

- IFRIC 23:

The Company analysed its existing tax risks and took the view that there was no uncertainty about the treatment of income tax that required any recognition or measurement other than those presented in the consolidated financial statements.

- First-time adoption of IFRS 16:

The Group adopted IFRS 16 "Leases" on 1 April 2019. IFRS 16 introduces a single model to be used by lessees when recognising leases and replaces IAS 17 "Leases", IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC 15 "Operating leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease". As a lessee, the Group now:

- recognises a "right-of-use asset relating to leases" on the asset side of the consolidated statement of financial position, representing its right to use the underlying asset, and a lease liability representing its obligation to make future lease payments,
- recognises an amortisation charge on the right-of-use asset relating to leases an interest expense on the associated lease liabilities, instead of the operating lease expenses previously incurred.

The Group has chosen to adopt the simplified retrospective approach. As a result, at 1 April 2019, the Group recognised a right-of-use asset relating to leases and a related lease liability in the same amount representing the present value of future lease payments to be made, taking into account enforceable lease terms and any renewal or termination options, without any restatement of previous periods.

The discount rates applied at the transition date are based on the Group's estimated marginal borrowing rate for each currency based on market information available at that date. Those discount rates were determined taking into account the average remaining lives of leases from the date of first-time adoption, i.e. 1 April 2019. The weighted average marginal borrowing rate at 1 April 2019 for all lease liabilities was 1%.

The Group also chose to use the two exemptions to capitalisation offered by IFRS 16 in relation to leases with a term of less than or equal to 12 months and/or leases of assets with an individual value of less than USD5,000 when new.

For certain types of underlying asset (including the vehicle fleet), the Group chose not to separate lease components from non-lease components, and to recognise the whole as a single lease component.

At 1 April 2019, the lease terms used to calculate lease liabilities were based on the lease end dates (the end of the three-year period for 3/6/9-year French leases) except where the lease has less than one year to run: in that case, the view was taken that the lease would be renewed based on the economic situation (no intention to terminate the leases concerned), and so the lease end date used to calculate the lease liability is the lease end date after first renewal.

As a result, the first-time adoption of IFRS 16 in the financial year ended 31 March 2020 had the following effects for the Group: Bigben Interactive:

In the statement of profit or loss and other comprehensive income ("Income statement"):

- a €45 thousand negative impact on recurring operating income and a €31 thousand negative impact on net income.

On EBITDA:

- a €2.12 million positive impact.

In the statement of financial position ("Balance sheet"):

- the recognition of right-of-use assets relating to leases and the corresponding lease liabilities,
- the reclassification of rent-free periods as a deduction from the value of right-of-use assets relating to leases,
- the reclassification of lease payments made in advance as an increase in the value of right-of-use assets relating to leases.

The reconciliation of off-balance sheet commitments at 1 April 2019 with lease liabilities on the transaction date is as follows:

in
thousands
of euros

Commitments made under operating leases at 31 March 2019	6,535
Effects related to short-term leases not recognised under lease liabilities at 1 April 2019	276
Lease liabilities before discounting	6,811
Effect of discounting	(98)
Lease liabilities at 1 April 2019 after the first-time adoption of IFRS 16	6,713

Impact of the first-time adoption of IFRS 16 on the balance sheet

<i>in thousands of euros</i>	at 31 March 2019	First-time adoption of IFRS 16	at 1 April 2019
Goodwill	58,285		58,285
Right-of-use assets		6,713	6,713
Other intangible assets	66,188		66,188
Property, plant and equipment	13,418.8		13,419
Shares in associates	43,639		44
Other financial assets	919		919
Deferred tax assets	2,582		2,582
Non-current assets	141,436	6,713	148,149
Inventories	57,647		57,647
Trade receivables	61,549		61,549
Other receivables	16,008		16,008
Current tax assets	1,096		1,096
Cash and cash equivalents	14,213		14,213
Current assets	150,513	0	150,513
TOTAL ASSETS	291,949	6,713	298,662
Share capital	39,000		39,000
Share premiums	43,439		43,439
Consolidated reserves	63,959		63,959
Net income for the period	17,346		17,346
Exchange differences	605		605
Total equity	164,349	0	164,349
Long-term provisions	1,214		1,214
Long-term financial liabilities	35,911		35,911
Long-term lease liabilities		4,001	4,001
Deferred tax liabilities	3,730		3,730
Non-current liabilities	40,855	4,001	44,856
Short-term provisions	908		908
Short-term financial liabilities	14,517		14,517
Short-term lease liabilities		2,712	2,712
Trade payables	40,359		40,359
Other payables	28,510		28,510
Current tax liabilities	2,452		2,452
Current liabilities	86,745	2,712	89,457
Total equity and liabilities	291,949	6,713	298,662

► **New texts adopted early in accounting periods starting on or after 1 April 2020**

New IFRS texts	EU adoption date (periods starting on or after)
Amendments to IAS 1 and IAS 8 – Definition of Material	01/01/2020
Amendments to references to the conceptual framework in IFRS standards	01/01/2020
Definition of a business (amendment to IFRS 3)	01/01/2020

The Group has not opted for early adoption other standards and amendments that may be adopted early or that will be mandatory in 2020/21.

The Group does not expect their adoption to have a material impact on the consolidated financial statements.

► **Use of the alternative performance indicator EBITDA**

EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as recurring operating income before impairment, depreciation of property, plant and equipment and amortisation of intangible assets. It is equivalent to earnings before interest, taxes, depreciation, amortisation and provisions on non-current assets (but after additions to provisions on inventories and trade receivables). Since EBITDA is based on recurring operating income, it does not factor in IFRS 2 expenses relating to bonus shares and stock options or other non-recurring operating items, since they are excluded from recurring operating income.

The Group regards EBITDA as an alternative performance indicator.

EBITDA is one of the main indicators monitored by the Group when managing and assessing its operational performance, taking investment decisions, allocating resources and assessing the performance of senior managers.

The Group believes that this indicator is useful for people reading its financial statements because it gives them a measurement of its operating income/loss that excludes non-cash items such as impairment, depreciation and amortisation, providing information about the earnings of the Group's recurring commercial activities and cash flows and allowing investors to identify more effectively trends in its financial performance. EBITDA measures an organisation's ability to generate profits by selling products or services over a given period, without taking into account depreciation or amortisation practices, which can vary between countries and business segments.

EBITDA is not an indicator defined by IFRSs and does not have a standard definition. As a result, the method that the Group uses to calculate EBITDA may not be comparable to that used by other groups to calculate other measures with a similar name.

EBITDA calculation

(in thousands of euros)	2019/20	2018/19
Recurring operating income	23,686	21,728
Depreciation and amortisation of non-current assets	28,812	23,211
EBITDA	52,498	44,939
<i>EBITDA margin (% of revenue)</i>	<i>19.9%</i>	<i>18.3%</i>

► **Use of the financial indicator “gross profit”**

The Group calculates gross profit as the difference between revenue and purchases consumed in relation to retail sales (retail Video Games, Gaming and Mobile Accessories, Audio products).

2.3.2 Basis of preparation

The financial statements are presented in thousands of euros unless otherwise stated.

► **Use of estimates**

The preparation of financial statements according to IFRSs requires management to use estimates and assumptions that affect the amounts in the presented Group financial statements and information provided in the notes thereto.

Those estimates and assumptions are based on information and estimates known on the accounts closing date and may prove substantially different from actual figures.

In particular, in the periods covered by the consolidated financial statements for 2018/19 and 2019/20, management has re-examined its estimates regarding:

- the recoverable amount of goodwill in order to identify any impairment losses (Note 1)
- tax assets relating to unused tax loss carryforwards (Note 6)
- provisions (Note 14)
- the useful lives of game development costs (see below)

Game development costs are amortised over the games' expected lifetimes (currently between 1 and 3 years) using the diminishing balance method based on the associated expected sales, whether the game is sold physically or digitally, from its commercial release date. Under IAS 38, game amortisation periods vary according to market trends and sales prospects.

To take into account the digitalisation of the video game market, the increasing proportion of sales taking place on platforms and the related extension of games' lifespans, the development costs of new games released in the market from 1 April 2019 by Bigben Interactive via its NACON SA subsidiary are currently amortised using the diminishing balance method over a period of three years.

▶ Basis of measurement

The financial statements are presented on the basis of historical cost, except for certain financial assets and liabilities relating to derivative financial instruments and other financial instruments held for trading, which are measured at fair value.

▶ Comparability of financial statements

The accounting policies described above were applied consistently in all periods covered by the consolidated financial statements.

2.3.3 Consolidation principles

The consolidation principles below are "generic" consolidation principles that have been applied by Bigben Interactive.

▶ Consolidation criteria

Companies controlled by the Bigben Interactive group are consolidated from the date on which the Group obtains control over them. Companies over which the Bigben Interactive group has significant influence, but not control, are accounted for using the equity method.

The companies are consolidated on the basis of their annual financial statements for the financial year ended 31 March 2020, and adjusted as the case may be to harmonise them with the Group's accounting policies.

▶ Loss of control

When the Group loses control over a subsidiary, it derecognises its assets and liabilities, any non-controlling interests and other items of equity relating to that subsidiary. Any gain or loss resulting from the loss of control is taken to profit or loss. If the Group retains a stake in a former subsidiary, it is measured at fair value on the date control was lost. The stake is then recognised under associates or financial assets depending on the amount of influence retained.

▶ Business combinations

Business combinations are recognised by applying the acquisition method on the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity in order to derive benefit from its activities. When assessing control, the Group takes into account potential voting rights that are currently exercisable when decisions relating to the relevant activities need to be taken.

The Group measures goodwill on the acquisition date as:

- the fair value of the consideration transferred; plus
- the amount recognised for any non-controlling interest in the acquired company; plus
- if the business combination takes place in stages, the fair value of any stake previously held in the acquired company; less
- the net amount, recognised at fair value, of identifiable assets acquired and liabilities assumed.

Where the difference is negative, costs relating to the acquisition, other than those related to the issue of debt or equity securities, which the Group bears as a result of a business combination, are recognised as expenses when incurred.

▶ **Non-controlling interests**

For each business combination, the Group chooses to measure all non-controlling interests in the acquired company either at fair value or as a proportion of the acquired company's identifiable net assets.

Changes to the percentage of equity securities held by the Group in a subsidiary that do not lead to a loss of control over that subsidiary are recognised as transactions with owners in their capacity as owners. Changes in non-controlling interests are determined on the basis of the relevant proportion of the subsidiary's net assets. No adjustment is made to goodwill and no gain or loss is recognised in profit or loss.

▶ **Subsidiaries**

A subsidiary is an entity controlled by Bigben Interactive. Control exists where the company's relations with the entity expose it or entitle it to variable returns and where it has the ability to influence those returns because of the power it exerts over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the control starts until the date the control ends.

▶ **Associates**

Associates are entities in which Bigben Interactive has significant influence over financial and operational policies, without having control. Significant influence is presumed where the Group owns 20-50% of an entity's voting rights.

The consolidated financial statements include the Group's interest in the total amount of profits and losses recognised by associates, using the equity method, from the date significant influence is first exercised until the date it ends.

Interests in the profits and losses of associates with operating activities that are an extension of the Group's activities are presented below recurring operating income, while interests in the profits and losses of associates whose operating activities are not an extension of the Group's activities are presented after pre-tax income.

▶ **Transactions within the Group**

All transactions between fully consolidated companies are eliminated, as are all profits and losses generated within the combined whole.

▶ **Translation of foreign companies' financial statements into euro**

The Group's presentation currency is the euro.

The functional currencies of the Group's foreign subsidiaries are their local currencies, in which most of their transactions are denominated.

- The assets and liabilities of Group companies whose functional currency is not the euro are translated into euro at the exchange rate in force on the accounts closing date.
- The revenues and expenses of these companies and their cash flows are translated at the average exchange rate for the quarter in which the transactions take place.
- Differences arising from foreign exchange are recognised directly under other comprehensive income, under a separate equity item.

▶ **Translation of transactions into foreign currencies**

Transactions denominated in foreign currencies are translated at the exchange rate in force on the date of the transaction.

At the end of the period, monetary assets and liabilities denominated in foreign currencies (excluding derivatives) are translated at the closing rate. The resulting exchange differences are recorded in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical exchange rate in force on the transaction date.

Derivative instruments are measured and recognised in the manner described in the note on financial instruments.

2.3.4 Accounting policies

Accounting policies are presented directly in the notes to which they relate, in order to facilitate understanding of the financial statements.

2.3.5 Group policy regarding financial risk management

The Group is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk.

The description of these financial risks, the policy and procedures for measuring and managing them and quantitative information relating to them are included directly in the notes relating to balance-sheet items (Note 8) and income-statement items (Notes 35, 36 and 37).

2.3.6 Segment reporting

Bigben Interactive is a major player in digital convergence, offering a broad range of products and accessories addressing demand in its key markets.

As explained in section 2.2.3 above, as part of the Group's reorganisation and the spin-off of the Gaming business to form NACON, Bigben Interactive adjusted its business segments in 2019/20.

As part of the Group's reorganisation and the spin-off of the Gaming business to form NACON, the Gaming businesses of Bigben Interactive SA, Bigben Interactive Hong Kong Ltd and Bigben Interactive España were carved out and placed into entities specially created for that purpose. The Group's other subsidiaries were placed within the Gaming division and their shares were transferred to NACON SA.

Given the highly integrated new organisation of the Gaming business, a large proportion of costs are shared between the video games and accessories businesses. The video games and accessories businesses share most of their customers. As a result, the Group only calculates recurring operating income for the NACON group.

Games developed by the acquired studios Kylotonn, Cyanide, Eko and Spiders are marketed by all Group entities and therefore contribute to NACON's overall cash flow.

NACON SA has its own sales, marketing and finance functions.

Sales of games in digital form are invoiced exclusively from France.

The Group's distribution subsidiaries based outside France handle physical sales of all gaming products. The subsidiary based in Hong Kong mainly handles the development and procurement of accessories from manufacturing partners.

As a result, each NACON group subsidiary has a specific role in the NACON group's value chain.

Similarly, Bigben Interactive's Audio and Telco businesses also show a high level of integration with each other. With the rise of smart devices, the Audio market is converging with the Telco market, they share many customers and the Bigben Interactive SA parent company in charge of Audio and its Bigben Connected subsidiary in charge of Telco share a manager in Michel Bassot, who is both Chief Operating Officer of Bigben Interactive SA and Chairman of Bigben Connected SAS.

Products developed by the Bigben group's Audio/Telco segment are marketed by all Group entities and therefore contribute to Bigben's overall Audio/Telco cash flow.

The Bigben group's Audio/Telco segment has its own sales, marketing and finance functions.

The Group's Audio/Telco distribution subsidiaries based outside France handle physical sales of all Audio/Telco products. The Bigben HK Ltd subsidiary based in Hong Kong mainly handles the development and procurement of Audio and Telco products from manufacturing partners.

As a result, each Bigben group subsidiary has a specific role in the Audio/Telco segment's value chain.

As a result, the Bigben Interactive group considers that it has two operational business segments, which each have specific economic characteristics and represent a distinct market.

The Bigben Interactive group's two business segments are now "Bigben - Audio/Telco" and "NACON - Gaming".

- ♦ The “**NACON - Gaming**” segment comprises the development, publishing and distribution of video games along with the design and distribution of accessories for games consoles and PCs; the Video Games and Gaming Accessories businesses address the same market and have the same economic characteristics, and this segment represents the NACON group’s current scope.
- ♦ The “**Bigben - Audio / Telco**” segment comprises the design and distribution of accessories for smartphones and tablets (Mobile business) and the design and distribution of Audio products (headphones, speakers etc.) under the *Bigben*, *Lumin’Us*, *AromaSound* and *Thomson* (Audio) brands; it represents the Bigben group’s scope excluding the NACON group.

The information presented below is that now used by the Bigben group’s chief operating decision maker for internal reporting purposes, allowing it to carry out effective analysis of the Group’s business and risks. The Bigben group’s chief operating decision maker within the meaning of IFRS 8 is a two-person team consisting of the Bigben group’s CEO and COO.

► Breakdown of revenue by business

The Group’s reporting is mainly organised by business segment.

in thousands of euros	2019/20			
	Gaming	Mobile	Audio	Group
Total revenue	123,927	104,790	34,781	263,498
Bigben - Audio/Telco	566	103,799	29,705	134,071
NACON - Gaming	123,361	991	5,075	129,427

in thousands of euros	2018/19			
	Gaming	Mobile	Audio	Group
Total revenue	105,509	109,789	30,204	245,502
Bigben - Audio/Telco	4	108,735	23,662	132,402
NACON - Gaming	105,505	1,054	6,542	113,101

Given the way in which the distribution subsidiaries were carved out in the aforementioned spin-off from Bigben Interactive to NACON, the “NACON - Gaming” segment still includes a very small amount of non-Gaming revenue and the “Audio/Telco” segment still includes some non-Audio/Mobile revenue.

The business activities of the Company and Group are based around three business lines:

- Mobile covers all accessories for smartphones;
- Audio covers consumer products and is now focusing on developing original products, like the Mobile business;
- Gaming covers
 - o accessories for consoles and
 - o the development and publishing of video games sold in physical form or through digital downloads.

in thousands of euros		12-month total		Contribution	
		2019/20	2018/19	2019/20	2018/19
Revenue		263,498	245,502	100%	100%
<i>of which</i>	<i>Gaming</i>	123,927	105,509	47%	43%
	<i>Mobile</i>	104,790	109,789	40%	45%
	<i>Audio</i>	34,781	30,204	13%	12%

► Revenue by geographical zone

in thousands of euros		12-month total		Contribution	
		2019/20	2018/19	2019/20	2018/19
Revenue		263,498	245,502	100.0%	100.0%
<i>of which</i>	<i>France</i>	149,190	152,257	56.6%	62.0%
	<i>Export</i>	114,308	93,246	43.4%	38.0%

The geographical breakdown is based on the location of invoiced customers.

► Revenue and earnings by business segment

(in thousands of euros)	Group total	NACON - Gaming	Bigben - Audio/Telco	Group total	NACON - Gaming	Bigben - Audio/Telco
	2019/20	2019/20	2019/20	2018/19	2018/19	2018/19
Revenue	263,498	129,427	134,071	245,502	113,101	132,402
Purchases consumed	(154,573)	(50,377)	(104,196)	(147,861)	(50,691)	(97,171)
Gross profit	108,925	79,050	29,875	97,641	62,410	35,231
Gross margin (% of revenue)	41.3%	61.1%	22.3%	39.8%	55.2%	26.6%
Other operating revenue	867	705	162	745	546	199
Other purchases and external expenses	(30,994)	(19,272)	(11,722)	(28,457)	(18,319)	(10,138)
Taxes other than income tax	(1,744)	(702)	(1,043)	(1,873)	(899)	(973)
Personnel costs	(22,991)	(10,985)	(12,006)	(21,918)	(9,834)	(12,084)
Other operating expenses	(1,565)	(436)	(1,129)	(1,210)	(544)	(666)
Gains or losses on disposals of non-current assets	0	0	0	11		11
EBITDA	52,498	48,361	4,137	44,939	33,359	11,579
EBITDA margin (% of revenue)	19.9%	37.4%	3.1%	18.3%	29.5%	8.7%
Depreciation and amortisation of non-current assets	(28,812)	(25,741)	(3,071)	(23,211)	(20,817)	(2,394)
Recurring operating income	23,686	22,620	1,066	21,728	12,542	9,186
Recurring operating margin (% of revenue)	9.0%	17.5%	0.8%	8.9%	11.1%	6.9%
Bonus share and stock-option plans	(2,339)	(2,038)	(301)	(1,852)	(1,321)	(531)
Other non-recurring operating items	(522)	0	(522)	2,530	2,243	287
Income from associates	(1)	(1)	0	(87)	(87)	0
Operating income	20,823	20,580	243	22,319	13,377	8,941
Financial income	1,956		1,956	2,839		2,839
Financial expense	(3,039)		(3,039)	(2,379)		(2,379)
Net financial income/(expense) excluding currency gains/losses	(1,084)	(619)	(465)	460	(383)	843
Pre-tax income	19,739	19,961	(222)	22,779	12,995	9,784
Income tax	(3,492)	(4,705)	1,213	(5,433)	(2,289)	(3,144)
Net income for the period	16,247	15,256	991	17,346	10,706	6,640

2.4 ADDITIONAL NOTES

2.4.1 Additional notes to the balance sheet

○ Note 1 – Goodwill

Entities acquired in thousands of euros	BBI Belgique	Bigben Connected	Vox Diffusion	Cyanide SA	Eko	Kylotonn	Spiders	RaceWard	TOTAL
Goodwill arising from transactions in the financial year ended 31 March 2020	1,088	34,763	68	12,539	6,058	3,770	5,273	345	63,903
Impairment loss									0
Discontinued operations									0
Goodwill arising from transactions in the financial year ended 31 March 2019 and previously	1,088	34,763	68	12,539	6,058	3,770	0	0	58,285

⇒ Accounting policy - Goodwill

Goodwill is not amortised, in accordance with IFRS 3 “Business combinations” and IAS 36 “Impairment of assets”. It is tested for impairment whenever evidence of a loss of value appears and at least once every year on the closing date. For those tests, goodwill is broken down by Cash Generating Units (CGUs), which are homogeneous units that together generate independent cash inflows.

Details about the impairment testing of Cash Generating Units are provided below.

Goodwill is stated at cost, less cumulative impairment losses. Any impairment losses are taken to the income statement. Impairment losses cannot be reversed.

Description of transactions in the 2019/20 financial year:

The Group carried out the following transactions in 2019/20:

- on 29 July 2019, it acquired a 43.15% stake in Italian development studio Lunar Great Wall Studios S.r.l., which is better known under its trade name RaceWard;
- on 3 September 2019, it acquired 100% of the shares and voting rights in Spiders SAS.

RaceWard (Lunar Great Wall Studios S.r.l.)

The business combination took place on 29 July 2019, the date on which the Bigben group acquired a 43.15% stake in Italian development studio Lunar Great Wall Studios S.r.l., which is better known under its trade name RaceWard. The transaction amount was paid entirely in cash. The NACON group has an option, which can be exercised at any time until 31 December 2021, to acquire an additional 10% stake in Lunar Great Wall Studios S.r.l.

The IFRS 10 approach is based on the ability to exert control. Given the absence of obstacles to the NACON group exerting control and the given the parties’ respective commercial interests, the conclusion was that the NACON group has exercised control over Lunar Great Wall Studios since 29 July 2019 and that the company should be consolidated.

In accordance with IFRS 3 rules, €0.3 million of goodwill was therefore recognised under “Intangible assets” on the balance sheet at 31 March 2020.

	<i>(in thousands of euros)</i>
Intangible assets	0
Property, plant and equipment	56
Receivables	66
Deferred tax assets	457
Prepaid expenses	0
Cash and cash equivalents and miscellaneous	0
Provisions for contingencies	-11
Liabilities	-950
Total identifiable net assets acquired	-383
Proportion of identifiable net assets acquired	-165
Goodwill	345
Fair value of the consideration transferred	180

Spiders SAS

The business combination took place on 3 September 2019, when the Bigben group acquired the shares in Spiders SAS. The purchase price was paid entirely in cash. That company was transferred to NACON as part of the spin-off.

Two earn-out payments relating to two development projects currently underway at Spiders may be made, entirely in cash, between 2022 and 2024. Those payments are capped and contingent on the achievement of a certain quality level and volume of future games sales.

In the interim financial statements for the six months ended 30 September 2019 and in the full-year financial statements for the financial year ended 31 March 2020, a €2.4 million earn-out payment was included in the calculation of the consideration transferred. The estimated fair value of these earn-out payments at the acquisition date is based on the NACON group's best estimates regarding the fulfilment of the conditions for making those earn-out payments, and particularly take into account Spiders' historical sales figures as at the acquisition date and the Metacritic score for its most recent game Greedfall, which came out in September 2019, on the assumption that the next few games developed by Spiders will have at least the same success.

Since the earn-out payments that may be made by the NACON group could result in a variable amount of cash, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date gave rise, in accordance with IFRS 3 "Business combinations", to the recognition of a financial liability in the Group's financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled, which will be in 2024 at the latest.

Allocation of the purchase price of Spiders SAS

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise the accounting of business combinations. The measurement of the Spiders SAS assets acquired and liabilities assumed is as follows:

	<i>(in thousands of euros)</i>
Intangible assets	4,622
Property, plant and equipment	29
Financial assets	13
Deferred tax assets	781
Receivables	524
Cash and cash equivalents and miscellaneous	204
Prepaid expenses	10
Provisions for contingencies	-59
Debt	-131
Miscellaneous liabilities	-424
Fair value of outstanding performance obligations	-4,440
Total identifiable net assets acquired	1,127
Provisional goodwill	5,273
Fair value of the consideration transferred	6,400

Transactions that took place in 2018/19 that may affect the current period

The Group carried out the following transactions in 2018/19:

- on 20 June 2018, it acquired 100% of the shares and voting rights in Cyanide SA and its Canadian subsidiary Amusement Cyanide Inc,
- on 1 September 2018, it acquired control over Kylotonn,
- on 18 October 2018, it acquired 100% of the shares and voting rights in Eko Software SAS.

Cyanide SA

The business combination took place on 20 June 2018, when the NACON group acquired the shares in Cyanide SA.

To pay for the Cyanide shares acquired, 50.20% of the purchase price was paid in cash and 49.80% in shares (697,445 newly created Bigben shares). The new Bigben Interactive shares used to pay Cyanide SA shareholders were valued at the market price on the transaction date, i.e. €13.44 per share.

An €1,768 thousand earn-out payment based on the net income of Cyanide (and its subsidiaries) in the year ended 31 March 2019 was made, entirely in cash, in September 2019. In the interim financial statements for the six months ended 30 September 2018, a €3.5 million earn-out payment was included in the purchase price calculation. The estimate of its fair value on the acquisition date was based on the NACON group's best estimates of the fulfilment of conditions for making that earn-out payment, mainly taking into account estimates of actual full-year 2018/19 earnings and the most likely timetable over which Cyanide SA and its subsidiary would complete their projects as of the acquisition date. Since the liability was measured at fair value at the closing date on 31 March 2019 and the earn-out payment initially measured at €3.5 million was provisionally measured at €1.5 million based on the results of Cyanide SAS for the period ended 31 March 2019, and while waiting for the exact calculation of royalties receivable by third-party publishers in the first calendar quarter of 2019, the €2 million change in fair value was taken to income under "Other non-recurring operating items" in the consolidated comprehensive income statement for the period ended 31 March 2019. The €0.3 million difference between the earn-out payment as measured at 31 March 2019 (€1.5 million) and the €1.8 million eventually paid was recognised under "Other non-recurring operating items" in the consolidated comprehensive income statement for the six months ended 30 September 2020 and for the financial year ended 31 March 2020.

When allocating the purchase price, the Group reviewed the measurement of assets acquired and liabilities assumed from Cyanide. The main fair value adjustments related to Cyanide's brands, with a direct impact on the value of intangible assets acquired.

Those brands were valued at €7.0 million using the discounted future cash flow method based on the business plan established by Cyanide SAS for each brand. The model takes into account the expected residual lives of games, operational parameters in relation to which management had to show judgement, particularly in selecting a representative discount rate (15.90% at 30 September 2018), a perpetual growth rate (2%) and future tax rates as announced by the public authorities as of the acquisition date.

Other adjustments to the fair value of assets acquired and liabilities assumed were not material.

	<i>(in thousands of euros)</i>
Trademarks	7,016
Other intangible assets	14,989
Property, plant and equipment	96
Financial assets	103
Deferred tax assets	608
Receivables	3,360
Cash and cash equivalents and miscellaneous	1,416
Provisions for contingencies	-150
Debt	-2,587
Deferred tax liabilities	-436
Miscellaneous liabilities	-2,669
Fair value of outstanding performance obligations	-10,249
Total identifiable net assets acquired	11,497
Goodwill	12,539
Fair value of the consideration transferred	24,035

The goodwill determination was definitive at 30 September 2019.

Eko Software SAS

The business combination took place on 18 October 2018, when the NACON group acquired the shares in Eko Software SAS.

To pay for the Eko Software shares acquired, 64.60% of the purchase price was paid in cash and 35.40% in shares (295,575 newly created Bigben shares). The new Bigben Interactive shares used to pay Eko Software SAS shareholders were valued at the market price on the transaction date, i.e. €8.70 per share.

An earn-out payment based on the net income of Eko Software in the year ended 31 December 2018 was made, entirely in cash, in June 2019. Based on the annual earnings of Eko Software SAS in the period ended 31 September 2018, a €1.3 million earn-out payment was included in the purchase price calculation at 31 March 2019. Since that earn-out payment was paid in June 2019, the liability recognised under liabilities in the statement of financial position at 31 March 2019 was extinguished.

	<i>(in thousands of euros)</i>
Intangible assets	8
Property, plant and equipment	62
Financial assets	26
Deferred tax assets	234
Receivables	510
Cash and cash equivalents and miscellaneous	4,283
Provisions for contingencies	12
Debt	-138
Deferred tax liabilities	-1
Miscellaneous liabilities	-1,694
Total identifiable net assets acquired	3,301
Goodwill	6,058
Fair value of the consideration transferred	9,358

The goodwill determination was definitive at 31 March 2019.

Kylotonn SAS

The business combination was completed on 1 September 2018, the date on which the NACON group obtained control of Kylotonn SAS. On that date, the Group opted to recognise goodwill using the full goodwill method and to recognise early the liability arising from the undertaking to buy out non-controlling interests. It has fully consolidated the company since that date.

The consideration for the remaining shares was paid in cash during the second half of 2018/19.

	<i>(in thousands of euros)</i>
Intangible assets and property, plant and equipment	210
Financial assets	141
Deferred tax assets	822
Receivables	1,494
Cash and cash equivalents and miscellaneous	145
Prepaid expenses	73
Provisions for contingencies	-64
Debt	-1,045
Miscellaneous liabilities	-2,293
Total identifiable net assets acquired	-516
Goodwill	3,770
Remeasurement of previously held shares	496
Fair value of the consideration transferred	2,758

The goodwill determination was definitive at 31 March 2020.

Reconciliation of acquisition-related disbursements with cash flows in the year ended 31 March 2020:

Disbursements relating to acquisitions of subsidiaries net of net cash acquired	mar. 2020
Spiders SAS acquisition	4,000
Lunar Great Wall Studios S.r.l. acquisition	180
Earn-out payment relating to Cyanide SAS acquisition	1,768
Earn-out payment relating to Eko Software SAS acquisition	1,296
Net cash acquired	-204
Disbursements relating to acquisitions of subsidiaries net of net cash acquired	7,040

Goodwill impairment tests

The Group tests impairment on its two CGUs on an annual basis on the closing date (31 March) and whenever evidence of a loss of value is identified.

At 31 March 2020, no impairment had been recognised.

Impairment test on the "NACON - Gaming" CGU

Assumptions:

WACC	12.00%
Perpetual growth rate	2.0%

The WACC and the perpetual growth rate take into account the rapid development of the Gaming business sector in which the NACON group operates.

Sensitivity test:

Carrying amount of the CGU*	€141,687 thousand
Reduction in EBITDA in year N+3 that would result in the CGU's recoverable value being equal to its carrying amount:	EBITDA -18.20%
Reduction in EBITDA margin in year N+3 that would result in the CGU's recoverable value being equal to its carrying amount:	EBITDA margin -7.8 points
Reduction in the perpetual growth rate that would result in the CGU's recoverable value being equal to its carrying amount:	Perpetual growth rate -9.0 points
Increase in the discount rate (WACC) that would result in the CGU's recoverable value being equal to its carrying amount:	WACC +5.6 points

*The carrying amount of the CGU corresponds to economic net assets factoring in a normal working capital requirement.

Impairment test on the "Bigben - Audio/Telco" CGU

Assumptions:

WACC	11.00%
Perpetual growth rate	2.0%

The WACC and the perpetual growth rate take into account the characteristics of the Audio/Telco sector in which the Bigben Audio/Telco CGU operates, including technological changes in the sector.

Sensitivity test:

Carrying amount of the CGU		€93,064 thousand
Reduction in EBITDA in year N+3 that would result in the CGU's recoverable value being equal to its carrying amount:	EBITDA	-3.30%
Reduction in EBITDA margin in year N+3 that would result in the CGU's recoverable value being equal to its carrying amount:	EBITDA margin	-0.3 points
Reduction in the perpetual growth rate that would result in the CGU's recoverable value being equal to its carrying amount:	Perpetual growth rate	-0.4 points
Increase in the discount rate (WACC) that would result in the CGU's recoverable value being equal to its carrying amount:	WACC	+0.4 points

⇒ **Accounting policy - Impairment of non-current assets**

According to IAS 36 "Impairment of assets", an impairment loss is taken to income where recoverable value becomes lower than net carrying value.

The recoverable amount of non-current assets is the greater of fair value less costs to sell and value in use. The net carrying amounts of property, plant and equipment and intangible assets are tested as soon as evidence of a loss of value appears and at least once per year for assets with an indefinite useful life (goodwill and trademarks).

For these tests, assets are grouped into cash-generating units (CGUs). CGUs are consistent groups of assets whose continued use generates cash inflows that are largely independent of cash inflows generated by other groups of assets. The Bigben group recognises two CGUs that correspond to its two operational business segments: "Bigben - Audio/Telco" and "NACON - Gaming".

For the "Bigben - Audio/Telco" CGU

Given the highly integrated new organisation of the Audio/Telco business, a large proportion of costs are shared between the Telco and Audio businesses. The Audio and Telco business share certain customers. Audio and Telco products are partly developed and procured by Bigben HK Ltd. As a result, the Group does not calculate recurring operating income by business line.

Products developed by Bigben Interactive entities and Bigben Connected are marketed by all Group entities and therefore contribute to the CGU's overall cash flow.

As a result, only one CGU has been identified within this operating segment: the goodwill arising from the acquisition of Modelabs has been allocated to that CGU.

For the "NACON - Gaming" CGU

Given the highly integrated new organisation of the Gaming business, a large proportion of costs are shared between the Video Games and Gaming Accessories businesses. The Video Games and Gaming Accessories businesses may share customers. As a result, the Group does not calculate recurring operating income by business line.

Games developed by the acquired studios Kylotonn, Cyanide, Eko and Spiders are marketed by all Group entities and therefore contribute to the CGU's overall cash flow.

As a result, only one CGU has been identified within the NACON group's sole operating segment: the goodwill arising from acquisitions of studios and from the NACON group's other entities have been allocated to that sole CGU.

The value in use of that CGU is determined with reference to future cash flows after tax and discounted to present value. The discount rate is determined at each closing date on the basis of the cost of capital specific to the Bigben Interactive group.

Cash flow figures are those expected over a three-year period. They are based on the budget for year N+1, prepared by operating entities and validated by Executive Management. Cash flows for subsequent years (N+2 and N+3) are estimated by applying a growth rate, based on management forecasts. Beyond that, cash flows are extrapolated by applying a perpetual growth rate.

Where the CGU's recoverable amount is lower than its net carrying amount, an impairment loss equal to the difference is recognised in income and allocated first to goodwill and then deducted from the carrying amount of the entity's other assets in proportion to the net carrying amount of each of the unit's assets.

Impairment tests carried out on the new organisation at 31 March 2020 did not show any loss of value.

► Note 2 – Other intangible assets

in thousands of euros	31 March 2020	31 March 2019
Gross value	161,293	113,338
Amortisation	(74,451)	(47,150)
Impairment	(605)	
Net value	86,237	66,188

Gross value	Software, concessions and patents	Trademarks	Trade goodwill	Lease rights	Customer relationships	Game development costs	Other intangible assets	TOTAL
31 March 2018	2,102	1,371	2	0	22,300	35,869	1,868	63,512
Acquisition	182					30,098	80	30,360
Change in scope		7,071				24,707	31	31,809
Transfers	(61)					(12,282)		(12,343)
Disposals								0
Exchange difference								0
31 March 2019	2,223	8,442	2	0	22,300	78,392	1,979	113,338
Acquisition	1,476	1,562				32,799	273	36,110
Change in scope	80					5,919		5,998
Application of IFRS 16				7,253				7,253
Disposals	(300)						(1,107)	(1,407)
Exchange difference								0
31 March 2020	3,478	10,004	2	7,253	22,300	117,110	1,145	161,292
Amortisation	Software, concessions and patents	Trademarks	Trade goodwill	Lease rights	Customer relationships	Game development costs	Other intangible assets	TOTAL
31 March 2018	(1,875)	(261)	0	0	(7,340)	(15,374)	(1,758)	(26,608)
Additions	(161)				(1,115)	(20,448)	(82)	(21,806)
Change in scope	(84)					(10,924)	(31)	(11,039)
Transfers	19					12,282		12,301
Disposals	2							2
Exchange difference								0
31 March 2019	(2,099)	(261)	0	0	(8,455)	(34,464)	(1,871)	(47,150)
Additions	(1,253)				(1,115)	(18,749)	(79)	(21,196)
Change in scope						(5,767)		(5,767)
Application of IFRS 16				(2,350)				(2,350)
Disposals	300						1,107	1,407
Exchange difference								0
31 March 2020	(3,052)	(261)	0	(2,350)	(9,570)	(58,980)	(843)	(75,056)
Net value	427	9,743	2	4,903	12,730	58,130	302	86,237

At 31 March 2020, the “Trademarks” item mainly consisted of trademarks owned by the development studio Cyanide and the RIG™ trademark belonging to the NACON group following the acquisition of Cyanide in the year ended 31 March 2019 (see Note 1) and the acquisition of RIG™ assets from Poly (see Note 2.2.6) in the year ended 31 March 2020.

The “Game development costs” item represents expenses incurred in developing games on the market or currently being developed and with the prospect of being launched in the market. The video game tax credits (CIJV) received by the Group’s development studios are recognised as a deduction from development costs.

⇒ **Accounting policy – Other intangible assets**

Trademarks are not amortised. They do not undergo individual impairment tests but are combined with all of the CGU's goodwill and assets as part of an annual impairment test.

Right-of-use assets are amortised over the lease term used to calculate the related lease liability.

Acquired software is capitalised and amortised over a useful life of 3 years. Expenditure on internally generated brands is expensed when incurred.

Subsequent expenditure on intangible assets is capitalised if and only if it increases the future economic benefits associated with the corresponding asset. Other expenditure is recognised as an expense.

Research expenditure on acquiring scientific or technical understanding and knowledge is expensed when incurred.

Development activities imply the existence of a plan or a model to make products and new or substantially improved processes. The Group's development expenditure is capitalised if and only if costs can be measured reliably and the Group can show the technical and commercial viability of the product or process, the existence of probable future economic benefits and its intention and sufficient resources to complete the development and use or sell the asset.

Recognised development costs mainly relate to the cost of developing games on the market or currently being developed and with the prospect of being launched in the market. Capitalised development costs, less any related tax credits, are recognised at cost less accumulated amortisation and impairment losses. At the end of each financial year or wherever indications of a loss of value appear, management estimates forecast cash flows for each game. Where those cash flows are lower than the net carrying amount of the games, impairment is applied.

Game development costs are amortised over the games' expected lifetimes (currently between 1 and 3 years) using the diminishing balance method based on the associated expected sales, whether the game is sold physically or digitally, from its commercial release date. Contrary to the presumption under IAS 38, the rate at which revenue is generated from the games publishing business is an appropriate basis to assess the consumption of economic benefits associated with games because the revenue resulting from the commercial exploitation of the games and the use of intangible assets are very closely correlated. The rights associated with games no longer have any value when they are no longer being commercially exploited. Game amortisation periods vary according to market trends and sales prospects. To take into account the digitalisation of the video game market and the related extension of period over which economic benefits will be obtained, the amortisation method has changed from year to year.

► **Note 3 - Property, plant and equipment**

in thousands of euros	31 March 2020	31 March 2019
Gross value	32,063	30,671
Depreciation	(18,884)	(17,252)
Impairment		
Net value	13,179	13,419

⇒ **Accounting policy – Property, plant and equipment**

In accordance with IAS 16, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The gross value of property, plant and equipment corresponds to their purchase or production cost. They are not remeasured. Where the components of an item of property, plant and equipment have different useful lives, they are recognised as separate items of property, plant and equipment, each depreciated over its specific useful life.

Depreciation is calculated using the straight-line method, based on purchase cost minus any residual value and any impairment from the date on which the asset is available for use.

Except in specific cases, residual values are zero. Depreciation periods are based on the estimated useful lives of the different categories of assets, of which the main ones are listed below:

Category	Depreciation method
Buildings	Straight-line, between 15 and 25 years
Photovoltaic installations	Straight-line, between 10 and 25 years
Plant and equipment	Straight-line, between 5 and 8 years
Building improvements	Straight-line, 10 years
Fixtures and fittings	Straight-line, between 4 and 10 years
Furniture, office equipment	Straight-line, between 3 and 10 years
Vehicles	Straight-line, between 1 and 3 years

Gross value	Land	Buildings	Technical installations	Downpayments on property, plant and equipment	Other property, plant and equipment	TOTAL
31 March 2018	1,430	19,130	4,474	269	3,182	28,485
Acquisition				51	683	734
Change in scope			1		1,416	1,417
Transfers					(32)	(32)
Disposals					(75)	(75)
Exchange difference			102		40	142
31 March 2019	1,430	19,130	4,577	320	5,214	30,671
Acquisition		17	289	466	512	1,284
Change in scope					275	275
Transfers						0
Disposals					(220)	(220)
Exchange difference			44		9	53
31 March 2020	1,430	19,147	4,910	786	5,790	32,063

Depreciation	Land	Buildings	Technical installations	Downpayments on property, plant and equipment	Other property, plant and equipment	TOTAL
31 March 2018	0	(8,583)	(3,709)	0	(2,444)	(14,736)
Additions		(909)	(336)		(529)	(1,774)
Change in scope					(906)	(906)
Transfers					32	32
Reversals		89			44	133
Exchange difference						0
31 March 2019	0	(9,403)	(4,045)	0	(3,803)	(17,252)
Additions		(890)	(314)		(538)	(1,742)
Change in scope					(190)	(190)
Transfers						0
Reversals		89			220	309
Exchange difference					(9)	(9)
31 March 2020	0	(10,204)	(4,359)	0	(4,320)	(18,884)
Net value	1,430	8,943	550	786	1,470	13,179

Assets purchased under finance leases:

in thousands of euros	Land	Buildings	Equipment	TOTAL
Gross value	1,385	13,028	3,223	17,636
Depreciation		(6,060)	(2,885)	(8,945)
Net value	1,385	6,968	338	8,691

The real estate (land and buildings) at the Lesquin and Lauwin-Planque sites were funded using finance leases. The cost price of the land and buildings was €14,413 thousand and depreciation has totalled €6,060 thousand, giving a net carrying amount of €8,353 thousand at 31 March 2020. For the logistics system, computerised lift trucks and shelving, the cost price was €3,223 thousand and depreciation has totalled €2,885 thousand, giving a net carrying amount of €338 thousand at 31 March 2020.

Depreciation of the photovoltaic installation began on 1 October 2014.

► **Note 4 – Shares in associates**

Group companies accounted for under the equity method are not listed and so do not have any publicly listed price.

At 31 March 2020, this item included the fair value of Bigben Interactive USA shares. That company is not operational and is being wound up.

► **Note 5 – Other non-current financial assets**

Net	Assets at fair value through profit and loss	Security deposits	Other securities	Other receivables	TOTAL
31 March 2018	0	452	25	166	643
Acquisition		1		6	7
Change in scope		257	12		269
Transfers					0
Disposals					0
Exchange difference					0
31 March 2019	0	710	37	172	919
Acquisition		558			558
Change in scope		13			13
Transfers					0
Disposals				(46)	(46)
Exchange difference		2			2
31 March 2020	0	1,283	37	126	1,447

⇒ **Accounting policy – Financial assets**

Non-derivative financial assets and liabilities

Financial assets and liabilities are presented as non-current except for those that have less than 12 months to maturity on the closing date, which are classified as “current assets”, “cash equivalents” or “current liabilities” as the case may be.

Non-derivative financial assets include:

- non-current financial assets,
- current financial assets representing operating receivables, debt securities or investment securities, and cash.

Measurement and recognition of financial assets

A financial asset is measured at amortised cost if it meets the criteria relating to the business model and cash flow characteristics defined by IFRS 9 and if it is not designated as at fair value through profit or loss. It is initially measured at fair value plus directly connected transaction costs, with the exception of trade receivables without a significant financing component, which are initially measured at the transaction price under IFRS 15. Impairment is recognised in respect of financial assets to take account of any expected credit losses. For trade receivables (see Note 8) and contract assets, credit losses are measured over the total life of the assets using the simplified approach under IFRS 9, on the basis of a provisioning schedule.

► **Note 6 - Deferred tax assets**

► Group total

in thousands of euros	31 March 2020	31 March 2019
Deferred tax assets relating to tax loss carryforwards	1,307	2,562
Deferred tax assets relating to timing differences	2,063	20
NET DEFERRED TAX ASSETS	3,369	2,582

► Details by entity

in thousands of euros	01/04/2019	Recognised	Used	31/03/2020
NACON SA	1,018		(1,018)	(0)
Cyanide SAS	1,222		(116)	1,106
Bigben Interactive GmbH	38		(38)	0
Kylotonn SAS	284		(109)	175
NACON Gaming Inc	0	26		26
Bigben España	0			0
TOTAL TAX LOSS CARRYFORWARDS	2,562	26	(1,281)	1,307

Given the short- and medium-term earnings prospects of the entities concerned, all tax losses (which can be carried forward indefinitely) have been recognised.

See also Note 1 concerning deferred tax assets related to the acquisitions of Cyanide, Eko Software and Kylotonn.

⇒ Accounting policy – Tax

Income tax includes current tax and deferred tax.

Tax expense and income are recognised in the income statement except where they relate to items recognised directly in equity, in which case they are also recognised in equity.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amount of assets and liabilities and their tax basis. The following do not give rise to the recognition of deferred tax: (i) initial recognition of goodwill and (ii) recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit.

The measurement of deferred tax takes into account known changes in tax rates (and in tax regulations) that have been adopted or materially adopted at the closing date.

Deferred tax assets are recognised when they can be offset against deferred tax liabilities or tax loss carryforwards, if it is likely that future taxable profits will be available against which those tax assets can be offset. The carrying amount of deferred tax assets is reviewed at each closing date.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

► **Note 7 – Inventories**

in thousands of euros	Gaming	Mobile	Audio	31 March 2020	31 March 2019
Gross value	39,196	34,746	13,077	87,019	76,834
of which physical inventories	37,749	34,671	13,032	85,452	74,586
of which goods in transit	1,447	75	45	1,567	2,248
Impairment loss	(11,777)	(8,068)	(1,120)	(20,965)	(19,187)
Net value	27,419	26,678	11,957	66,054	57,647

Goods held in inventory are made by third-party factories according to strict specifications provided by Bigben Interactive. Factories undergo quality audits before production begins. Purchases of raw materials are mainly handled by those factories, except for certain critical components such as, for the NACON group, Sony ICs (security chips) used in controllers and the environmentally friendly packaging that NACON buys from its partner manufacturers in order to ensure consistent quality.

⇒ **Accounting policy – Inventories**

In accordance with IAS 2 “Inventories”, inventories are measured at the lower of cost and net realisable value. The cost of the inventories of each product line (accessory or game) is determined using the weighted average cost method. In accordance with IAS 2 “Inventories”, that cost takes into account production costs and incidental, logistics and transport expenses incurred to bring inventories to their present location. For inventories of physical games released up to 31 March 2019, the amount took into account the amortisation of each game’s development costs in proportion to the percentage of total sales coming from physical sales. For new games released from 1 April 2019, given that most sales take place digitally and given the limited production of physical copies of those games, no proportion of the cost of developing those new games was deducted from the related inventories. The cost is net of discounts and deferred payment terms obtained from suppliers.

Borrowing costs are not included in the cost of inventories.

Net realisable value is the estimated selling price in the ordinary course of business less estimated completion costs and the estimated costs necessary to realise the sale. At each closing date, the values of products held in inventory are reviewed based on their sales prospects and their age.

Impairment is recognised on products held in inventory in the following way:

- After-sales service inventories are written down in full.
- At each closing date, the values of products held in inventory are reviewed by comparing their average selling price (in the last 12 months) with their weighted average cost, and impairment is recognised as appropriate.
- Management recognises additional impairment on specific product lines based on sales prospects.
- In addition to these approaches, additional impairment is recognised based on the age of the products held in inventory.

► **Note 8 – Trade receivables**

in thousands of euros	31 March 2020	31 March 2019
Trade receivables and notes	65,955	62,328
Impairment losses	(873)	(779)
TOTAL TRADE RECEIVABLES	65,082	61,549

The temporary increase in receivables at the end of the financial year was caused by the following factors.

- At 31 March 2020, client payments had been temporarily delayed by store closures resulting from lockdown measures imposed by most European countries to combat the spread of Covid-19.
- Sales were strong at the end of the financial year ended 31 March 2019, due to the release of the *Revolution Unlimited Pro Controller* and *Asymmetric Wireless* controllers.

The Bigben group uses factoring for certain clients. The factoring agreement does not result in receivables being deconsolidated, and trade receivables factored but not settled by clients at 31 March 2020 were included in the “Trade receivables and notes” item. They amounted to €17.3 million (versus €10.1 million at 31 March 2019). Receivables are kept on the balance sheet in accordance with IFRS 9, because risks such as those relating to failure to pay and interest rates are not transferred to the factor.

► **Client concentration:**

The Group’s largest client accounted for 12.1% of its consolidated revenue in 2019/20 (10.1% in 2018/19).

► **Trade receivables:**

in thousands of euros	31 March 2020		31 March 2019	
Trade receivables not due	38,852	59%	54,116	87%
Trade receivables due	27,103	41%	8,213	13%
less than 30 days	3,369	12%	3,145	38%
less than 90 days	17,678	65%	1,657	20%
less than 1 year	5,401	20%	2,445	30%
more than 1 year	(101)	0%	140	2%
doubtful receivables	756	3%	825	10%
Trade receivables and notes	65,955		62,328	

The Bigben group does not have a material amount of receivables that show the risk of a loss of value. Bigben's customers are mainly international platforms, large distribution groups and major telecoms operators, which settle invoices rapidly. As a result, the Group analysed its customer portfolio by type, and saw that the risk of future losses was very limited. The application of IFRS 9 therefore had no impact on estimated provisions for trade receivables.

Counterparty risk

Counterparty risk represents the risk of a financial loss if a client were to breach its contractual obligations. With respect to trade receivables, this risk is managed in particular through:

- authorisation procedures for new client accounts, ensuring the solvency of all new clients,
- monthly client reporting, allowing the Group to analyse the average credit term granted to each client, as well as the percentage and age of amounts receivable from each client.

In addition, the Group's main regular clients are major European retailers and digital game distribution platforms whose solvency is proven, and this limits credit risk for the Group. Other clients, including all export clients, are covered by credit insurance where the Group has exposure.

⇒ **Accounting policy – Trade receivables**

Trade receivables and other receivables related to operating activities are recognised at amortised cost which, in most cases, corresponds to nominal value less impairment losses, which are recorded in a specific impairment account. Since receivables have a maturity of less than one year, they do not contain any significant financing component.

After the adoption of IFRS 9 from 1 April 2018, the Group uses the simplified approach to impairment of trade receivables based on the analysis of expected losses over a receivable's life.

► **Note 9 – Other receivables**

in thousands of euros	31 March 2020	31 March 2019
Central and local government (excluding income tax)	8,627	7,259
Personnel	206	144
Credits receivable from suppliers	1,972	2,442
Receivables relating to disposals of non-current assets		1
Prepaid expenses	1,657	2,070
Advances and downpayments on orders	3,108	2,872
Miscellaneous receivables	1,102	1,219
TOTAL	16,672	16,008

Reconciliation of changes in trade receivables with cash flows in the year ended 31 March 2020:

	31/03/2020
Change in trade receivables on the balance sheet	9,678
Changes related to entries into the scope	-1,042
Net cash flows – trade receivables	8,636

► **Note 10 – Net cash and cash equivalents**

in thousands of euros	31 March 2020	31 March 2019
Bank facilities	(5,096)	(4,928)
Cash and cash equivalents	118,147	14,213
Net cash and cash equivalents	113,051	9,285

Cash and cash equivalents at 31 March 2020 consisted mainly of €80 million in an 18-month term deposit account, in which the Group placed funds raised from the IPO of Bigben Interactive SA subsidiary NACON SA. The interest rate on that account rises every six months. If some or all of the money is withdrawn early, only the interest for the current quarter is lost. Interest calculated in previous quarters is accrued.

⇒ **Accounting policy – Cash and cash equivalents**

Non-derivative financial assets and liabilities

Financial assets and liabilities are presented as non-current in Notes 5 and 12 except for those that have less than 12 months to maturity on the closing date, which are classified as “current assets” (Note 5), “cash equivalents” (this Note) or “current liabilities” (Note 12) as the case may be.

Cash and cash equivalents include cash in bank current accounts and units in money-market funds that are readily convertible into known amounts of cash (i.e. in less than three months) and are subject to a non-material risk of changes in value in the event of an increase in interest rates.

Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are a component of cash for the purposes of the cash flow statement.

► **Note 11 – Employee benefits**

Pension provisions

in thousands of euros	01/04/2019	Additions	Used	Reversals	OCI - Actuarial gains and losses	Change in scope	31/03/2020
Provisions for pension and similar	869	102		(73)	(6)	70	962
TOTAL	869	102	0	(73)	(6)	70	962

in thousands of euros	01/04/2018	Additions	Used	Reversals	OCI - Actuarial gains and losses	Change in scope	31/03/2019
Provisions for pension and similar	459	22			7	381	869
TOTAL	459	22	0	0	7	381	869

Employee-related obligations and similar for which provisions are set aside relate solely to French companies.

The following assumptions are used to measure obligations:

Assumptions used	31 March 2020	31 March 2019
Discount rate	1.57%	1.4%
Turnover	6.5% to 8.0%	6.5% to 8.0%
Mortality rates	TF & TH 00.02	TF & TH 00.02
Rate of salary increase		
<i>Managers</i>	2.0%	2.0%
<i>Supervisory staff</i>	2.0%	2.0%

Remuneration in shares and similar (bonus share plans)

See Notes 21 and 26

⇒ **Accounting policy – Pension and similar liabilities**

In addition to pension contributions required by legislation in force in countries in which the companies that employ them are based, the Group's employees receive additional pension contributions and post-employment benefits. The Group offers those benefits through either defined-contribution plans or defined-benefit plans.

Under defined-contribution plans, the Group is under no obligation other than to pay contributions. The corresponding charge, which reflects the payment of contributions, is expensed as incurred.

In accordance with IAS 19 "Employee benefits", as part of defined-benefit plans, pension liabilities and similar are measured using the projected unit credit method. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to obtain the final obligation.

This final obligation is then discounted to present value. The calculations mainly take into account:

- an assumed retirement age of 65 for French employees;
- a discount rate;
- an inflation rate;
- assumptions regarding wage increases and staff turnover.

Actuarial gains and losses are generated through changes in assumptions or experience adjustments (differences between projected and actual figures) regarding obligations or plan assets are recognised under "Other comprehensive income". They are presented on the balance sheet under equity in the "Other comprehensive income" item, and cannot be recycled to profit or loss.

► **Note 12 – Long-term and short-term financial liabilities**

in thousands of euros	TOTAL	Maturity date within 1 year	Maturity date from 1 to 5 years	Maturity date over 5 years
Total financial liabilities at 31 March 2020	74,703	21,878	51,359	1,466
Borrowings that were long-term at inception	65,994	15,682	48,846	1,466
Finance lease liabilities	3,520	1,007	2,513	
Bank facilities	5,096	5,096		
Accrued interest not matured	58	58		
Other financing	35	35		
Total financial liabilities at 31 March 2019	50,428	14,517	34,592	1,319
Borrowings that were long-term at inception	40,924	8,568	31,037	1,319
Finance lease liabilities	4,559	1,004	3,555	
Bank facilities	4,928	4,928		
Accrued interest not matured	16	16		

⇒ **Accounting policy – Financial liabilities**

Non-derivative financial liabilities

Financial liabilities are presented as non-current except for those that have less than 12 months to maturity on the closing date, which are classified as "current liabilities".

Current and non-current financial liabilities include bank borrowings, other bank financing and overdrafts and operating payables.

Measurement and recognition of financial liabilities

The Group initially recognises debts and subordinated liabilities on the date on which they arise. All other financial liabilities are initially recognised on the transaction date, which is the date on which the Group becomes a party to the instrument's contractual provisions.

The Group derecognises financial liabilities when its contractual obligations have been extinguished or terminated or have expired.

The Group classifies non-derivative financial liabilities under other financial liabilities. Those financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs. After initial recognition, the financial assets are measured at amortised cost using the effective interest rate method.

Other financial liabilities include borrowings, bank overdrafts, trade payables and other payables.

► Bank borrowings

Between 1 April 2018 and 31 March 2019, Bigben Interactive took out eight new medium-term bank loans totalling €29.0 million to fund the acquisition of three development studios (Cyanide SA, Eko Software SAS and Kylotonn SAS) as well as video game development costs.

Borrowings taken out by Bigben Interactive and relating to its Gaming business were transferred to NACON as part of the spin-off.

Between 1 April 2019 and 31 March 2020, medium-term bank borrowings totalling €35.0 million were arranged, in particular to fund the acquisition of development studio Spiders SAS, the purchase of an equity stake in RaceWard and the acquisition of assets from Plantronics Inc. ("Poly") along with the RIG™ trademark.

For some of those loans, which were transferred in full to NACON at the time of the spin-off, NACON has undertaken to comply with annual financial covenants.

At 31 March 2020, the financial ratios concerned (interest cover and net leverage ratio) were complied with (see Note 30).

As regards post-balance sheet items, see section 2.2.7.

► Finance lease liabilities

These are borrowings recognised in relation to finance leases. The main finance leases in force relate to the Lauwin-Planque site (see Note 3 "Property, plant and equipment") and their underlying assets had already been recognised under property, plant and equipment before IFRS 16 was adopted. Given the terms of the leases, Bigben Interactive is the owner of this site for IFRS purposes.

Reconciliation of changes in liabilities with cash flow from financing activities

	Liabilities			Equity		Total
	Bank overdrafts	Other borrowings	Liabilities related to finance leases	Share capital / Issue premiums	Reserves	
Balance at 31 March 2019	4,928	40,941	4,559	82,440	81,910	214,778
Changes related to cash flow from financing activities						
Capital increase					102,974	102,974
Cash inflows from borrowings		35,454				35,454
Repayment of borrowings		(12,456)	(1,039)			(13,495)
Dividends paid to the parent company's shareholders					(3,898)	(3,898)
Own shares repurchased and resold					46	46
Accrued interest		(1,353)				(1,353)
Total changes related to cash flow from financing activities		21,645	(1,039)	0	99,122	119,728
Changes resulting from gaining or losing control over subsidiaries		243				243
Impact of changes in exchange rates					312	312
Changes in fair value						0
Other changes						0
Related to liabilities						0
Changes in bank overdrafts	168					168
New finance leases						0
Application of IFRS 16		6,713				6,713
Accrued interest		1,446				1,446
Total other changes related to liabilities	168	8,159	0			8,327
Total other changes related to equity				437	(25,629)	(25,192)
Balance at 31 March 2020	5,096	70,988	3,520	82,877	155,715	318,196

► **Note 13 – Deferred tax liabilities**

Deferred tax liabilities correspond mainly to the balance at 31 March 2020 of deferred tax recognised on “Mobile Accessories” customer relationships in relation to the ModeLabs acquisition.

The Group’s deferred tax position at 31 March 2019 was reassessed following the adoption of the 2017 Finance Act in France, which provided for a gradual reduction in the corporate income tax rate from 33.33% to 25% for all companies by 2022. The impact on net income was €4 thousand. The deferred tax liabilities recognised on customer relationships when the group was acquired (€7,656 thousand) were reduced by €1,070 thousand with a balancing entry under reserves.

⇒ **Accounting policy – Tax**

Income tax includes current tax and deferred tax.

Tax expense and income are recognised in the income statement except where they relate to items recognised directly in equity (or under other comprehensive income), in which case they are also recognised in equity.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amount of assets and liabilities and their tax basis. The following do not give rise to the recognition of deferred tax: (i) initial recognition of goodwill and (ii) recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit.

The measurement of deferred tax takes into account known changes in tax rates (and in tax regulations) that have been adopted or materially adopted at the closing date.

Deferred tax assets are recognised when they can be offset against deferred tax liabilities or tax loss carryforwards, if it is likely that future taxable profits will be available against which those tax assets can be offset. The carrying amount of deferred tax assets is reviewed at each closing date.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

► **Note 14 – Long-term and short-term provisions**

	01/04/2019	Change in scope	Additions	Reversals		Exchange differences	Other	31/03/2020
				used	unused			
Non-current	1,214	70	102		(79)			1,307
Provisions for contingencies	345							345
- workforce-related								
- tax-related	345							345
Provisions for losses - other								
Provisions for pension liabilities	869	70	102		(79)			962
Current	908			(344)				564
Provisions for contingencies	908							564
- commercial	344			(344)				(0)
- workforce-related	34							34
- other	530							530
Provisions for losses - other								
TOTAL	2,122	70	102	(344)	(79)			1,870

► **Industrial property dispute**

Several infringement proceedings are underway before courts in Germany and France. They concern patents in particular, along with products that are no longer sold by NACON. At this stage in the proceedings, which are very long, the probability and potential amount of any outflow of resources cannot be estimated.

Given the status of existing proceedings and the Group’s defence, management remains confident that it will be able to resolve this dispute without any financial loss.

However, in 2015, a French court ordered NACON to pay €530 thousand on the ground of unfair competition. Accordingly, a provision in that amount was set aside on 31 March 2015.

No additional provisions were set aside in the Group’s financial statements on 31 March 2020. This position is similar to the one adopted at 31 March 2019.

▶ Bigben Connected tax inspection

Bigben Interactive SAS was subject to an inspection by the tax authorities regarding its financial years from 1 January 2011 to 31 March 2013. A reassessment proposal was received on 28 December 2015. Bigben Connected replied to the tax authorities on 26 February 2016, within the specified timeframe, disputing most of the proposed reassessments.

Some reassessments have since been abandoned in part or in full by the tax authorities.

On 8 January 2018, Bigben Connected accepted part of the reassessments and made a payment of €610.9 thousand, but on 30 January 2018 began proceedings against the DVNI (France's national and international tax audit department), disputing all other claims made against it regarding VAT. The matter has been brought before the Lille administrative court after the DVNI rejected the dispute proceedings on 31 July 2018.

Based on advice from the Company's advisors and recent judgments in similar cases, management is confident it will be able to resolve this tax dispute without any financial loss for the Group.

▶ Other proceedings

The Group has also commenced other non-material proceedings against some of its suppliers and competitors, which may be resolved in its favour.

- NACON has commenced proceedings against an accessories supplier for wrongful termination of a procurement contract. On 19 November 2019, the Berlin appeal court proposed a settlement agreement favourable to NACON based on the value of inventories acquired by NACON. The proposal was rejected by the supplier and so the proceedings are ongoing.
- There is a dispute between a Canadian publisher and one of NACON SA's studios regarding a purported breach of a video game development contract. The case was brought before the Superior Court of Quebec in December 2017. NACON SA, in its defence filed in April 2018, argued that the publisher's claim was manifestly ill-founded and asked the Court to find that the publisher's claim is improper and require it to pay damages in the form of its lawyers' fees and other costs.
- Finally, there is a dispute between NACON SA as publisher and a foreign development studio, regarding purported breaches of contract and in particular intellectual property claims that NACON SA regards as questionable.

In the Group's view, the claims are groundless. Since these disputes are not of a serious nature, the Group has classified them as non-material disputes. As such, the Company has decided not to set aside accounting provisions in relation to them.

⇒ Accounting policy – Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when the Group has a legal or implied obligation towards a third party and it is probable that an outflow of resources will be required to settle the obligation.

If the effect of time value is material, provisions are discounted at a pre-tax rate that reflects, where appropriate, the risks specific to the liability.

If no reliable estimate of the amount of the obligation can be made, no provision is booked, and a disclosure is made in the notes.

▶ **Note 15 – Other payables**

in thousands of euros	31 March 2020	31 March 2019
Central and local government (excluding income tax)	4,276	4,820
Employees and social security agencies	5,758	5,442
Client discounts and trade payables	11,930	13,470
Derivative financial instruments		195
Liabilities relating to non-current assets	4,407	3,106
Prepaid income	2,461	1,477
Miscellaneous creditors	2,332	
TOTAL	31,164	28,510

Fair value of derivative financial instruments: see Notes 35 and 36.

Reconciliation of changes in trade payables with cash flows in the year ended 31 March 2020:

	31/03/2020
Change in trade payables on the balance sheet	1,443
Change in liabilities related to acquisitions of subsidiaries	-1,270
Changes related to entries into the scope	-4,263
Net cash flows – trade payables	-4,090

► **Note 16 – Equity**

Number of shares at 31 March 2018	18,363,339
Payment of dividends in shares	
Capital increase	993,020
Bonus shares issued	143,760
Number of shares at 31 March 2019	19,500,119
Payment of dividends in shares	
Capital increase	
Bonus shares issued	218,384
Number of shares at 31 March 2020	19,718,503

All shares give an entitlement to the Company's residual assets. Shareholders are entitled to dividends where a decision to pay dividends has been made, and have the right to vote in Shareholders' General Meetings. As regards shares in the Company held by the Group, all rights are suspended until the shares are put back into circulation.

► **Treasury shares**

A new liquidity agreement was formed in 2018/19 with Oddo BHF SCA. That new agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 January 2019. Since that date, it has replaced the previous liquidity agreement with Oddo & Cie, which had taken effect on 1 December 2010. The signature of this new liquidity agreement followed Autorité des Marchés Financiers decision no. 2018-01 of 2 July 2018, applicable since 1 January 2019, which establishes liquidity agreements relating to equity securities as an accepted market practice.

Period	Balance at start of period	Purchases	Contributions	Sales	Balance at end of period
Mar. 2018 - Mar. 2019	19,126	274,649		274,675	19,100
Mar. 2019 - Mar. 2020	19,100	336,254		333,826	21,528

Period	Purchases	Sales
Mar. 2018 - Mar. 2019	11.0145	11.0360
Mar. 2019 - Mar. 2020	13.2495	13.2051

2.4.2 Additional notes to the income statement► **Note 17 – Revenue**► Revenue by product category

in thousands of euros		12-month total		Contribution	
		2019/20	2018/19	2019/20	2018/19
Revenue		263,498	245,502	100%	100%
<i>of which</i>	<i>Gaming</i>	123,927	105,509	47%	43%
	<i>Mobile</i>	104,790	109,789	40%	45%
	<i>Audio</i>	34,781	30,204	13%	12%

In 2019/20, Gaming revenue comprised €52.9 million from Gaming Accessories and €71.0 million from Video Games (physical and digital). In 2018/19, Gaming Accessories revenue totalled €56.4 million and Video Games revenue €49.1 million.

► Revenue by business segment

in thousands of euros	2019/20			
	Gaming	Mobile	Audio	Group
Total revenue	123,927	104,790	34,781	263,498
Bigben - Audio/Telco	566	103,799	29,705	134,071
NACON - Gaming	123,361	991	5,075	129,427

in thousands of euros	2018/19			
	Gaming	Mobile	Audio	Group
Total revenue	105,509	109,789	30,204	245,502
Bigben - Audio/Telco	4	108,735	23,662	132,402
NACON - Gaming	105,505	1,054	6,542	113,101

Breakdown by segment	2019/20			
	Gaming	Mobile	Audio	Group
Total revenue	47%	40%	13%	100%
Bigben - Audio/Telco	0%	99%	85%	51%
NACON - Gaming	100%	1%	15%	49%

Breakdown by segment	2018/19			
	Gaming	Mobile	Audio	Group
Total revenue	43%	45%	12%	100%
Bigben - Audio/Telco	0%	99%	78%	54%
NACON - Gaming	100%	1%	22%	46%

Given the way in which the distribution subsidiaries were carved out in the aforementioned spin-off from Bigben Interactive to NACON, the “NACON - Gaming” segment still includes a very small amount of non-Gaming revenue and the “Audio/Telco” segment still includes some non-Audio/Mobile revenue.

► Breakdown of revenue by geographical zone

in thousands of euros	12-month total		Contribution	
	2019/20	2018/19	2019/20	2018/19
Revenue	263,498	245,502	100.0%	100.0%
<i>of which</i>				
<i>France</i>	149,190	152,257	56.6%	62.0%
<i>Export</i>	114,308	93,246	43.4%	38.0%

The breakdown above is based on the countries in which invoiced clients are based. The figures stated above are identical to the information in Section 2.3.6 above.

⇒ **Accounting policy – Revenue**

Revenue is measured on the basis of the consideration specified in an agreement signed with a client.

- *Sales of retail games and accessories and Audio/Telco products: Revenue generated by sales of physical video games and accessories and Audio/Telco products is recognised on the date on which the products are delivered to distributors, minus any commercial discounts and an estimate of the price reductions that the Group will apply if sales in retailers’ stores prove insufficient.*

- *Sales of digital games: revenue is recognised on the date the content is made available to console manufacturers or platforms. NACON acts as a principal with respect to console manufacturers and platforms to which the games masters are sent (and not with respect to end-users), and therefore recognises the amounts specified in contracts with those console manufacturers and platforms (and not the amounts billed to end-customers) as revenue. Guaranteed amounts are recognised in revenue as soon as the games master is made available, and additional amounts depending on future console and platform sales are recognised when those sales take place. As the case may be, prepaid income is recognised to defer the recognition as revenue of amounts invoiced to console manufacturers and platforms with respect to sales whose content has not been made available to clients at the closing date. Currently, NACON does not sell video games with an “online services” component (using the company’s own servers) or a “live ops” component allowing a gamer to receive online services with or without an additional payment. Under IFRS 15, those services could constitute a separate obligation whose revenue would have to be recognised as and when the additional services were provided.*

► **Note 18 – Purchases consumed**

in thousands of euros	2019/20	2018/19
Merchandise	(162,979)	(153,967)
Change in merchandise inventories	10,185	8,419
Impairment losses on inventory	(1,778)	(2,314)
TOTAL	(154,573)	(147,861)

in thousands of euros	2019/20	2018/19
Provisions for impairment of inventories	(20,965)	(19,187)

Purchases consumed comprise:

For the Audio/Telco business, the cost of sales of Audio/Telco products;

For the Gaming business, the cost of producing physical games (including a portion of the amortisation of video game development costs for games released up to 31 March 2019) and the cost of sales relating to gaming accessories.

The change in impairment consists of the change in additions to impairment on inventories.

As digital sales of video games increase, purchases consumed are falling as a proportion of total revenue. This has led to an increase in gross profit in the two financial years presented.

► **Note 19 – Other operating revenue**

in thousands of euros	2019/20	2018/19
Subsidies	4	30
Other income	863	715
TOTAL	867	745

► **Note 20 – Other purchases and external expenses**

in thousands of euros	2019/20	2018/19
Purchases not held in inventory	(1,061)	(1,415)
Subcontracting	(414)	(217)
Rent	(1,160)	(2,101)
Maintenance and repairs	(1,233)	(1,036)
Insurance premiums	(446)	(574)
Other external services	(127)	(933)
Fees	(4,970)	(4,323)
R&D expenses	(525)	(472)
Advertising	(9,219)	(7,045)
Transportation of goods sold	(6,450)	(5,610)
Travel costs	(2,309)	(2,099)
Communication costs	(1,220)	(1,547)
Bank fees and services	(424)	(344)
Other external expenses	(1,438)	(742)
TOTAL	(30,994)	(28,457)

► **Note 21 – Share-based payment - Bonus share and stock-option plans**

The residual IFRS 2 expense, corresponding to the fair value of current Bigben bonus share plans under which Bigben group employees may receive benefits, with a balancing entry under reserves, amounted to:

- €1.9 million for the Bigben group in 2018/19;
- €2.3 million for the Bigben group in 2019/20.

See also Note 26, which covers the number of bonus shares vested in or awarded to the Group's qualifying employees during the relevant period.

► **Note 22 – Other non-recurring operating items**

Non-recurring operating items in 2019/20 included €239 million of fees relating to the spin-off of Bigben Interactive SA's Gaming segment to NACON.

There were no other material non-recurring operating items in 2019/20.

Non-recurring operating items recognised in 2018/19 consisted of a €2 million difference resulting from the remeasurement of the Cyanide SA earn-out payment at fair value at 31 March 2019 and the €0.5 impact of remeasuring previously-held shares after the acquisition of control over Kylotonn SAS on 1 September 2018 (see Note 1).

► **Note 23 – Income from associates**

(see Note 4).

In 2019/20, the Company recognised a €1 thousand expense corresponding to its share in the net income/losses of associate Bigben USA.

In 2018/19, the Company recognised a €87 thousand expense corresponding to its share in the net income/losses of associates Bigben USA and Kylotonn SAS.

► **Note 24 – Net financial income/expense**

in thousands of euros	2019/20	2018/19
Other interest and similar income	120	16
FINANCIAL INCOME	120	16
Interest expense on medium-term funding	(1,348)	(381)
Finance lease expense	(65)	(86)
Other interest expense	(96)	(615)
FINANCIAL EXPENSE	0	(1,081)
NET FINANCIAL INCOME/EXPENSE EXCLUDING FOREIGN EXCHANGE GAINS/LOSSES	120	(1,066)
Foreign exchange gains	1,836	2,823
Foreign exchange losses	(1,531)	(1,297)
Foreign exchange gains and losses	305	1,526
NET FINANCIAL INCOME/EXPENSE	(1,084)	460

Derivative financial instruments had a valuation of zero at 31 March 2020, as opposed to a negative valuation of €196 thousand at 31 March 2019 (see Note 34).

► **Note 25 – Income tax**

in thousands of euros	2019/20	2018/19
Current tax	3,899	3,548
Deferred tax	254	1,900
Tax expense	4,153	5,449
Tax credits	(661)	(16)
TOTAL	3,492	5,433

in thousands of euros	2019/20	2018/19
Consolidated pre-tax income, impairment losses and income from discontinued operations and associates	19,741	22,779
Tax rate of BBI SA (parent company)	31.00%	34.43%
Theoretical tax	(6,120)	(7,843)
Tax expense	(3,492)	(5,433)
Difference to be analysed	2,628	2,410
Income tax on permanent differences	1,851	1,253
Net income tax impact of the tax credit on charitable donations	314	
Recognition of taxes without basis	(364)	(328)
Difference in tax rates	1,090	1,262
Other	(263)	253
Analysed difference	2,628	2,440

The €1,514 thousand of “income tax on permanent differences” relates mainly to the NACON SA IPO expenses charged directly to reserves in the consolidated financial statements. The “recognition of taxes without basis” item relates to the IFRS 2 expense on bonus share plans, and the “difference in tax rates” item relates mainly to the lower tax rate applicable to the Hong Kong and Polish subsidiaries.

The scope of the Bigben group’s tax consolidation group changed as follows in 2019/20:

- the assets and liabilities of Games.fr were transferred to the NACON group through the spin-off of Bigben Interactive SA’s Gaming division to NACON SAS on 31 October 2019 with retroactive effect for accounting and tax purposes from 1 October 2019;
- subsequently, NACON SA’s IPO reduced Bigben Interactive’s indirect stake in Games.fr from 100% to 78.17% on 4 March 2020, the first day on which NACON SA’s were traded, and then to 76.67% on 4 April 2020.

Since Bigben Interactive SA no longer holds a stake of more than 95% in Games.fr, that company has automatically left Bigben Interactive SA’s tax consolidation group.

No NACON group company was part of any tax consolidation group on 31 March 2020. The NACON group intends to set up its own tax consolidation group in the 2020/21 financial year.

⇒ **Accounting policy – Tax**

Income tax includes current tax and deferred tax.

Tax expense and income are recognised in the income statement except where they relate to items recognised directly in equity, in which case they are also recognised in equity.

See Notes 6 and 13 for calculations of deferred tax assets and liabilities.

► **Note 26 – Earnings per share - Share-based payment**

► Earnings per share:

in euros	2019/20	2018/19
Net income attributable to equity holders of the parent	16,247,487	17,346,436
Weighted average number of shares before capital increase	19,696,233	19,103,214
Dilutive effect of future awards under bonus share plans*	200,285	236,913
Average number of shares after dilution	19,896,518	19,340,127
Par value of shares (in euros)	€2.00	€2.00
Basic earnings per share	0.82	0.91
Diluted earnings per share	0.82	0.90

* The performance conditions of the 2019 bonus share plan were fully or partly met by all Group entities at 31 March

2020. The bonus shares will vest in the employees on 4 September 2020 subject to a presence condition. As a result, the 200,285 shares, based on the workforce at 31 March 2020, represent the maximum number of shares that could vest on 4 September 2020.

	2019/20	2018/19
Ordinary shares in issue at 1 April	19,500,119	18,363,339
Number of shares issued, adjusted on a <i>prorata temporis</i> basis	217,642	758,975
Treasury shares	(21,528)	(19,100)
Number of shares at period-end	19,696,233	19,103,214
Shares issued during the financial year	218,384	1,136,780
<i>Number of shares issued, adjusted on a prorata temporis basis</i>	217,642	758,975

⇒ **Accounting policy – Earnings per share**

Earnings per share are calculated by dividing net income attributable to equity holders of the parent by the weighted average number of shares in issue during the period. To determine diluted earnings per share, the weighted average number of shares is adjusted to take account of the maximum impact arising from the conversion of dilutive instruments into ordinary shares.

▶ **Newly issued Bigben shares:**

Shares issued by Bigben Interactive in 2019/20 for the benefit of Bigben group employees and corporate officers relate to the following events:

- On 3 September 2019, 198,585 bonus shares under the 2018 bonus share plan vested mainly in the employees and corporate officers of Bigben group entities (including 150,616 shares in the employees and corporate officers of recently acquired NACON group entities). Since all Group entities met their performance conditions, 198,585 new Bigben shares were issued through the capitalisation of Bigben reserves on 3 September 2019.
- On 26 November 2019, 19,799 bonus shares under the 2018 bonus share plan vested in certain key executives of studios newly acquired by the NACON group. Since the employees concerned fulfilled the presence condition, 19,799 new shares were issued through the capitalisation of reserves on 27 November 2019.

Shares issued in 2018/19 for the benefit of Bigben group employees and corporate officers related to the following events:

- On 20 June 2018, 697,445 new shares, fully fungible with existing shares, were issued as payment for shares in Cyanide.
- On 31 August 2018, 143,760 bonus shares under the 2017 bonus share plan vested in 275 employees and corporate officers of Group entities. Since all Group entities met their performance conditions, 143,760 new Bigben shares were issued through the capitalisation of Bigben reserves on 3 September 2018.
- On 18 October 2018, 295,575 new shares, fully fungible with existing shares, were issued as payment for shares in Eko Software.

▶ **Bonus shares:**

The Bigben group has deemed it useful to provide details of Bigben shares awarded to or vested in Bigben group employees in the last few years:

Summary of bonus shares awarded by the Bigben group to Bigben group beneficiaries:

Date of award (Board of Directors meeting)	31/08/2016	31/08/2017	03/09/2018	26/11/2018	04/09/2019
Vesting period	1 year	1 year	1 year	1 year	1 year
Lock-up period	2 years	2 years	2 years	2 years	2 years
Number of bonus shares initially awarded	155,700	153,260	230,201	19,799	272,533
Number of shares currently awarded at 31 March 2020	140,800	143,760	198,585	19,799	N/A
Number of shares capable of being awarded at 31 March 2020	N/A	N/A	N/A	N/A	200,285
Share price on the date the plan was announced	5.05	9.72	10.62	7.72	12.0
Fair value per share on the award date	5.24	9.56	10.78	7.52	11.54

The vast majority of these shares have been awarded to employees and corporate officers of recently acquired NACON group entities.

Bonus shares currently in the vesting period:

- On 4 September 2019, Bigben Interactive's Board of Directors awarded 272,533 bonus shares to employees and corporate officers of recently acquired NACON group entities. The vesting of those shares after a 1-year period is again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income. The performance conditions of the 2019 bonus share plan were fully or partly met by all Group entities at 31 March 2020. The bonus shares will vest in the employees on 4 September 2020 subject to a presence condition. As a result, the 200,285 shares (including 185,508 shares for the NACON group) at 31 March 2020, based on the Bigben group's workforce on the same date, represent the maximum number of shares that could vest on 4 September 2020 in Bigben group beneficiaries.

See also section 2.2.5.

⇒ **Accounting policy – Share-based payments (IFRS 2)**

Under IFRS 2 "Share-based payment", stock option and bonus share awards made to employees and settled in equity instruments must be measured at fair value, which must be stated on the income statement over the period in which the exercise rights vest in employees, with a balancing entry consisting of an increase in equity. The fair value of bonus share entitlements granted is determined by an external consultancy based on assumptions determined by management.

2.4.3 Other information

▶ **Note 27 – Dividends**

Given the Group's strong results, the Board of Directors in its 27 May 2019 meeting decided to put a dividend of €0.20 per share with respect to 2018/19 financial year to the vote in the Shareholders' General Meeting of 19 July 2019. The dividend was approved in that meeting, the shares went ex-dividend on 24 July 2019 and the dividend was paid on 26 July 2019.

Despite the Group's strong results in the 2019/20 financial year and taking into account uncertainties about how the Covid-19 crisis will affect the Bigben group's business, the Board of Directors in its 25 May 2020 meeting, for social responsibility reasons, decided not to put any dividend payment with respect to 2019/20 to the vote in the Shareholders' General Meeting of 30 July 2020.

▶ **Note 28 – Off-balance sheet commitments**

▶ Guarantees given

By Bigben Interactive SA:

Commitments given (in thousands of euros)	By	To	31 March 2020	31 March 2019	Purpose of the commitment
Bank guarantee	Bigben Interactive SA	HSBC Hong Kong	9,971	9,791	USD 11,000 thousand bank guarantee - combined facility for Bigben Interactive HK and NACON HK
Bigben Connected loan	Bigben Interactive SA	CIC	83	418	Joint and several guarantee provided to CIC for Bigben Connected's loan
Stand-alone guarantee (1)	Bigben Interactive SA	Huawei Technologies France SASU	1,300	1,300	Bigben Connected counter-guarantee
Guarantee (2)	Bigben Interactive SA	Bigben Connected	3,397	3,397	Bigben Connected counter-guarantee
Joint and several guarantee (3)	Bigben Interactive SA	Various financial institutions	12,574	0	Joint and several guarantee for borrowings transferred through the spin-off
Joint and several guarantee (4)	Bigben Interactive SA	CIC	2,850	0	Joint and several guarantee provided to CIC for NACON SA's loan (underlying loan from the EIB)
Joint and several guarantee (4)	Bigben Interactive SA	CIC	2,850	0	Joint and several guarantee provided to CIC for NACON SA's loan (underlying loan from BFCM)
Bank guarantee (5)	Bigben Interactive SA	La Banque Postale (LBP)	4,837	0	Joint and several guarantee provided to LBP for NACON SA's loan

- (1) Guarantee provided by Bigben Interactive SA to Huawei for the supply of goods and/or services to Bigben Connected
- (2) Pledge of the Lesquin building as security by Bigben Interactive SA on behalf of Bigben Connected pending the resolution of a tax dispute
- (3) Joint and several guarantees provided by Bigben Interactive SA to various financial institutions to guarantee the transfer of underlying loans to NACON as part of the spin-off of Bigben Interactive's Gaming division.
- (4) Joint and several guarantees provided by Bigben Interactive SA to CIC Paris to guarantee its obligations with respect to underlying loans from the EIB (European Investment Bank) and BFCM (Banque Fédérative du Crédit Mutuel), granted under a co-financing agreement aimed at funding the development costs of NACON SA, which was a newly incorporated company at the time those loans were arranged.
- (5) First-demand bank guarantee provided by Bigben Interactive SA to LBP to guarantee its obligations with respect to a bank loan granted to fund the development costs of NACON SA, which was a newly incorporated company at the time that loan was arranged.

By the Group's NACON SA subsidiary

Commitments given	By	To	31 March 2020	Purpose of the commitment
Bank guarantee	Cyanide SAS	BRED	500	Pledge of Cyanide SAS business assets
Bank guarantee	Cyanide SAS	HSBC	500	Pledge of Cyanide SAS business assets
Bank guarantee	NACON SA	CIC	5,000	Pledge of Cyanide SAS shares
Bank guarantee	NACON SA	Banque Postale	5,000	Pledge of Cyanide SAS shares
Bank guarantee	NACON SA	CIC	2,000	Pledge of Kylotonn SAS shares
Bank guarantee	Kylotonn SAS	HSBC	358	Pledge of Kylotonn SAS business assets
Bank guarantee	NACON SA	CIC	4,000	Pledge of Spiders SAS shares
Bank guarantee	NACON SA	BPI	773	Amounts withheld as security in relation to several loans taken out between 2017 and 2019

No other guarantees have been given by Bigben Interactive SA or its subsidiaries.

► **Note 29 – Bank covenants**

To fund the acquisitions of four development studios – Cyanide SAS, Kylotonn SAS, Eko Software SAS and Spiders SAS – and development costs related to publishing, NACON SA, subsidiary of Bigben Interactive SA, has taken out several loans repayable over 5 years with the following covenants:

Covenants	Target value	Status
Interest cover ratio (EBITDA/interest expense)	> 6	Met
Net leverage ratio (Net debt/EBITDA)	< 2	Met

Following the transfer of borrowings through the spin-off of Bigben Interactive assets to NACON, the banks concerned applied the same covenants to NACON.

All covenants were complied with at 31 March 2020.

► Note 30 – Financial instruments (additional information pursuant to the adoption of IFRS 7)

<i>in thousands of euros</i>	Value by category of instruments					FAIR VALUE			
	Net carrying amount	Assets at fair value through profit and loss	Assets at amortised cost	Liabilities at fair value through profit and loss	Liabilities at amortised cost	Quoted prices, cash or bank overdrafts	Internal model with observable parameters	Internal model with non-observable parameters	Fair value of the class
Equity securities	38	38						38	38
Other long-term financial assets	1,409		1,409				1,409		1,409
Non-current financial assets	1,447	38	1,409	0	0	0	1,409	38	1,447
Trade receivables	65,082		65,082				65,082		65,082
Other receivables	16,672		16,672				16,672		16,672
Cash and cash equivalents	118,147	118,147				118,147			118,147
Current financial assets	199,900	118,147	81,753	0	0	118,147	81,753	0	199,900
ASSETS	201,347	118,185	83,162	0	0	118,147	83,162	38	201,347
Long-term financial liabilities	(52,825)		(52,825)				(52,825)		(52,825)
Short-term financial liabilities	(21,878)				(21,878)	(5,096)	(16,782)		(21,878)
<i>of which long-term borrowings</i>	(16,782)				(16,782)		(16,782)		(16,782)
<i>of which current bank facilities</i>	(5,096)				(5,096)	(5,096)			(5,096)
Trade payables	(37,777)				(37,777)		(37,777)		(37,777)
Other payables	(31,164)			0	(31,164)		(31,164)		(31,164)
<i>of which other current financial liabilities</i>	(31,164)				(31,164)		(31,164)		(31,164)
<i>of which liabilities relating to derivative instruments</i>	0			0	0		0		0
Current financial liabilities	(90,819)	0	0	0	(90,819)	(5,096)	(85,723)	0	(90,819)
LIABILITIES	(143,644)	0	(52,825)	0	(90,819)	(5,096)	(138,548)	0	(143,644)

31 March 2019

<i>in thousands of euros</i>	Value by category of instruments					FAIR VALUE			Fair value of the class
	Net carrying amount	Assets at fair value through profit and loss	Assets at amortised cost	Liabilities at fair value through profit and loss	Liabilities at amortised cost	Quoted prices, cash or bank overdrafts	Internal model with observable parameters	Internal model with non-observable parameters	
Equity securities	37	37						37	37
Other long-term financial assets	882		882				882		882
Non-current financial assets	919	37	882	0	0	0	882	37	919
Trade receivables	61,549		61,549				61,549		61,549
Other receivables	16,008		16,008				16,008		16,008
Cash and cash equivalents	14,213	14,213				14,213			14,213
Current financial assets	91,770	14,213	77,557	0	0	14,213	77,557	0	91,770
ASSETS	92,689	14,250	78,439	0	0	14,213	78,439	37	92,689
Long-term financial liabilities	(35,911)		(35,911)				(35,911)		(35,911)
Short-term financial liabilities	(14,517)				(14,517)	(4,928)	(9,589)		(14,517)
<i>of which long-term borrowings</i>	(9,589)				(9,589)		(9,589)		(9,589)
<i>of which current bank facilities</i>	(4,928)				(4,928)	(4,928)			(4,928)
Trade payables	(40,359)				(40,359)		(40,359)		(40,359)
Other payables	(28,510)			(195)	(28,315)		(28,510)		(28,510)
<i>of which other current financial liabilities</i>	(28,315)				(28,315)		(28,315)		(28,315)
<i>of which liabilities relating to derivative instruments</i>	(195)			(195)			(195)		(195)
Current financial liabilities	(83,386)	0	0	(195)	(83,190)	(4,928)	(78,458)	0	(83,386)
LIABILITIES	(119,297)	0	(35,911)	(195)	(83,190)	(4,928)	(114,369)	0	(119,297)

► Principle for determining fair value:

The fair value of financial assets and liabilities is determined on the closing date either for recognition purposes or for the purpose of including them in information in the Notes. Fair value is determined:

- Either on the basis of quoted prices in active markets (level 1);
- Or based on measurement techniques that use mathematical computation methods incorporating observable market data such as forward prices or yield curves (level 2);
- Or based on internal measurement techniques that include parameters estimated by the Group in the absence of observable data or quoted prices.

Quoted prices in active markets (level 1)

Whenever quoted prices on an active market are available, these are primarily used to determine market value. For the Group, only cash, cash equivalents and current bank facilities are measured on that basis.

Fair values determined using models including data observable in the markets (level 2)

Derivative financial instruments (interest-rate swaps and FX TARNs) are traded on markets in which there are no quoted prices. As a result, they are measured on the basis of models commonly used by market participants to price such derivative financial instruments.

For payables and receivables due in less than one year and floating-rate debt, their carrying amounts are regarded as a reasonable approximation of fair value.

► **Note 31 – Contractual repayment schedule**

The following tables set out, for recognised financial liabilities (excluding current bank facilities, factoring and accrued interest not matured), the contractual schedule for the repayment of principal and interest, excluding any discounting to present value.

31 March 2020

in thousands of euros		MONTHS			YEARS					TOTAL
		0-1	1-3	3-12	1-2	2-3	3-4	4-5	More than 5	
Borrowings and debts	Principal	1,154	2,919	11,585	16,423	15,356	11,162	5,928	1,466	65,994
	Interest	41	140	482	492	316	171	90	11	1,744
Finance leases	Principal	83	167	757	1,027	985	501			3,520
	Interest	7	14	53	51	27	5			157
Financial liabilities		1,285	3,241	12,877	17,993	16,684	11,839	6,019	1,477	71,415
Trade payables		13,786	14,708	9,150	72	14	47	0	0	37,777
Other payables		5,634	5,880	17,161	1,200	0	1,200	89		31,164
Current tax liabilities				3,823						3,823
Lease liabilities		213	447	1,767	1,533	496	148	116	180	4,900
Total financial liabilities		20,918	24,276	44,779	20,798	17,194	13,234	6,223	1,657	149,079

31 March 2019

in thousands of euros		MONTHS			YEARS					TOTAL
		0-1	1-3	3-12	1-2	2-3	3-4	4-5	More than 5	
Borrowings and debts	Principal	625	1,460	6,484	9,245	9,461	8,193	4,138	1,319	40,924
	Interest	35	96	352	367	241	123	38	10	1,262
Finance leases	Principal	245	7	751	1,042	1,027	985	501		4,559
	Interest	27	0	72	75	51	27	5		257
Financial liabilities		932	1,563	7,660	10,729	10,780	9,328	4,682	1,329	47,002
Trade payables		30,212	10,059	88						40,359
Other payables		11,261	7,745	9,504						28,510
Current tax liabilities				2,452						2,452
Non-cancellable lease payments		175	352	1,446	1,744	1,424	667	652	76	6,536
Total financial liabilities		42,580	19,719	21,150	12,472	12,204	9,995	5,333	1,405	124,859

► **Note 32 – Breakdown of debt by maturity and type**

At 31 March 2020:

in thousands of euros	YEARS					TOTAL
	0-1	1-2	2-3	3-4	5 and over	
Fixed rate	16,665	17,450	16,341	11,663	7,394	69,514
%/total 1	24%	25%	24%	17%	11%	100%
Floating rate						0
%/total 2	0%	0%	0%	0%	0%	0%
TOTAL	16,665	17,450	16,341	11,663	7,394	69,514

Quarterly analysis of the repayment schedule for the current financial year

in thousands of euros	YEARS				TOTAL
	1	2	3	4	
Fixed rate	4,323	4,203	4,123	4,016	16,665
%/total 1	26%	25%	25%	24%	100%
Floating rate					0
%/total 2	0%	0%	0%	0%	0%
TOTAL	4,323	4,203	4,123	4,016	16,665

At 31 March 2019:

in thousands of euros	YEARS					TOTAL
	0-1	1-2	2-3	3-4	5 and over	
Fixed rate	8,648	9,342	9,523	8,193	5,457	41,164
%/total 1	21%	23%	23%	20%	13%	100%
Floating rate	925	944	965	985	501	4,319
%/total 2	21%	22%	22%	23%	12%	100%
TOTAL	9,572	10,287	10,488	9,179	5,958	45,483

Quarterly analysis of the repayment schedule for the current financial year

in thousands of euros	YEARS				TOTAL
	1	2	3	4	
Fixed rate	2,108	2,180	2,180	2,180	8,648
%/total 1	24%	25%	25%	25%	100%
Floating rate	229	231	232	233	925
%/total 2	25%	25%	25%	25%	100%
TOTAL	2,337	2,411	2,412	2,413	9,572

► **Note 33 – Currency risk on supplies**

Most of the currency risk relates to USD-denominated items purchased by Bigben Interactive SA and Bigben Connected SAS from its Bigben Interactive Hong Kong Ltd subsidiary and USD-denominated items purchased by NACON SA from its NACON Hong Kong Ltd subsidiary.

in thousands of euros	2019/20	2018/19
Purchases made by subsidiaries from Bigben and NACON Hong Kong		
Bigben Interactive SA	(22,146)	(30,972)
Bigben Connected SAS	(21,417)	(20,514)
NACON SA	(23,540)	0
TOTAL	(67,103)	(51,486)
Sensitivity to the USD exchange rate		
+10% = benefit	(5,705)	(4,681)
-10% = additional cost	6,973	5,721

⇒ **Market risk**

Market risk corresponds to the risk of changes in market prices (exchange rates, interest rates, prices of equity instruments) affecting the Group's income or the value of the financial instruments it holds.

The purpose of market risk management is to control exposure to market risk and/or acceptable limits in terms of the risk/return profile.

Currency risk

While most of the Group's sales are in euros, a large proportion of its purchases are denominated in USD, which creates currency risk for the Group. As part of its currency risk management, the Group has subscribed to complex derivative financial instruments (see Note 39).

Internal reference rates are revised for each purchasing campaign in order to control the impact of exchange-rate movements on margins.

The Group's cash, cash equivalents and debts are exclusively in euros.

► **Note 34 – Exchange-rate derivative instruments**

At 31 March 2020, the Company was not a party to any FX TARN/accumulator contracts. FX TARNs/accumulators are complex structured derivatives through which the Group undertakes to buy or sell USD according to a schedule and at rates defined when the contract is signed. The use of TARNs/accumulators is based on a strategy that aims to accumulate USD at an exchange rate that is better than available spot and forward rates in return for uncertainty about the total amount of USD that may be accumulated. In the event of a significant change in the EUR/USD exchange rate (upward or downward respectively depending on whether the Company is buying or selling USD), long or short exposure may increase leading to the recognition of foreign exchange losses on those instruments.

⇒ **Accounting policy – Derivative financial instruments**

Derivatives are initially recognised at fair value; attributable transaction costs are taken to income when incurred.

Since no derivative financial instruments have been designated as hedging instruments, derivatives are measured, after initial recognition, at fair value and the resulting changes are immediately taken to income.

► **Note 35 – Interest-rate risk management**

There are no interest-rate hedges in place.

⇒ **Market risk**

Market risk corresponds to the risk of changes in market prices (exchange rates, interest rates, prices of equity instruments) affecting the Group's income or the value of the financial instruments it holds.

The purpose of market risk management is to control exposure to market risk and/or acceptable limits in terms of the risk/return profile.

Interest-rate risk

When funding its operations, the Group uses fixed-rate financing, whether it consists of short-term bank facilities or the Group's historical medium-term debts.

In 2016/17, the Group used swap-type derivative instruments to fix the interest rate on part of its debts, but no interest-rate hedges have been in place since July 2016.

► **Note 36 – Liquidity risk management**

Liquidity risk is managed as follows:

⇒ **Liquidity risk**

The Bigben group manages liquidity risk by ensuring that short- and medium-term credit facilities are sufficient in view of its business activity and the changes caused by business activities to the working capital requirement and debt repayments. It also funds its business activities on a short-term basis using factoring, discounting (depending on the territory and counterparty) and other alternative funding solutions.

► **Note 37 – Other information on contracts with clients**

- Order book: Given the absence of any contracts with a term of more than one year, no information about the order book is presented.
- Contract assets and liabilities:

in thousands of euros	Balance at start of period	Change	Balance at end of period
Contract assets	61,549	3,533	65,082
Contract liabilities	14,947	(556)	14,391

Contract assets at 31 March 2020 consisted of:

- €10,067 thousand of invoices not yet raised;
- €55,015 thousand of trade receivables net of provisions.

Contract liabilities at 31 March 2020 arose in the 2019/20 financial year and consisted of:

- €11,930 thousand of client discounts payable;
- €2,461 thousand of prepaid income.

Contract liabilities at 31 March 2019 consisted of:

- €13,470 thousand of client discounts payable. Those discounts were deducted from payments made by clients in the 2019/20 financial year.
- €1,477 thousand of client invoices raised but recognised as revenue when the games were released.

2.4.4 Related-party disclosures

Transactions with related parties concern commercial and financial transactions between the Bigben Interactive parent company, its subsidiaries, the Bigben group's sister companies and its managers (corporate officers or Executive Committee members) and mainly purchases and sales of merchandise.

Transactions between related companies

From 1 October 2019, when the spin-off of Bigben Interactive's Gaming division to NACON took effect, amounts have been recharged between certain Bigben group entities, particularly Bigben Interactive SA (the Bigben group's parent company) and entities in the NACON sub-group in the manner described below. These recharging agreements have been formed on an arm's-length basis.

The Bigben group's main intra-group flows therefore consist of the following.

Within Bigben Interactive's Audio/Telco entities:

- Audio products supplied to Bigben Interactive SA and Mobile products supplied to Bigben Connected SAS by Bigben HK Ltd: Bigben HK Ltd negotiates prices with the Group's Chinese manufacturing sub-contractors, monitors production from a quality assurance standpoint, and is responsible for logistics and for shipping the products to Bigben Interactive SA's Lauwin-Planque logistics platform. Bigben HK Ltd bills Bigben Interactive SA and Bigben Connected SAS for these services. Bigben Connected SAS' European distribution subsidiaries then source Mobile products from Bigben Connected SAS.

Within the NACON group:

- Development costs incurred by the development studios charged to NACON SA: each of the Group's studios develops games, each at a cost of several million euros divided into milestones throughout the development period (usually two years). These milestone payments are generally made monthly by NACON SA to the studios;
- Accessories supplied by NACON SA to NACON HK Ltd: NACON HK Ltd negotiates prices with the Group's Chinese manufacturing sub-contractors, monitors production from a quality assurance standpoint, and is responsible for logistics and for shipping the products to Bigben Interactive SA's Lauwin-Planque logistics platform. NACON HK Ltd bills NACON SA for these services. NACON SA's European distribution subsidiaries then source the products from NACON SA.

Between the NACON group, Bigben Interactive SA (parent company) and Bigben Connected SAS:

- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to NACON SA and its subsidiaries at a rate of 2.5% of gross revenue before any price reduction or discount, excluding product taxes and excluding NACON SA's sales of digital video games. This agreement has been entered into on an arm's length basis, particularly as regards the fees paid for the services, which are in line with those practised by outside service providers;
- To a lesser extent, the supply of
 - o Audio products by Bigben Interactive SA to certain NACON SA subsidiaries²⁰ which continue to sell a few other Bigben Group products in addition to NACON's gaming products; the Audio products concerned are Bluetooth speakers, sound bars, etc.;
 - o The supply of Mobile products by Bigben Connected SAS to those same NACON SA subsidiaries: the Mobile products concerned are mobile phone accessories (cables, protective cases and covers, etc.);
 - o For those distribution subsidiaries, these sales in 2019/20 amounted to €6.1 million, equal to 4.7% of the NACON group's annual revenue.
- Monthly cross-invoicing of administrative services provided by Bigben Interactive SA and NACON SA, amounting to €23,800 in favour of Bigben Interactive SA and €48,800 in favour of NACON SA (a net amount of €25,000 per month in favour of NACON SA);
- Rent for offices and shared space made available by Bigben Interactive SA to NACON SA within its premises, amounting to €0.2 million per year; this agreement has been entered into on an arm's length basis;
- A cash management agreement between Bigben Interactive and NACON, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

Between Bigben Interactive group subsidiaries

- The Bigben España subsidiary invoices its sister company NACON Gaming España for administrative services provided by employees working for both companies.
- The Bigben HK Ltd subsidiary in Hong Kong invoices its sister company NACON HK Ltd for administrative services provided by employees working for both companies.

²⁰ Prior to the spin-off in October 2019 from Bigben Interactive to NACON, the Bigben Interactive Italia, Bigben Interactive Belgium, Bigben Interactive GmbH and Games.fr subsidiaries generated less than €2 million of Audio and Mobile revenue. At the time of the spin-off, it was decided not to split out these activities and create a second local subsidiary for the Audio/Telco business, which would not have had the critical mass required to operate on a stand-alone basis. These revenues come under the "Other" category of NACON's revenue.

Transactions with corporate officers or Executive Committee members

► Remuneration of Bigben Interactive SA's corporate officers

The remuneration of Bigben Interactive SA's four corporate officers in respect of their roles at all Bigben group entities is summarised below:

in thousands of euros	Short-term benefits	Provisions for retirement benefits ⁽¹⁾	Share-based payments	Termination benefits	Specific supplementary pension plan
2018/19	857	7	38		
2019/20	933	(32)	32		

⁽¹⁾ Post-employment benefits

► Remuneration of Bigben Interactive SA's Executive Committee

The Bigben Interactive SA group's Executive Committee has five members. Only annual remuneration received by those members in respect of their roles at all Bigben group subsidiaries has been included in the table below. The CEO and COO are included in both the table below and in the table above relating to corporate officers.

in thousands of euros	Short-term benefits	Provisions for retirement benefits ⁽¹⁾	Share-based payments	Termination benefits	Specific supplementary pension plan
2018/19	572	8	59		
2019/20	608	(30)	51		

⁽¹⁾ Post-employment benefits

Following the creation of NACON and the subsequent spin-off of the Gaming division in October 2019, many members of Bigben Interactive SA's Executive Committee were transferred to NACON SA and joined NACON SA's Executive Committee.

In the table above, for convenience and to avoid any distortion with respect to comparative figures for the 2018/19 financial year, the remuneration of executives transferred to NACON has not been broken down between Bigben Interactive SA and NACON SA in respect of the time when they were working for Bigben Interactive SA in 2019/20 and 2018/19. All of their remuneration has been allocated to NACON SA. Accordingly, they were regarded as belonging to NACON SA's Executive Committee as if NACON SA had existed in its current form in the financial years ended 31 March 2020 and 31 March 2019.

► Transaction with key executives and directors

None.

2.4.5 Statutory auditors' fees

BIGBEN INTERACTIVE GROUP

in thousands of euros	2019/20			2018/19		
Statutory auditors' fees	KPMG	FMA	Other firms	KPMG	FMA	Other firms
Audit of the financial statements	230	164	210	185	119	133
Issuer ⁽¹⁾	150	150	0	105	105	0
Fully consolidated companies ⁽²⁾	80	14	210	80	14	133
Services other than audit of the financial statements	552	20	56	32	0	0
Issuer ⁽³⁾	552	20	0	32	0	0
Fully consolidated companies	0	0	56	0	0	0
Other services	0	0	0	0	0	0
TOTAL	782	184	266	217	119	133

⁽¹⁾ including NACON SA audit fees.

⁽²⁾ including Bigben Connected, distribution subsidiaries, studios and Games.fr.

⁽³⁾ including €536 thousand of audit fees related to the NACON SA IPO.

The above fees for the 2019/20 financial year include fees relating to the audit of the statutory and consolidated financial statements of Bigben Interactive SA and its Audio/Telco subsidiaries, along with fees relating to the audit of the statutory and consolidated financial statements of the NACON SA group and its subsidiaries.

18.1.7 Date of latest financial information

31 March 2020, in the form of the statutory and consolidated financial statements.

18.2 INTERIM AND OTHER FINANCIAL INFORMATION

None.

18.3 AUDIT OF HISTORICAL FINANCIAL INFORMATION

18.3.1 Statutory auditors' report on the statutory financial statements for the financial year ended 31 March 2020

To the shareholders of Bigben Interactive SA,

Opinion

In accordance with our appointment as statutory auditors by your Shareholders' General Meetings, we have audited the accompanying statutory financial statements of Bigben Interactive SA for the financial year ended 31 March 2020. Those financial statements were finalised by the Board of Directors on 25 May 2020 based on information available at that date against the background of the rapidly developing Covid-19 crisis and the difficulties gauging its impact and the future outlook.

In our opinion, the statutory financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 March 2020 and of the results of its operations for the year in accordance with French accounting principles.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we have collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities under those standards are stated in the “Responsibilities of the statutory auditors in relation to auditing the statutory financial statements” section of this report.

Independence

We conducted our audit in accordance with the independence rules applicable to us between 1 April 2019 and the date on which we issued our report, and in particular we did not provide any services forbidden by Article 5, paragraph 1 of Regulation (EU) No. 537/2014 or by the code of conduct of the statutory auditors’ profession in France.

Justification of our assessments – Key audit matters

As required by Articles L. 823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgement, the main risks of material misstatement in relation to our audit of the year’s statutory financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the statutory financial statements taken as a whole, finalised in the aforementioned circumstances, and in the formation of our opinion stated above. We express no opinion on items of the statutory financial statements taken in isolation.

Valuation of equity securities:

Risks identified

Equity securities and other non-current financial assets, with net carrying amounts of €87,736 thousand and €55,344 thousand respectively on the balance sheet at 31 March 2020, represent the two largest balance-sheet items. They are recognised at the date of acquisition at cost and written down on the basis of their value in use.

As stated in Note 2.3.1 to the statutory financial statements “Additional notes to the balance sheet - Note 3 Equity securities”, management estimates the value in use of equity securities and other non-current financial assets relating to those equity securities at the level of each group business, i.e. “Audio/Telco” and “Gaming”, according to the Group’s overall strategy for each business, based on discounted forecast cash flows for each business.

Estimating the value in use of these securities requires management to use judgement in selecting the forecasts to consider.

Accordingly and because of the uncertainty inherent in certain elements and particularly in the probability of forecasts being realised, we took the view that the correct measurement of equity securities and other non-current financial assets was a key audit matter.

Audit procedures implemented to address the risks identified

We assessed whether the method used by the Company to calculate the value in use of equity securities and other non-current financial assets complies with accounting standards in force.

We also carried out a critical examination of the way in which value in use is calculated for each business, and in particular assessed:

- whether cash flow forecasts are consistent with the “Audio/Telco” and “Gaming” businesses’ performances during the year and management’s latest estimates, established as part of the Group’s budget process;

- whether the discount rate and perpetual growth rate are reasonable, with the help of our valuation specialists;

We also assessed the appropriateness of information provided in Note 2.3.1 “Additional notes to the balance sheet - Note 3 - Equity securities” in the notes to the statutory financial statements.

Recognition of Publishing revenue related to video game sales

Risks identified

Publishing revenue until the spin-off on 1 October 2019 and recorded at Bigben Interactive SA with respect to the 2019/20 financial year amounted to €28,779 thousand.

As stated in Note 2.3.2 “Additional notes to the income statement - Note 20 - Breakdown of revenue” in the notes to the statutory financial statements, revenue generated by sales of physical video games is recognised on the date on which the products are delivered to distributors minus any price reductions that the Company applies if sales in retailers’ stores prove insufficient.

Revenue from sales of digital games is recognised on the date the content is made available to console manufacturers or platforms. Guaranteed amounts are recognised in revenue as soon as the game is released. Additional amounts depending on future console and platform sales are recognised when those sales take place.

Accordingly and because of the material nature of video game sales, we took the view that revenue recognition was a key audit matter.

Audit procedures implemented to address the risks identified

We assessed whether the methods used by the Company comply with accounting standards in force.

As part of our assignment, we familiarised ourselves with the process used by the Company to recognise revenue from sales of video games.

We also assessed, on a sample basis, the existence of revenue from digital sales by obtaining signed contracts, evidence that content had been provided, data or statements from platforms where necessary and evidence that revenue had been collected as the case may be.

We also assessed the appropriateness of information provided in Note 2.3.2 “Additional notes to the income statement - Note 20 - Breakdown of revenue” in the notes to the statutory financial statements.

Specific verifications

We also performed, in accordance with professional standards applicable in France, the specific verifications required by statutory and regulatory provisions.

Information provided in the management report and in other documents concerning the financial position and statutory financial statements addressed to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors finalised on 25 May 2020 and in the other documents with respect to the financial position and financial statements addressed to the shareholders. As regards events occurring and information coming to light after the accounts closing date in relation to the Covid-19 crisis, management has informed us that it will make a statement on them in the Shareholders’ General Meeting convened to vote on the financial statements.

We confirm that the information relating to payment times, provided for by Article D. 441-4 of the French Commercial Code, is accurate and agrees with the statutory financial statements.

Corporate governance report

We confirm that the report of the Board of Directors on corporate governance contains the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to the remuneration and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the company from companies controlling your company or controlled by it. Based on this work, we confirm that this information is accurate and fairly presented.

As regards information relating to items that your Company considered capable of having an impact in the event of a public exchange or purchase offer, provided in accordance with article L.225-37-5 of the French Commercial Code, we have checked that it is consistent with the documents from which it originates and that were sent to us. On the basis of our work, we have no observations to make on that information.

Other information

In accordance with French law, we verified that the required information concerning the purchase of investments and controlling interests, the identity of shareholders or holders of voting rights and cross-shareholdings has been properly disclosed in the management report.

Information resulting from other statutory and regulatory obligations

Appointment of the statutory auditors

Fiduciaire Métropole Audit (FMA) was appointed as statutory auditor of Bigben Interactive SA by your Shareholders' General Meeting of 30 September 2005 and KPMG by your Shareholders' General Meeting of 8 November 1998.

At 31 March 2020, Fiduciaire Métropole Audit (FMA) was in its 15th year of uninterrupted engagement as statutory auditor and KPMG in its 22nd year of uninterrupted engagement, or their 15th and 21st years respectively since the Company's shares were admitted to trading on a regulated market.

Responsibilities of management and persons involved in corporate governance in relation to the statutory financial statements

Management is responsible for preparing statutory financial statements that present a true and fair view, in accordance generally accepted accounting principles in France, and for setting up the internal controls it deems necessary for preparing statutory financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the statutory financial statements, management is responsible for assessing the company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the company or discontinue its operations.

The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information.

The statutory financial statements are the responsibility of the Board of Directors.

Responsibilities of the statutory auditors in relation to auditing the statutory financial statements

Audit objective and procedure

Our responsibility is to prepare a report on the statutory financial statements. Our objective is to obtain reasonable assurance about whether the statutory financial statements, taken as a whole, are free of

material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by Article L. 823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your company or the quality of its management.

When conducting an audit in accordance with professional standards in France, statutory auditors use their professional judgement throughout the audit. In addition:

- they identify and assess the risks that the statutory financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;
- auditors familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by management, along with information about those estimates provided in the statutory financial statements;
- they assess whether management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the company's status as a going concern. If the auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the statutory financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;
- they assess the overall presentation of the statutory financial statements and assess whether the statutory financial statements reflect the underlying operations and events so that they give a true and fair view.

Reporting to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's statutory financial statements, and which are therefore the key audit matters. It is our role to describe those matters in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No 537-2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

The statutory auditors,

Paris la Défense, 1 July 2020

Roubaix, 1 July 2020

KPMG Audit
Department of KPMG SA
Stéphanie Ortega

Fiduciaire Métropole Audit

François Delbecq

Partner

Partner

18.3.2 Statutory auditors' report on the consolidated financial statements for the financial year ended 31 March 2020

To the shareholders of Bigben Interactive SA,

Opinion

In accordance with our appointment as statutory auditors by your Shareholders' General Meetings, we have audited the accompanying consolidated financial statements of Bigben Interactive SA for the financial year ended 31 March 2020.

Those financial statements were finalised by the Board of Directors on 25 May 2020 based on information available at that date against the background of the rapidly developing Covid-19 crisis and the difficulties gauging its impact and the future outlook.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, assets and liabilities and results of the group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we have collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities under those standards are stated in the "Responsibilities of the statutory auditors in relation to auditing the consolidated financial statements" section of this report.

Independence

We conducted our audit in accordance with the independence rules applicable to us between 1 April 2019 and the date on which we issued our report, and in particular we did not provide any services forbidden by Article 5, paragraph 1 of Regulation (EU) No. 537/2014 or by the code of conduct of the statutory auditors' profession in France.

Emphasis of matter

We draw your attention to Note 2.3.1 to the consolidated financial statements concerning the first-time adoption of IFRS 16 "Leases" from 1 January 2019. Our opinion is not modified as a result of this matter.

Justification of our assessments – Key audit matters

As required by Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgement, the main risks of material misstatement in relation to our audit of the year's consolidated financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the consolidated financial statements taken as a whole, finalised in the aforementioned circumstances, and in the formation of our opinion stated above. We express no opinion on items of the consolidated financial statements taken in isolation.

Measurement of goodwill:

Risk identified

As part of its development, the Group carries out acquisitions and as a result recognises goodwill, the total amount of which on the asset side of the consolidated balance sheet was €63,903 at 31 March 2020. For each transaction, goodwill is measured at the acquisition date in the manner defined in Note 2.3.3 “Basis of measurement - Business combinations”.

At each accounts closing, or whenever there is evidence of an impairment loss, management checks that the carrying amount of goodwill is not higher than its recoverable amount.

For these tests, assets are grouped into cash-generating units (CGUs). Given the high level of integration shown by its business activities, the Group recognises two CGUs that correspond to its two operational business segments: “Bigben - Audio/Telco” and “NACON - Gaming”.

As described in Note 2.4.1 “Additional notes to the balance sheet - Note 1 - Goodwill”, the recoverable amount of the CGUs is the greater of fair value less costs to sell and value in use. The value in use of CGUs is determined with reference to future cash flows after tax and discounted to present value.

The calculation of the recoverable amount of goodwill is based on estimates and management’s judgement, particularly as regards cash flows, the perpetual growth rate used to project cash flows and the discount rate applied to them. As a result, we regarded the measurement of goodwill as a key audit matter.

Audit procedures implemented to address the risk identified

We assessed whether the method used by the Company to calculate the recoverable amount of Bigben Interactive’s CGUs complies with accounting standards in force.

We also carried out a critical examination of the way in which the impairment test is implemented, and in particular assessed:

- whether cash flow forecasts are consistent with the “NACON - Gaming” and “Bigben - Audio/Telco” businesses’ performances during the year and management’s latest estimates, established as part of the Group’s budget process;
- whether the discount rate and perpetual growth rate are reasonable, with the help of our valuation specialists;
- the test for sensitivity to key assumptions forming part of the recoverable amount calculation.

We also assessed the appropriateness of information provided in the notes to the consolidated financial statements.

Measurement of game development costs:

Risks identified

At 31 March 2020, the net cost of developing games published by the Group and developed by the Group’s studios and external studios, included under other intangible assets, was €58,130 thousand.

As stated in Note 2.4.1 “Additional notes to the balance sheet – Note 2 – Other intangible assets” in the notes to the consolidated financial statements, capitalised development costs, less any related tax credits, are recognised at cost less accumulated amortisation and impairment losses. At the end of each

financial year or wherever indications of a loss of value appear, management estimates forecast revenue and gross margins for each game. Whenever the recoverable amount of a game is less than its net carrying amount, an impairment loss is recognised.

Game development costs are amortised over the games' expected lifetimes using the diminishing balance method based on the associated expected sales, whether the game is sold physically or digitally, from its commercial release date. Game amortisation periods vary according to market trends and sales prospects.

In our view, the risk of the net carrying amount of those assets exceeding their recoverable amount and that the corresponding impairment is not recognised on the balance sheet is a key audit matter, because of the importance of the item in the financial statements and management's use of judgement in estimating future games sales.

Audit procedures implemented to address the risks identified

We assessed whether the methods used by the Company comply with accounting standards in force.

We familiarised ourselves with the processes used to monitor game development costs, the definition of the amortisation method and the determination of the recoverable amounts of games.

We assessed the consistency of the most recent amortisation methods used, comparing them with analysis of revenue generated since launch for a representative sample of games.

We selected games currently under development and games already on the market that had material capitalised development costs at 31 March 2020 and, for each game selected, we:

- checked whether the amortisation methods determined by management were correctly applied, depending on the game's launch date;
- assessed whether estimates of future games sales used to determine the related recoverable amounts were reasonable, and in particular whether they were consistent with actual past figures for similar games.

We also assessed the appropriateness of information provided in the notes to the consolidated financial statements.

Recognition of video games publishing revenue:

Risk identified

As stated in Note 2.2.1 to the consolidated financial statements, 2019/20 annual consolidated revenue totalled €263.5 million, up 7.3% compared with 2018/19, due in particular to strong growth in the video games publishing business, in which revenue totalled €69.6 million in 2019/20. Higher Publishing sales were mainly due to increased digital sales.

As stated in Note 2.4.2 "Additional notes to the income statement – Note 17 – Revenue", revenue generated by sales of physical video games is recognised on the date on which the products are delivered to distributors minus, as the case may be, an estimate of the price reductions that Bigben Interactive will apply if sales in retailers' stores prove insufficient.

As regards digital game sales, revenue is recognised on the date the content is made available to console manufacturers or platforms. Bigben Interactive acts as a principal with respect to console manufacturers and platforms, to which the games masters are sent (and not with respect to end-users) and therefore recognises the amounts specified in contracts with those console manufacturers and platforms in revenue (and not the amounts billed to end-customers). Guaranteed amounts are recognised in revenue as soon as the games master is made available, and additional amounts (royalties) depending on future console and platform sales are recognised when those sales take place. At the end of the period, the Company estimates the royalty revenue to be recognised based on sales

generated on each platform. As the case may be, prepaid income is recognised to defer the recognition as revenue of amounts invoiced to console manufacturers and platforms with respect to sales whose content has not yet been made available to clients at the closing date.

Revenue is also a key indicator of the Group's performance.

For these reasons, we took the view that the recognition of revenue from video games publishing is a key audit matter.

Audit procedures implemented to address the risks identified

We assessed whether the revenue recognition principles applied by Bigben Interactive are consistent with IFRS 15.

In particular, we looked at whether Bigben Interactive fulfilled its performance obligations when delivering games masters to console manufacturers and platforms and whether the contracts included distinct obligations (new content, free updates, premium downloadable content and other add-ons that extend the game's life) that would be fulfilled at a later date.

We also assessed whether estimates used in determining revenue were reasonable:

- as regards estimates of price reductions on physical game sales, which are becoming smaller as digital sales take greater importance, we assessed whether the provision set aside at 31 March 2020 as a reduction in revenue is consistent with the use of past provisions and discounts actually granted;
- as regards estimates of platform digital sales used to determine royalties recognised in revenue but still to be invoiced at 31 March 2020, we obtained data from the platforms where possible or alternatively we assessed whether management estimates were consistent with actual figures in the past.

We also assessed, on a sample basis, the existence of revenue from digital sales during the period by obtaining signed contracts, evidence that content had been provided and evidence that revenue had been collected as the case may be.

We also assessed the appropriateness of information provided in the notes to the consolidated financial statements.

Specific verifications

We also carried out specific verifications, as required by statutory and regulatory texts, of information relating to the group provided in the Board of Directors' management report finalised on 25 May 2020, in accordance with professional standards applicable in France.

We are satisfied that the information is fairly stated and agrees with the consolidated financial statements.

As regards events occurring and information coming to light after the accounts closing date in relation to the Covid-19 crisis, management has informed us that it will make a statement on them in the Shareholders' General Meeting convened to vote on the financial statements.

We attest that the consolidated declaration of extra-financial performance, required under Article L. 225-102-1 of the French Commercial Code, is included in the Group's management report, it being stipulated that, in accordance with the provisions of Article L. 823-10 of this Code, we have not verified the fair presentation or consistency with the consolidated financial statements of the information provided in that declaration, which must be the subject of a report by an independent third party.

Information resulting from other statutory and regulatory obligations

Appointment of the statutory auditors

KPMG SA was appointed as a statutory auditor by Bigben Interactive SA in the Shareholders' General Meeting of 8 November 1998.

Fiduciaire Métropole Audit (FMA) was appointed as a statutory auditor by Bigben Interactive SA in the Shareholders' General Meeting of 30 September 2005.

At 31 March 2020, Fiduciaire Métropole Audit (FMA) was in its 15th year of uninterrupted engagement and KPMG in its 22nd year of uninterrupted engagement, or their 15th and 21st years respectively since the Company's shares were admitted to trading on a regulated market.

Responsibilities of management and persons involved in corporate governance in relation to the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and fair view, in accordance with IFRSs as endorsed by the European Union, and for setting up the internal controls it deems necessary for preparing consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.

The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information.

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

Responsibilities of the statutory auditors in relation to auditing the consolidated financial statements

Audit objective and procedure

Our responsibility is to prepare 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 of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by Article L. 823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your company or the quality of its management.

When conducting an audit in accordance with professional standards in France, statutory auditors use their professional judgement throughout the audit. In addition:

- they identify and assess the risks that the consolidated financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;
- auditors familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;

- they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by management, along with information about those estimates provided in the consolidated financial statements;
- they assess whether management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the company's status as a going concern. If the auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the consolidated financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so that they give a true and fair view;
- regarding financial information relating to persons or entities included in the scope of consolidation, they collect the information that they regard as sufficient and appropriate to express an opinion on the consolidated financial statements. The statutory auditors are responsible for managing, supervising and conducting the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

Reporting to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's consolidated financial statements, and which are therefore the key audit matters. It is our role to describe those matters in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No 537-2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

The statutory auditors,

Paris la Défense, 1 July 2020

Roubaix, 1 July 2020

KPMG Audit IS

Fiduciaire Métropole Audit

Stéphanie Ortega
Partner

François Delbecq
Partner

18.4 PROFORMA FINANCIAL INFORMATION

None.

18.5 DIVIDEND POLICY

18.5.1 Dividend distribution policy

Because of the current public health crisis and in a spirit of social responsibility, the Board of Directors in its meeting on 25 May 2020 decided not to put any dividend payment with respect to 2019/20 to the vote in the Shareholders' General Meeting of 30 July 2020.

The Group intends to resume a dividend payment policy in the medium term.

18.5.2 Dividends paid in the last three financial years

In the last decade, a dividend has only been paid with respect to three financial years. The Board of Directors decided not to propose a dividend payment to the Shareholders' General Meeting:

- with respect to the 2010/11, 2011/12 and 2012/13 financial years, in order to preserve all of its financial resources for the acquisition and integration of ModeLabs, which was a particularly significant transaction for Bigben Interactive;
- with respect to the 2014/15, 2015/16 and 2016/17 financial years, given results in those financial years.

However, dividends were paid:

- with respect to the 2013/14 financial year in an amount of €0.15 per share, which shareholders had the choice of receiving in cash or new shares;
- with respect to the 2017/18 financial year, comprising an interim payment of €0.10 per share paid on 8 January 2018 after first-half results were in line with forecasts, and a final dividend of €0.10 per share paid on 3 August 2018 after shareholders in the 20 July 2018 Shareholders' General Meeting voted for a dividend of €0.20 per share with respect to the 2017/18 financial year;
- with respect to the 2018/19 financial year in an amount of €0.20 per share, approved in the 19 July 2019 Shareholders' General Meeting and paid on 26 July 2019.

18.6 LEGAL AND ARBITRATION PROCEEDINGS

▶ Industrial property dispute

Several infringement proceedings are underway before courts in Germany and France. They concern patents in particular, along with products that are no longer sold by NACON. At this stage in the proceedings, which are very long, the probability and potential amount of any outflow of resources cannot be estimated.

Given the status of existing proceedings and the Group's defence, management remains confident that it will be able to resolve this dispute without any financial loss.

However, in 2015, a French court ordered NACON to pay €530 thousand on the ground of unfair competition. Accordingly, a provision in that amount was set aside on 31 March 2015.

No additional provisions were set aside in the Group's financial statements on 31 March 2020. This position is similar to the one adopted at 31 March 2019.

▶ Bigben Connected tax inspection

Bigben Interactive SAS was subject to an inspection by the tax authorities regarding its financial years from 1 January 2011 to 31 March 2013. A reassessment proposal was received on 28 December 2015. Bigben Connected replied to the tax authorities on 26 February 2016, within the specified timeframe, disputing most of the proposed reassessments.

Some reassessments have since been abandoned in part or in full by the tax authorities.

On 8 January 2018, Bigben Connected accepted part of the reassessments and made a payment of €610.9 thousand, but on 30 January 2018 began proceedings against the DVNI (France's national and international tax audit department), disputing all other claims made against it regarding VAT. The matter has been brought before the Lille administrative court after the DVNI rejected the dispute proceedings on 31 July 2018.

Based on advice from the Company's advisors, management is confident it will be able to resolve this tax dispute without any financial loss for the Group.

To the best of the Company's knowledge, at the date of the Universal Registration Document there are no pending or potential administrative, criminal, judicial or arbitration proceedings involving the Company and/or the Group that may have or have had in the past 12 months a material effect on the financial position or profitability of the Company and/or the Group.

Please refer to Note 14 to the consolidated financial statements for the period ended 31 March 2020 and Note 13 to the statutory financial statements for the period ended 31 March 2020 for information on all litigation involving the Company.

18.7 MATERIAL CHANGE IN THE FINANCIAL OR TRADING POSITION

Please see section 7.1.2 concerning the implications of the Covid-19 (coronavirus) crisis.

To the Company's knowledge, no other material change in the Group's financial position has taken place since 31 March 2020.

18.8 OTHER INFORMATION

18.8.1 Information required under France's economic modernisation act (LME) about supplier payment times and trade receivables

The table showing the maturity schedule of trade payables at 31 March 2020 is presented below. Late payments mainly correspond to:

- deductions applied pending credit notes relating to year-end discounts, price reductions or returns or merchandise,
- unpaid invoices raised by publishers under royalty agreements.

Invoices received and raised and due but not paid at the accounts closing date

in thousands of euros	Article D. 441-I-1: invoices <u>received</u> and due but not paid at the accounts closing date						Article D. 441-I-2: invoices <u>raised</u> and due but not paid at the accounts closing date					
	0 days (not due)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and above	Total (1 day or more)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and above	Total (1 day or more)
(A) Number of days overdue												
Number of invoices concerned	236	X				123	1,184	X				1,823
Total ex-VAT amount of invoices concerned	1,535	363	1,070	109		1,542	2,578	735	494	320	1,251	2,800
Percentage of total ex-VAT purchases during the period	3.15%	0.74%	2.20%	0.22%	0.00%	3.17%	X					
Percentage of ex-VAT revenue in the period	X						3.93%	1.12%	0.75%	0.49%	1.91%	4.27%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables												
Number of invoices excluded	41						-					
Total amount of invoices excluded	628						-					
(C) Reference payment periods used (contractual or statutory - article L. 441-6 or article L. 443-1 of the French Commercial Code)												
Payment periods used to calculate late payments	<ul style="list-style-type: none"> ■ Contractual payment periods: Each invoice is monitored according to its own contractual payment period. That period generally varies between 10 and 45 days after the month in which the invoice was raised. 						<ul style="list-style-type: none"> ■ Contractual payment periods: Each invoice raised is monitored according to its own contractual payment period. That period generally varies between 0 and 45 days after the month in which the invoice was raised for sales of merchandise. 					

18.8.2 Table of the Company's results over the past five financial years

in euros	2019/20	2018/19	2017/18	2016/17	2015/16
<u>1 - Share capital at year-end</u>					
Share capital	39,437,006	39,000,238	36,726,678	36,445,078	32,826,754
Number of ordinary shares in issue	19,718,503	19,500,119	18,363,339	18,222,539	16,413,377
Number of preferred shares in issue	-	-	-	-	-
Maximum number of shares that may be issued in the future					
- Through the conversion of bonds	-	-	-	-	-
- Through the exercise of stock options	-	-	-	-	-
- Through bonus share awards	272,533	250,000	153,260	145,500	-
- Through the exercise of warrants	-	-	-	-	1,927,471
<u>2 - Transactions and results for the financial year</u>					
Revenue excluding VAT	65,503,363	88,406,013	83,229,767	74,008,844	80,535,008
Income before tax, employee profit sharing, depreciation, amortisation and provisions	7,219,494	19,854,046	2,264,455	(2,172,389)	(838,047)
Income tax	(227,823)	(1,916,734)	(2,815,629)	(2,735,283)	(2,125,125)
Employee profit-sharing in respect of the financial year					
Income after tax, employee profit sharing, depreciation, amortisation and provisions	6,644,977	18,122,571	2,058,401	3,318,083	819,072
Dividends paid	3,897,824	1,903,843	1,835,707	-	-
<u>3 - Earnings per share</u>					
Income after tax and employee profit sharing but before depreciation, amortisation and provisions	0.38	1.12	0.28	0.03	0.08
Income after tax, employee profit sharing, depreciation, amortisation and provisions	0.34	0.93	0.11	0.18	0.05
Dividend paid per share	0.20	0.10	0.10	-	-
<u>4 - Personnel</u>					
Number of employees	142	175	163	162	158
Total payroll	4,538,480	6,015,574	5,607,602	5,423,380	5,036,889
Amount paid with respect to employee benefits (social security, other social benefits, etc.)	2,172,594	2,636,295	2,557,736	2,244,031	2,113,840

19. ADDITIONAL INFORMATION

19.1 SHARE CAPITAL

19.1.1 Amount of share capital

At the date of this Universal Registration Document, the Company's share capital totalled €39,437,006, divided into 19,718,503 shares with par value of €2 each, fully paid up and of the same category.

See section 19.1.7 regarding changes in Bigben Interactive's share capital in the last few years.

19.1.2 Securities not representing capital

None.

19.1.3 Share buybacks

Authorisation

In the 19 July 2019 Shareholders' General Meeting, Bigben Interactive shareholders voted to renew the Company's share buyback programme in accordance with Articles L. 225-209 and following of the French Commercial Code and market practices accepted by the Autorité des Marchés Financiers. As a result, the authority was given to the Board of Directors to buy back up to 10% of its own shares, based on a maximum purchase price of €28.00 per share and subject to an overall limit of €10 million.

The objectives will be as follows:

- to make a market for the Company's shares, including increasing their liquidity, through an investment service provider acting independently under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers,
- to honour obligations related to stock options, bonus share or employee savings programmes or other grants of shares to employees and/or corporate officers of the Company and/or companies and businesses related to it,
- to deliver shares upon the exercise of rights attached to transferable securities giving access, immediately or in future, to the Company's capital, and to carry out all transactions to cover the Company's obligations in respect of those securities, in compliance with regulations in force,
- to retain shares with a view to using them subsequently for payment or exchange in the context of any acquisition,
- to cancel shares and carry out the related capital reduction, and
- more generally, to carry out any transaction in accordance with regulations in force and any market practice that may be accepted by the Autorité des Marchés Financiers.

The Company is bound by the following disclosure requirements in relation to share buybacks:

- 1) before the share buyback programme is implemented: publication of a description of the share buyback programme (effectively and fully distributed electronically by a primary information provider and posted online on the Company's website);
- 2) during the share buyback programme: publication by the seventh day of trading following the transaction's execution date by posting information online on the Company's website (excluding transactions carried out by an investment service provider as part of a liquidity agreement). Monthly reporting by the Company to the AMF;
- 3) each year: presentation of an implementation report regarding the buyback programme and the use of shares purchased in the Board of Directors' report to the shareholders' general meeting.

Liquidity agreement

At 31 March 2020, the Company no longer held any of its own shares in treasury, since all those previously held by the Company had been transferred to the liquidity agreement.

A liquidity agreement had been set up in late 2010 with Oddo & Cie to support the liquidity of Bigben Interactive's shares, in accordance with the share buyback programme approved in the 28 July 2010 Shareholders' General Meeting.

Bigben Interactive formed a new liquidity agreement with Oddo BHF SCA in 2018/19. That liquidity agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 March 2019. Since that date, it has replaced the previous liquidity agreement with Oddo & Cie, which had taken effect on 1 December 2010. The signature of this new liquidity agreement follows Autorité des Marchés Financiers decision no. 2018-01 of 2 July 2018, applicable since 1 January 2019, which establishes liquidity agreements relating to equity securities as an accepted market practice.

As part of the new liquidity agreement, the following resources were allocated to the liquidity account at 31 December 2018:

- 23,500 shares,
- €129,157 in cash.

On 31 March 2020, the Company held 21,528 of its own shares, representing around 0.11% of the Company's current share capital, through its liquidity agreement with Oddo BHF SCA. The total par value of those shares was €43,056.

Summary of the share buyback programme in 2019/20

Shareholder	Category
Number of shares purchased	336,254
Number of shares sold	333,826
Average price of purchases during the period	13.2495
Average price of sales during the period	13.2051
Trading fees	€30,000
Number of shares in the account at end-March 2020	21,528
Value of shares held in the account	€226,044
Par value of shares held in the account	€43,056
Proportion of the share capital represented by shares held in the account	0.11%

19.1.4 Securities giving access to the capital

None.

19.1.5 Authorised unissued share capital

In accordance with decisions taken in the 19 July 2019 Shareholders' General Meeting, the following authorisations and grants of authority were given to the Board of Directors.

Grant of authority	Validity period	Upper limit (par value)	Method of determining the price
<i>Grant of authority to the Board of Directors to issue ordinary shares in the Company and securities giving access to the Company's capital, with shareholders' preferential subscription rights maintained (11th resolution)</i>	18 months	€9.00 million	
<i>Authorisation given to the Board of Directors, in the event of a capital increase with shareholders' preferential subscription rights withheld or maintained, to increase the number of securities to be issued (12th resolution)</i>	18 months	€1.35 million (subject to a limit of 15% of the initial issue amount)	same price as the initial issue
<i>Grant of authority to the Board of Directors to decide upon one or more capital increases through the capitalisation of premiums, reserves, earnings or other (14th resolution)</i>	18 months	€9.00 million	
<i>Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's capital in consideration for contributions in kind consisting of equity securities and other securities giving access to the capital of third-party companies other than through a public exchange offer (13th resolution)</i>	18 months	€3.90 million (1) subject to a limit of 10% of the share capital existing at the time the Board of Directors uses the grant of authority	
<i>Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's capital in the event of a public offering including an exchange component initiated by the Company (15th resolution)</i>	18 months	€4.50 million	
<i>Grant of authority to the Board of Directors to increase the share capital through an issue of shares reserved for members of a savings plan (16th resolution)</i>	18 months	€400,000	
<i>Authorisation to be granted to the Board of Directors to grant existing shares or shares to be issued in the Company free of charge to members of the Company's salaried staff and corporate officers and those of its subsidiaries within the meaning of article L. 233-3 of the French Commercial Code or to some of them (18th resolution)</i>	18 months	€700,000	
<i>Authorisation to be granted to the Board of Directors to set up a share buyback programme in accordance with Article L. 225-209 of the French Commercial Code (9th resolution)</i>	18 months	€10.00 million subject to a limit of 10% of the shares making up the share capital	10% of the share capital.
<i>Authorisation to be granted to the Board of Directors to cancel some or all of the Company's shares held by the Company under the authorisation to buy back shares (19th resolution)</i>	18 months	€10.00 million subject to a limit of 10% of the shares making up the share capital	10% of share capital in any 24-month period

These amounts are not cumulative. The maximum upper limit of capital increases authorised by the Shareholders' General Meeting, in terms of par value, is €9.75 million. The combined nominal amount of issues of debt securities and securities giving access to the Company's capital may not exceed €12.00 million. This cap does not apply to the debt securities referred to in Articles L. 228-40, L. 228-36 and L. 228-92 paragraph 3 of the French Commercial Code, the issue of which must be approved or authorised by the Board of Directors according to the terms set out in Article L. 228-40 of the French Commercial Code, or in other cases, according to terms determined by the Company in accordance with the provisions of Article L. 228-36 of the French Commercial Code.

Potential capital

Based on the grant of authority given in the 19 July 2019 Shareholders' General Meeting, on 4 September 2019 the Board of Directors decided to award 272,535 bonus shares to 539 beneficiaries.

The maximum number of shares that could potentially vest, based on the share capital and workforce at 31 March 2020, was 200,285, equal to 1.02% of the shares in issue.

When adopting this bonus share plan, the Company specified a one-year vesting period and a two-year lock-up period from the time the shares vest. The vesting of these bonus shares at the end of the Vesting Period is subject to two conditions:

- a presence condition: each beneficiary must have remained a salaried staff member or corporate officer of the Company or a related company, without interruption, throughout the Vesting Period (except in the event of disability);
- a performance condition: the vesting of the 2019 bonus shares is conditional on meeting a performance condition relating to the achievement of a predetermined level of recurring operating income in 2019/20, which may combine, as the case may be, a criterion relating to the consolidated recurring operating income generated by the Bigben group and a criterion relating to the recurring operating income generated by the entity for which the beneficiary works.

After taking into account the recurring operating income generated by the Group (which exceeded the target) and as the case may be by each entity concerned, shares may vest in part or in full in beneficiaries working for 13 entities.

19.1.6 Information about the capital held by any member of the Company that is subject to an option or a conditional or unconditional agreement to put it under option

To the Company's knowledge, there are no call or put options or other undertakings in favour of the Company's shareholders or made by those shareholders relating to the Company's shares.

19.1.7 History of the share capital

Table showing changes in the Company's share capital in the last three financial years:

Date of transaction	Increase/reduction	Number of new shares	Par value	Issue or contribution premium	New share capital	Number of shares after the increase
31 August 2017	Capital increase through the award of shares	140,800	€2.00	€0.00	€36,726,678.00	18,363,339
20 June 2018	Capital increase as consideration for assets contributed	697,445	€2.00	€8,564,741.94	€38,121,568.00	19,060,784
3 September 2018	Capital increase through the award of shares	143,760	€2.00	€0.00	€38,409,088.00	19,204,544
18 October 2018	Capital increase as consideration for assets contributed	295,575	€2.00	€2,417,850.00	€39,000,238.00	19,500,119
3 September 2019	Capital increase through the award of shares	198,585	€2.00	€0.00	€39,397,408.00	19,698,704
26 November 2019	Capital increase through the award of shares	19,799	€2.00	€0.00	€39,437,006.00	19,718,503

19.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

19.2.1 Corporate purpose (article 3 of the articles of association)

The Company's corporate purpose in France and all other countries is as follows:

- designing and trading gaming accessories, consoles and software,
- manufacturing, selling, importing, exporting and repairing timepieces and electronic items,
- and more generally carrying out industrial, commercial and financial operations relating to moveable property or real estate that may be directly or indirectly connected with the corporate purpose or that may facilitate the extension or development of that corporate purpose.

The Company may carry out any operations that are compatible with that purpose, that relate to it and that contribute to its pursuit.

19.2.2 Rights, privileges and restrictions attached to the Company's shares

19.2.2.1 Voting rights (article 9.2 of the articles of association)

All fully paid-up shares that have been registered for at least three (3) years in the same shareholder's name shall carry double voting rights compared with the proportion of capital that they represent. In the event of a capital increase through the capitalisation of earnings, reserves, premiums or available provisions, double voting rights are granted to registered shares allotted free of charge to shareholders as soon as they are issued, in proportion to the shareholders' existing shares that already carry double voting rights.

Any share converted into bearer form or transferred to a new owner shall lose its double voting rights. However, a transfer arising from inheritance, the liquidation of the joint property of spouses, or an *inter vivos* gift to a spouse or relative entitled to inherit shall not result in the loss of double voting rights and shall not represent a break in the three (3) year period.

A merger or demerger involving the company shall not affect double voting rights that can be exercised within the receiving company if that company's articles of association allow for double voting rights.

19.2.2.2 Dividend rights and profits

Each share gives an entitlement to a proportion of the company's profits and assets, based on the percentage of the company's share capital that it represents.

19.2.2.3 Dividend limitation period

Dividends not claimed within 5 years from the payment date are time-barred and shall be paid over to the French government (Article L. 1126-1 of the French General Code of Public Property).

19.2.2.4 Entitlement to liquidating dividend

The liquidating dividend remaining after the par value of shares has been repaid shall be apportioned equally between all shares.

19.2.2.5 Preferential subscription rights

The Company's shares all carry preferential subscription rights in the event of capital increases.

19.2.2.6 Limits on voting rights

None.

19.2.2.7 Ownership disclosure thresholds

Provided that the Company's shares are admitted to trading in a regulated market, other than obligations to disclose crossings of ownership thresholds expressly provided for by legislative and regulatory provisions in force, any natural or legal person that comes to hold directly or indirectly, alone or in concert, a proportion of the capital or voting rights (calculated in accordance with Articles L. 233-7 and L. 233-9 of the French Commercial Code and the AMF's general regulation) equal to or more than 5.0% of the Company's capital or voting rights, or any multiple of that percentage, including if that proportion is more than the thresholds provided for by statutory and regulatory provisions, must notify the Company of (i) the number of shares and voting rights that the person holds, directly or indirectly, alone or in concert, (ii) the securities that may eventually give access to the Company's capital that the person holds, directly or indirectly, alone or in concert and the voting rights that may potentially be attached thereto, and (iii) similar shares in accordance with Article L. 233-9(1) and (4)-(8) of the French Commercial Code. That notification must take place by registered letter with acknowledgement of receipt, within [4] stockmarket trading days from the time the disclosure threshold concerned is crossed.

The information provided for above, in relation to any crossing of a threshold equal to a multiple of 5.0% of capital and voting rights, shall also be provided where the person's proportion of capital or voting rights falls below one of the aforementioned thresholds.

In the event that the aforementioned threshold notification obligation is not complied with and at the request, recorded in the minutes of the general meeting, of one or more shareholders representing at least 5% of the Company's share capital or voting rights, the shares above the threshold that should have been notified shall be stripped of their voting rights until the expiry of a period of two years beginning on the date on which notice was properly given.

19.2.2.8 Identifiable bearer shares

Fully-paid up shares may be in registered or bearer form, at the shareholder's discretion, except where they must be in registered form because of legislative and regulatory provisions in force.

Shares shall be recorded in an account in accordance with legislative and regulatory provisions in force.

The Company may at any time submit a request to the organisation in charge of clearing securities for information provided for by law relating to the identification of holders of securities conferring immediate or future entitlements to vote at its shareholder meetings and any restrictions on the securities.

19.2.2.9 Share buy-backs

See section 19.1.3.

19.2.3 Provisions allowing the delay, postponement or prevention of a change of control

The Company's articles of association contain no provisions allowing the delay, postponement or prevention of a change of control.

20. MATERIAL AGREEMENTS

For convenience, reference is made to a Sony accessories contract in various sections of this document concerned by the “NACON - Gaming” business segment, whereas in fact the term refers to a set of agreements formed with Sony.

Each new accessory developed for Sony gives rise to a licensing agreement (e.g. agreements for the ProController 2 and Compact controllers). Sony also operates through various entities covering different parts of the world (e.g. Sony Japan, Sony Europe and Sony America). As a result, a large number of agreements are formed with respect to each accessory and with each Sony group entity.

However, each of those agreements contains the same main provisions, i.e.:

- they have a renewable term of two or three years,
- Sony is remunerated via a fixed royalty in US dollars, determined in advance, for each accessory item sold. Less commonly, the royalty is a percentage of the accessory's selling price.
- Bigben Interactive, through its NACON subsidiary, undertakes to comply with certain marketing elements proposed by Sony regarding the packaging of licensed accessories,
- since each Sony entity operates in a given geographical area, each agreement contains a list of countries in which the agreement applies (the “Territory”). Under a given agreement, NACON can only sell its licensed accessories within the countries of that Territory,
- the Sony or PlayStation licence granted to NACON is not exclusive and may be revoked at any time by Sony.
 - o each party to the agreement may terminate it at any time in the event of a breach of contract, if one of the parties commences legal proceedings,
 - o Sony may terminate the agreement unilaterally in situations including but not limited to the following:
 - NACON breaches the agreement in a way that cannot be resolved within 30 days,
 - a competitor of Sony becomes a shareholder of NACON,
 - NACON undergoes a change of control that, in Sony's opinion, could affect sales of the licensed accessories in the Territory or during the agreement,
 - the accessories produced by NACON no longer meet Sony's required quality standards,
- in the final six months of the licensing agreement, NACON undertakes not to increase production of accessories in order to sell all accessories produced before the end of the agreement,
- at the end of the licensing agreement, if NACON has unsold licensed Sony products in its inventories, they must be destroyed at NACON's expense.

Taking into account the foregoing, Bigben Interactive, through its NACON subsidiary, believes that its accessories business volumes with Sony will continue or increase because of the strong partnership developed in the last few years.

21. DOCUMENTS AVAILABLE TO THE PUBLIC

All documents relating to the Company that are required to be made available to shareholders may be consulted at the Company's registered office. The agenda and draft resolutions to be submitted to shareholders in the Shareholders' General Meeting of 30 July 2020 are contained in the notice of meeting published on 24 June 2020 in the Bulletin des Annonces Légales Obligatoires (BALO) and in chapter 22 of this Universal Registration Document. The notice of meeting is also available on the Company's website (www.bigben.fr).

Universal Registration Documents may also be consulted on the Company's website (www.bigben.fr) and the AMF's website (www.amf-france.org).

The following may also be consulted at the Company's registered office:

- (a) The Company's memorandum and articles of association;
- (b) All reports, letters and other documents and all historical financial information, assessments and statements made by an expert at the Company's request, part of which has been included or mentioned in the Registration Document;
- (c) The Company's historical financial information for each of the two financial years preceding the publication of the Registration Document.

The Company intends to report its financial results in accordance with the requirements of laws and regulations in force. Since the Company's shares were admitted for trading on Euronext Paris, regulated information within the meaning of the AMF's general regulation has also been available on the Company's website.

22. DRAFT RESOLUTIONS ON THE AGENDA OF THE NEXT SHAREHOLDERS' GENERAL MEETING

ORDINARY BUSINESS

FIRST RESOLUTION

(Approval of the statutory financial statements for the financial year ending 31 March 2020)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the reports of the Board of Directors and the statutory auditors, approve the statutory financial statements for the year ended 31 March 2020 as presented, together with the business operations reflected or summarised therein,

approve the statutory financial statements for the financial year ended 31 March 2020 as presented, which show income of €6,644,977,

approve the amount of expenses that are not deductible for income tax purposes under Article 39(4) of the French General Tax Code, which amount to €16,955, along with the corresponding tax of €5,256.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the financial year ended 31 March 2020)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the reports of the Board of Directors and the statutory auditors,

approve the consolidated financial statements for the year ended 31 March 2020 as presented, together with the business operations reflected or summarised therein.

THIRD RESOLUTION

(Appropriation of income for the year ended 31 March 2020)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and having noted that net income for the financial year ended 31 March 2020 amounted to €6,644,977,

resolve to appropriate the income available for distribution as follows:

	(in euros)
Net income for the year	€6,644,977
Prior retained earnings (2018/19)	€32,993,354
Appropriation to the statutory reserve (5% of income)	€43,677
Income available for distribution	€39,614,654
Distribution	€0
New balance of the retained earnings account	€39,614,654

resolve that in view of the current public health crisis and in the spirit of social responsibility, no dividend will be paid with respect to the financial year ended 31 March 2020.

In accordance with Article 243 bis of the French Tax Code, the Shareholders' General Meeting notes that dividends paid in the last three financial years have been as follows:

	2016/17	2017/18	2018/19
Number of shares	18,363,339	19,060,784	19,500,119
Dividend per share (in euros)	0.00	0.20	0.20
Total dividends paid (in euros)	0.00	3,739,550	3,900,024

FOURTH RESOLUTION

(Approval of agreements covered by Article L. 225-38 and following of the French Commercial Code)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the statutory auditors' special report on agreements covered by Articles L. 225-38 and following of the French Commercial Code,

note the conclusions of that report and

approve the agreements mentioned in it.

FIFTH RESOLUTION

(Approval of the remuneration policy for the Chairman)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

approve, in accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the overall remuneration and benefits in kind as presented in the aforementioned report and awarded to the Chairman in respect of his role as corporate officer.

SIXTH RESOLUTION

(Approval of the remuneration policy for the Chief Executive Officer)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

approve, in accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the overall remuneration and benefits in kind as presented in the aforementioned report and awarded to the Chief Executive Officer in respect of his role as corporate officer.

SEVENTH RESOLUTION

(Approval of the remuneration policy for the Chief Operating Officer)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

approve, in accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the overall remuneration and benefits in kind as presented in the aforementioned report and awarded to the Chief Operating Officer in respect of his role as corporate officer.

EIGHTH RESOLUTION

(Approval of the remuneration policy for the directors)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

approve, in accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the overall remuneration and benefits in kind as presented in the aforementioned report and awarded to the directors in respect of their role as corporate officers.

NINTH RESOLUTION

(Approval of the report on the remuneration of corporate officers prepared in accordance with Article L. 225-37-3(I) of the French Commercial Code)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors, in accordance with Article L. 225-100(II) of the French Commercial Code,

approve the report on the remuneration of corporate officers including the information mentioned in Article L. 225-37-3 of the French Commercial Code, as presented in the report on corporate governance.

TENTH RESOLUTION

(Approval of the elements making up the total remuneration and benefits in kind paid or awarded to the Chairman)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors, in accordance with Articles L. 225-37-2 and L. 225-100 of the French Commercial Code,

Approve the fixed and variable elements making up the total remuneration and benefits in kind paid or awarded with respect to the financial year ended 31 March 2020 to Alain Falc, as presented in the aforementioned report and awarded in respect of his role as Chairman.

ELEVENTH RESOLUTION

(Approval of the elements making up the total remuneration and benefits in kind paid or awarded to the Chief Executive Officer)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors, in accordance with Articles L. 225-37-2 and L. 225-100 of the French Commercial Code,

Approve the fixed and variable elements making up the total remuneration and benefits in kind paid or awarded with respect to the financial year ended 31 March 2020 to Fabrice Lemesre, as presented in the aforementioned report and awarded in respect of his role as Chief Executive Officer.

TWELFTH RESOLUTION

(Approval of the elements making up the total remuneration and benefits in kind paid or awarded to the Chief Operating Officer)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board

of Directors, in accordance with Articles L. 225-37-2 and L. 225-100 of the French Commercial Code,

Approve the fixed and variable elements making up the total remuneration and benefits in kind paid or awarded with respect to the financial year ended 31 March 2020 to Michel Bassot, as presented in the aforementioned report and awarded in respect of his role as Chief Operating Officer.

THIRTEENTH RESOLUTION

(Ratification of Angélique Gérard's co-option as Director)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors,

resolve to ratify the co-option of Angélique Gérard as Director, as decided by the Board of Directors in its meeting of 27 January 2020.

FOURTEENTH RESOLUTION

(Determination of remuneration awarded to members of the Board of Directors)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

resolve to set at €100,000 the total annual amount of remuneration for the current financial year (2020/21) awarded to the Board of Directors, it being stipulated that this decision applicable to the current financial year (2020/21) will be maintained until the shareholders in a Shareholders' General Meeting decide otherwise.

FIFTEENTH RESOLUTION

(Authorisation to be granted to the Board of Directors to arrange for the Company to buy back its own shares in accordance with Article L. 225-209 of the French Commercial Code)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors,

authorise the Board of Directors, with the power of sub-delegation, in accordance with Articles L. 225-209 and following of the French Commercial Code, European Commission regulation 596/2014 of 16 April 2014 and the European regulations related to it, Article L. 451-3 of the French Monetary and Financial Code and the General Regulation of the Autorité des Marchés Financiers, to buy or arrange the purchase of the Company's shares under a share buyback programme,

resolve that:

- the maximum purchase price (excluding expenses) shall not exceed twenty-eight euros (€28.00) per share, it being stipulated that in the case of transactions in relation to the share capital, particularly through the capitalisation of reserves followed by the creation and awarding of shares free of charge, and/or share splits or reverse share splits, this price shall be adjusted accordingly; and
- the maximum amount of funds earmarked for this share buyback programme shall not exceed ten million euros (€10,000,000).

resolve that the Company's purchases of shares may involve a number of shares such that:

- the maximum number of shares that may be purchased under this authorisation shall not exceed ten per cent (10%) of the total number of shares making up the Company's share capital and, as regards purchases of shares with a view to retaining them and subsequently using them as payment or in exchange in a merger, demerger or asset transfer transaction, five per cent (5%)

of the total number of shares making up the Company's share capital, it being stipulated that (i) these limits apply to an amount of the Company's share capital that will be, as appropriate, adjusted to take into account transactions affecting the share capital after this Shareholders' General Meeting and (ii) where the shares are purchased in order to support liquidity subject to conditions defined by the General Regulation of the Autorité des Marchés Financiers, the number of shares taken into account in calculating the aforementioned limit of ten per cent (10%) shall correspond to the number of shares purchased minus the number of shares sold during the authorisation period; and

- purchases made by the Company shall not under any circumstances cause it to hold, at any time, directly or indirectly, more than ten per cent (10%) of its share capital.

Such share purchases may be carried out in view of any use permitted under the applicable laws or regulations, and in particular in order to:

- make a market for the Company's shares, including increasing their liquidity, through an investment service provider acting independently under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers,
- honour obligations related to stock options, bonus share or employee savings programmes or other grants of shares to employees and/or corporate officers of the Company and/or companies and businesses related to it,
- deliver shares upon the exercise of rights attached to transferable securities giving access, immediately or in future, to the Company's capital, and to carry out all transactions to cover the Company's obligations in respect of those securities, in compliance with regulations in force,
- retain shares with a view to using them subsequently for payment or exchange in the context of any acquisition,
- cancel shares and carry out the related capital reduction, subject to the adoption of the twenty-fifth resolution below, and
- more generally, carry out any transaction in accordance with regulations in force and any market practice that may be accepted by the Autorité des Marchés Financiers,

resolve that these purchase, disposal, exchange or transfer transactions may be carried out by any means, i.e. on a regulated market, on a multilateral trading facility, through a systematic internaliser or over the counter, including through the purchase or disposal of blocks of shares, or through the use of financial instruments such as derivative financial instruments traded on a regulated market, on a multilateral trading facility, through a systematic internaliser or over the counter or through the use of warrants, in a manner authorised by the legislative and regulatory provisions in force on the date of the transactions in question and at the times that the Company's Board of Directors or person acting under the authority of the Board of Directors shall determine. All shares involved in the share buyback programme may be transferred as blocks of shares,

those transactions may be carried out at any time in accordance with the regulations in force, including during a public offer initiated by the Company or for the Company's securities, subject to the relevant statutory and regulatory provisions,

grant authority to the Board of Directors, with the power to sub-delegate in accordance with Article L. 225-209 of the French Commercial Code, if the shares' par value is altered, if the capital is increased through a capitalisation of reserves, if bonus shares are granted, if a share split or reverse share split takes place, if a distribution of reserves or any other assets takes place, if the capital is redeemed, or if any other transaction involving the Company's equity takes place, to adjust the aforementioned purchase price to take account of the impact of such transactions on the value of each share,

grant all powers to the Board of Directors, with the power to sub-delegate in accordance with Article L. 225-209 of the French Commercial Code, to decide and carry out the implementation of this authorisation, to specify if necessary its terms and in particular to place all orders on- or off-market, to allocate or reallocate the shares purchased to the various objectives pursued in accordance with the applicable legislative and regulatory provisions, to form all agreements particularly in relation to registering purchases and sales of shares, to carry out all formalities and declarations with respect to all organisations, including the Autorité des Marchés Financiers, and in general to do what is necessary to complete transactions carried out under this authorisation,

grant powers to the Board of Directors, if the law or the Autorité des Marchés Financiers were to extend or supplement the authorised objectives of share buyback programmes, to bring to the public's attention, in accordance with the applicable statutory and regulatory provisions, any changes to the programme as regards the amended objectives;

note that the Board of Directors shall report to shareholders, in the next Shareholders' General Meeting, information relating to the performance of share buyback transactions authorised by this Shareholders' General Meeting, including the number and price of shares purchased and the volume of shares used,

this authorisation is given for eighteen (18) months from the time of this Shareholders' General Meeting, and the unused part of the authorisation granted in the 22 January 2020 Shareholders' General Meeting, through its sixteenth resolution, is terminated with immediate effect.

SIXTEENTH RESOLUTION
(Powers to carry out legal formalities)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, grant all powers to holders of copies or excerpts of this report to carry out all legal formalities.

EXTRAORDINARY BUSINESS

SEVENTEENTH RESOLUTION

(Grant of authority to the Board of Directors to issue ordinary shares in the Company and securities giving access to the Company's capital, with shareholders' preferential subscription rights maintained)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, in accordance with Articles L. 225-129 to L. 225-129-6, L. 228-91 to L. 228-97 and following of the French Commercial Code,

grant, with the power to sub-delegate in accordance with statutory and regulatory conditions, their authority to decide, on one or more occasions, at the time or times that they shall determine, in the amounts that they shall determine, both in France and abroad, to issue, with preferential subscription rights maintained, shares and any other securities, including through the award of share subscription warrants free of charge, giving access to the capital of the Company or of any company that directly or indirectly holds more than half its capital or of which it directly or indirectly holds more than half the capital, with such shares conferring the same rights as existing shares, subject to their dividend entitlement date, it being stipulated that in the event of a capital increase in the form of an award of shares free of charge, rights not representing a whole number of shares shall not be tradable or transferable and the corresponding equity securities shall be sold and the proceeds from their sale shall be allocated to rights-holders within the timeframe provided for by regulations,

resolve that any issue of preference shares and securities giving access to preference shares is expressly excluded,

resolve that the total par value of share capital increases that may be carried out immediately and/or in the future under this grant of authority may not exceed nine million euros (€9,000,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies, it being stipulated that this amount will count towards the overall par value limit provided for in the twenty-third resolution of this Shareholders' General Meeting and that this overall par value amount does not take into account adjustments that may be made in accordance with applicable statutory and regulatory provisions and, as the case may be, contractual stipulations that provide for other types of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the capital,

also grant authority to the Board of Directors to decide to issue securities conferring an entitlement to

the allotment of debt securities,

resolve that the overall par value of debt securities, giving access to the Company's share capital or other debt securities, that may be issued under this grant of authority, shall be a maximum of twelve million euros (€12,000,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies, it being stipulated that:

- this amount will count towards the overall par value limit provided for in the twenty-third resolution,
- where appropriate, this amount will be increased by any above-par redemption premium,
- this limit does not apply to debt securities referred to in Articles L. 228-40, L. 228-36 and L. 228-92 paragraph 3 of the French Commercial Code, the issue of which must be approved or authorised by the Board of Directors according to the terms set out in Article L. 228-40 of the French Commercial Code, or in other cases, according to terms determined by the Company in accordance with the provisions of Article L. 228-36 of the French Commercial Code,

resolve that shareholders may exercise, in the manner provided for by the law, their preferential subscription rights by irreducible entitlement. The Board may also grant shareholders, in proportion to their subscription rights and subject to the extent of their applications, rights to subscribe a number of securities greater than that resulting from their irreducible entitlements but with allocations subject to reduction. If subscriptions by irreducible entitlement and any subscriptions made using reducible subscription rights, where the Board of Directors has made such subscriptions possible, have not covered the entire issue of shares or other securities, the Board of Directors may, in the order it shall determine, use each option available under Article L. 225-134 of the French Commercial Code, or only certain of those options,

state that this grant of authority entails, by operation of law and for the benefit of holders of securities issued under this resolution and that give access to the Company's capital, the surrender by shareholders of their preferential right to subscribe the shares to which those securities give an entitlement,

resolve that the sum received or to be received by the Company in respect of each share issued under this grant of authority shall be at least equal to the par value of the share on the date it is issued,

give all powers to the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory conditions, to implement this grant of authority, and particularly to:

- determine the price, arrangements, issue dates, dividend entitlement dates and arrangements for paying up securities, as well as the form and characteristics of the securities to be issued,
- suspend, as the case may be, the exercise of rights attached to securities to be issued in cases and subject to limits provided for by regulatory and contractual provisions,
- as the case may be, in suspending such exercise, note the completion of the resulting capital increase, carry out any adjustments in order to take into account the transaction's impact on the Company's capital and determine the arrangements under which the rights of holders of securities giving access to the share capital will be preserved in future in accordance with statutory and regulatory provisions,
- charge any amount to the issue premium(s), including fees arising from issues, and generally make any necessary arrangements and form any agreements to complete the proposed issues and seek the listing of the securities issued,

resolve that, in the event that debt securities are issued, the Board of Directors will have all powers, with the power of sub-delegation in accordance with statutory and regulatory provisions, to take steps on terms set out by the law including:

- determining their terms, conditions and characteristics, including whether or not they are subordinated,
- setting their interest rate, issue currency, term to maturity, fixed or variable redemption price with or without a premium, amortisation arrangements as a function of market conditions and the conditions under which the securities shall confer entitlement to the Company's ordinary shares,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

the grant of authority thus given to the Board of Directors is valid for 18 months from the time of this Shareholders' General Meeting, and the unused part of the authorisation granted in the 19 July 2019 Shareholders' General Meeting, through its eleventh resolution, is terminated with immediate effect.

EIGHTEENTH RESOLUTION

(Authorisation given to the Board of Directors, in the event of a capital increase with shareholders' preferential subscription rights withheld or maintained, to increase the number of securities to be issued)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, in accordance with Article L. 225-135-1 of the French Commercial Code:

authorise the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory provisions, to increase the number of securities to be issued in each issue with preferential subscription rights maintained or withheld decided under the seventeenth resolution of this meeting, within 30 days from the closing date for applications, by up to a maximum of 15% of the initial issue and at the same price as the price applied to the initial issue,

resolve that the total par value of the capital increases that may be carried out under this delegation shall count towards the maximum par value of capital increases determined by the seventeenth resolution above,

the authorisation given to the Board of Directors under this resolution is valid for 18 months from the time of this Shareholders' General Meeting, and the unused part of the authorisation granted in the 19 July 2019 Shareholders' General Meeting, through its twelfth resolution, is terminated with immediate effect.

NINETEENTH RESOLUTION

(Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's capital in consideration for contributions in kind consisting of equity securities and other securities giving access to the capital of third-party companies other than through a public exchange offer)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, in accordance with Articles L. 225-129 to L. 225-129-6, L. 225-35, L. 225-147 and L. 228-91 and following of the French Commercial Code,

grant powers, with the power to sub-delegate in accordance with statutory and regulatory provisions, to the Board of Directors to decide to issue shares and any other securities giving access to the Company's capital, in order to pay for contributions in kind to the Company and consisting of equity securities or securities giving access to the capital, where the provisions of article L. 225-148 of the French Commercial Code are not applicable, and resolve, insofar as is necessary, to withhold, in favour of the holders of those shares, shareholders' preferential rights to subscribe to those shares and securities to be issued,

resolve that the total par value of share capital increases that may be carried out under this grant of authority (i) may not exceed three million nine hundred thousand euros (€3,900,000) or 10% of the Company's share capital at the time the Board of Directors uses this grant of authority and (ii) will count towards the overall par value limit provided for in the twenty-third resolution of this general meeting, to which shall be added, as the case may be, the amount of additional shares to be issued to preserve, in accordance with applicable statutory and regulatory provisions and, as the case may be, applicable

contractual stipulations, the rights of holders of securities and other rights giving access to the capital,

resolve that any issue of preference shares and securities giving access to preference shares is expressly excluded,

also grant all powers to the Board of Directors to decide to issue securities conferring rights to the allotment of debt securities,

resolve that the overall par value of debt securities, giving access to the Company's share capital or other debt securities, that may be issued under this grant of authority, shall be a maximum of twelve million euros (€12,000,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies, it being stipulated that:

- this amount will count towards the overall par value limit provided for in the twenty-third resolution,
- where appropriate, this amount will be increased by any above-par redemption premium,
- this limit does not apply to debt securities referred to in Articles L. 228-40, L. 228-36 and L. 228-92 paragraph 3 of the French Commercial Code, the issue of which must be approved or authorised by the Board of Directors according to the terms set out in Article L. 228-40 of the French Commercial Code, or in other cases, according to terms determined by the Company in accordance with the provisions of Article L. 228-36 of the French Commercial Code,

state that this grant of authority entails, by operation of law and for the benefit of holders of securities issued under this resolution and that give access to the Company's capital, the surrender by shareholders of their preferential right to subscribe the shares to which those securities give an entitlement,

resolve that the Board of Directors will have all powers, with the power of sub-delegation in accordance with statutory and regulatory provisions, to implement this resolution, and particularly to:

- determine the list of securities contributed,
- approve or reduce the valuation of contributions and the granting of special privileges,
- determine, as the case may be, the amount of the cash payment to be made and to note the number of shares contributed in the exchange,
- more generally, make all necessary arrangements and agreements, and
- carry out all formalities required to admit the issued shares for trading,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

the authorisation given to the Board of Directors under this resolution is valid for 18 months from the time of this Shareholders' General Meeting, and the unused part of the authorisation granted in the 19 July 2019 Shareholders' General Meeting, through its fourteenth resolution, is terminated with immediate effect.

TWENTIETH RESOLUTION

(Grant of authority to the Board of Directors to decide upon one or more capital increases through the capitalisation of premiums, reserves, earnings or other)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors, in accordance with Articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code,

grant authority to the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory provisions, to increase the share capital on one or more occasions, at such times and in such amounts as they shall consider appropriate, through the capitalisation of some or all reserves, profits, issue premiums, merger premiums, contribution premiums or other premiums or other sums that may be capitalised in accordance with the law and the Company's articles of association, and in the form of awards of bonus shares or increases of the par value of existing shares, or a combination of the

two,

resolve that the total par value of share capital increases that may be carried out immediately and/or in the future under this grant of authority may not exceed nine million euros (€9,000,000), it being stipulated that this amount will count towards the overall par value limit provided for in the twenty-third resolution of this general meeting and that this overall par value amount does not take into account adjustments that may be made in accordance with applicable statutory and regulatory provisions and, as the case may be, contractual stipulations that provide for other types of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the capital,

resolve that rights not representing a whole number of shares may not be traded and that such shares shall be sold, and the proceeds of such sale shall be allocated to holders of rights as provided for by law and applicable regulations;

give all powers on the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory conditions, to implement this delegation, and particularly to:

- determine the dates, arrangements and other characteristics of issues,
- determine the amounts to be issued and more generally make all arrangements to ensure the successful conclusion of such issues,
- resolve that rights not representing a whole number of shares may not be traded or assigned and that the corresponding equity securities shall be sold, and the proceeds of such sale shall be allocated to holders of rights as provided for by law and regulations,
- carry out all acts and formalities to render definitive the corresponding capital increase or increases,
- formally note the capital increase,
- request the listing of the securities issued and alter the articles of association accordingly,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

the grant of authority made to the Board of Directors under this resolution is valid for 18 months from the time of this Shareholders' General Meeting, and the unused part of the authorisation granted in the 19 July 2019 Shareholders' General Meeting, through its thirteenth resolution, is terminated with immediate effect.

TWENTY-FIRST RESOLUTION

(Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's capital in the event of a public offering including an exchange component initiated by the Company)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, in accordance with Articles L. 225-129 to L. 225-129-6, L. 225-148, L. 228-91 and L. 228-92 of the French Commercial Code,

resolve to grant authority to the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory provisions, to resolve, on one or more occasions, to issue shares and any other securities giving access to the Company's capital, in consideration for securities tendered to any public exchange offer initiated by the Company, in France or in other countries, according to local rules, for the securities of another company admitted to trading on a regulated market as set out in Article L. 225-148 of the French Commercial Code,

resolve, insofar as is necessary, to withhold, in favour of the holders of those securities, shareholders' preferential subscription rights in respect of such shares and securities to be issued,

resolve that the total par value of share capital increases that may be carried out under this grant of authority (i) may not exceed four million five hundred thousand euros (€4,500,000) or 10% of the

Company's share capital at the time the Board of Directors uses this grant of authority and (ii) will count towards the overall par value limit provided for in the twenty-third resolution of this general meeting, to which shall be added, as the case may be, the amount of additional shares to be issued to preserve, in accordance with applicable statutory and regulatory provisions and, as the case may be, applicable contractual stipulations, the rights of holders of securities and other rights giving access to the capital,

also grant authority to the Board of Directors to decide to issue securities conferring an entitlement to the allotment of debt securities,

resolve that the overall par value of debt securities, giving access to the Company's share capital or other debt securities, that may be issued under this grant of authority, shall be a maximum of twelve million euros (€12,000,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies, it being stipulated that:

- this amount will count towards the overall par value limit provided for in the twenty-third resolution,
- where appropriate, this amount will be increased by any above-par redemption premium,
- this cap does not apply to debt securities referred to in Articles L. 228-40, L. 228-36 and L. 228-92 paragraph 3 of the French Commercial Code, the issue of which must be approved or authorised by the Board of Directors according to the terms set out in Article L. 228-40 of the French Commercial Code, or in other cases, according to terms determined by the Company in accordance with the provisions of Article L. 228-36 of the French Commercial Code,

resolve that the Board of Directors will have all powers, with the power of sub-delegation in the manner provided for by law, to implement this grant of authority, and particularly to:

- determine the list of securities tendered to the exchange and the form and characteristics of the shares or securities giving access to the capital to be issued, with or without a premium,
- determine the terms of the issue, the exchange ratio and, as the case may be, the amount of the cash payment to be made,
- determine the arrangements of the issue, particularly in relation to a public exchange offer, an alternative primary purchase or exchange offer accompanied by a subsidiary public purchase or exchange offer,
- formally note the number of shares tendered to the exchange;
- determine the dividend entitlement date (which may be retroactive) of the shares or securities that give access to the capital, the terms for paying up those shares or securities and, as the case may be, the arrangements for exercising rights regarding the exchange, conversion, redemption or any other allotment of equity securities or securities giving access to the capital,
- enter the difference between the issue price of the new ordinary shares and their par value in the balance sheet, as a liability in a "contribution premium" account, to which all shareholders shall have an entitlement,
- make all required adjustments in accordance with statutory or regulatory provisions and, as the case may be, applicable contractual stipulations, to protect the rights of holders of securities giving access to the Company's capital and
- suspend, as the case may be, the exercise of the rights attached to such securities for a maximum of three months,

resolve that the Board of Directors may:

- at its sole discretion and when it deems it appropriate, charge all expenses, duties and fees arising from capital increases carried out under the grant of authority that is the subject of this resolution, against the premiums related to those transactions and deduct from those premiums the sums required to raise the legal reserve to one tenth of the new share capital following each transaction,
- take any decision with a view to admitting the shares and securities thus issued for trading on Euronext's regulated market in Paris and, more generally,
- take any measures, make any undertaking and carry out any formalities to ensure the successful conclusion of the proposed issue, to render definitive the resulting capital increase, and to make the related changes to the articles of association.

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

the authorisation given to the Board of Directors under this resolution is valid for 18 months from the time of this Shareholders' General Meeting, and the unused part of the authorisation granted in the 19 July 2019 Shareholders' General Meeting, through its fifteenth resolution, is terminated with immediate effect.

TWENTY-SECOND RESOLUTION

(Grant of authority to the Board of Directors to increase the share capital through an issue of shares reserved for members of a savings plan)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, under the provisions of Articles L. 3332-18 to L. 3332-24 of the French Labour Code applying Article L. 225-129-6 of the French Commercial Code and in accordance with Article L. 225-138-1 of the French Commercial Code,

resolve to grant authority to the Board of Directors to increase, on one or more occasions, the Company's share capital through issues of shares, reserved for members of a company savings plan of the Company and of the French or foreign companies related to it under Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, it being stipulated that this amount shall count towards the overall limit provided for in the twenty-third resolution of this meeting,

resolve that the total par value of the capital increases that may be carried out pursuant to this resolution must not exceed four hundred thousand euros (€400,000), to which maximum amount shall be added, as the case may be, the additional amount of shares to be issued to preserve, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of the holders of securities and any other rights giving access to shares,

resolve that the issue price per share shall be determined by the Board of Directors, according to the arrangements provided for by Article L. 3332-20 of the French Labour Code,

resolve to withhold shareholders' preferential rights to subscribe the new shares to be issued or other securities giving access to the capital and securities to which securities issued under this resolution in favour of members of a company savings plan will give an entitlement;

resolve that the characteristics of the other securities giving access to the Company's capital will be determined by the Board of Directors in the manner provided for by regulations,

resolve that the Board of Directors will have all powers, with the power of sub-delegation in accordance with statutory and regulatory provisions, to implement this resolution, and particularly to:

- determine the arrangements and terms of transactions as well as the dates and arrangements of issues that will be carried out under this authorisation,
- determine the opening and closing dates for subscriptions, the dates from which the securities issued will have dividend entitlements, and the arrangements for paying up shares and other securities giving access to the Company's capital,
- agree the timeframes for paying up shares and any other securities giving access to the Company's capital,
- request that the securities created be admitted for trading on a stock exchange,
- formally note the capital increases to the extent of the shares actually subscribed,
- carry out, directly or through an agent, all transactions and formalities related to increases in the share capital and, at its sole discretion, carry out any related amendment of the articles of association and, if it considers it appropriate to do so, to charge the expenses of capital increases to the amount of the premiums relating to such increases, and to deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new share capital after each increase,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

the grant of authority thus given to the Board of Directors is valid for 18 months from the time of this Shareholders' General Meeting, and the unused part of the authorisation granted in the 19 July 2019 Shareholders' General Meeting, through its sixteenth resolution, is terminated with immediate effect.

TWENTY-THIRD RESOLUTION

(Overall limit of issues carried out under the seventeenth, eighteenth, nineteenth, twentieth, twenty-first and twenty-second resolutions)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors,

subject to the adoption of the resolutions set out above,

resolve to set as follows the overall limit of the amounts of issues that may be decided under the grants of authority or authorisations given to the Board of Directors and resulting from the seventeenth, eighteenth, nineteenth, twentieth, twenty-first and twenty-second resolutions of this meeting:

- the maximum par value of capital increases resulting from issues of shares or securities giving access to the capital that may thus be carried out, either directly or on presentation of debt securities, may not exceed nine million seven hundred and fifty thousand euros (€9,750,000), with that limit not including the overall par value of additional shares that may be issued to preserve, in accordance with the law and any contractual stipulations providing for other types of adjustment, the rights of holders of securities and other rights giving access to the capital,
- the maximum par value of debt securities that may be issued by the Company shall not exceed twelve million euros (€12,000,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies.

TWENTY-FOURTH RESOLUTION

(Authorisation to be granted to the Board of Directors to grant existing shares or shares to be issued in the Company free of charge to members of the Company's salaried staff and corporate officers and those of its subsidiaries within the meaning of article L. 233-3 of the French Commercial Code or to some of them)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, in accordance with Article L. 225-197-1 and following of the French Commercial Code,

authorise the Board of Directors to award, on one or more occasions, existing shares or shares to be issued in the Company (excluding preferred shares) free of charge to staff members and/or corporate officers that it shall determine from among the staff members and corporate officers referred to by Article L. 225-197-1(II) of the French Commercial Code, of the Company or companies or groups related to it, of French or other nationality, in accordance with Article L. 225-197-2 of the French Commercial Code or certain categories of them,

resolve that the Board of Directors shall determine the identity of those receiving the awards, the number of shares awarded and the terms and criteria for share awards, it being stipulated that the vesting of the shares may be subject to certain conditions to be defined by the Board of Directors on the award date,

resolve that bonus share awards made under this authorisation may not exceed a total par value of seven hundred thousand euros (€700,000), not taking into account any adjustments that may take place in accordance with applicable legislative and regulatory provisions and, as the case may be, with contractual stipulations providing for other types of adjustment, to preserve the rights of holders of

securities or other rights giving access to the capital. For that purpose, the shareholders authorise, insofar as is necessary, the Board of Directors to increase the share capital through the capitalisation of earnings, reserves or issue premiums in a corresponding amount,

resolve that the awarding of shares to their beneficiaries shall become definitive after a vesting period, the length of which shall be determined by the Board of Directors, it being understood that the length of the period shall not be subject to a minimum length that shall not be less than that provided for by laws and regulations. However, if the vesting period for some or all of an award or awards is at least three years, the Board of Directors shall not be able to specify a lock-up period for the shares concerned,

resolve that where a beneficiary suffers a disability falling into the second or third category provided for by Article L. 341-4 of the French Social Security Code, the shares shall vest in that beneficiary before the end of the vesting period. Those shares shall be freely assignable from the time they are delivered,

note that this authorisation shall cause, by operation of law, shareholders' preferential subscription rights to shares that may be issued under this resolution to be withheld in favour of the beneficiaries,

resolve that the Board of Directors shall have all powers, with the power to delegate subject to statutory and regulatory limitations, to implement this grant of authority and in particular to:

- determine, as the case may be, the arrangements and terms of awards made under this authorisation,
- determine the length of the vesting period and, as the case may be, the lock-up period according to the terms set out above,
- carry out, as the case may be, during the vesting period, adjustments to the number of shares awarded free of charge in connection with any transactions affecting the Company's capital in order to preserve the rights of beneficiaries. Any shares that may be awarded as a result of those adjustments shall be deemed to be awarded on the same day as the shares initially awarded,
- determine, if shares yet to be issued are awarded, the amount and type of reserves, earnings or premiums to be capitalised, and transfer amounts from such items to the appropriated earnings account,
- provide for the ability to suspend award rights temporarily,
- determine the dividend entitlement date, which may be in the past, of new shares arising from bonus share awards,
- formally note, as the case may be, capital increases, make the related changes to the articles of association, carry out all publication formalities, carry out all formalities required for the issue, listing and financial servicing of the securities issued under this resolution and in general do what is necessary,

resolve that the Board of Directors shall inform shareholders every year in the Ordinary Shareholders' General Meeting of transactions carried out under this resolution,

the authorisation given to the Board of Directors under this resolution is valid for 18 months from the time of this Shareholders' General Meeting, and the unused part of the authorisation granted in the 19 July 2019 Shareholders' General Meeting, through its eighteenth resolution, is terminated with immediate effect.

TWENTY-FIFTH RESOLUTION

(Authorisation to be granted to the Board of Directors to cancel some or all of the Company's shares held by the Company under the authorisation to buy back shares)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the statutory auditor's special report,

subject to the adoption of the authorisation for the Company to buy back its own shares under the fifteenth resolution above,

authorise the Board of Directors, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, to cancel, at its sole discretion, on one or more occasions, some or all of the Company's shares that the Company may hold under an authorisation granted to the Board of Directors to buy the Company's shares, and to reduce the share capital by the total par value of the shares thus cancelled, subject to a maximum of 10% of the share capital per period of twenty-four (24) months, it being noted that this 10% limit applies to the amount of the Company's share capital that shall, as the case may be, be adjusted to take account of transactions affecting the share capital after this Shareholders' General Meeting.

The shareholders give all powers on the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory conditions, to:

- carry out the aforementioned capital reduction and formally note its completion,
- charge the difference between the purchase price of the cancelled shares and their par value to any reserve and premium accounts,
- amend the articles of association accordingly,
- carry out all declarations to the Autorité des Marchés Financiers, carry out all other formalities and, in general, do whatever is necessary,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authorisation granted by this resolution,

this authorisation is given for 18 months from the time of this Shareholders' General Meeting, and the unused part of the authorisation granted in the 19 July 2019 Shareholders' General Meeting, through its nineteenth resolution, is terminated with immediate effect.

TWENTY-SIXTH RESOLUTION
(Powers to carry out legal formalities)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, grant all powers to holders of copies or excerpts of this report to carry out all legal formalities.

23. GLOSSARY

The definitions of technical terms commonly used in the gaming industry are provided to the reader below to facilitate his/her understanding of this Registration Document.

AA

Segment of the video games publishing market that mainly comprises expert-type games with sales of between 200,000 and 3 million copies and a development budget of between €1 million and €20 million per game (source: IDG).

AAA

Segment of the video games publishing market occupied by “major” games publishers (Ubisoft, Electronics Arts, Activision, Square Enix etc.), with sales generally higher than 3 million copies and a development budget of between €20 million and €200 million per game (source: IDG). These sales make up most of the world’s video game sales, and the successful FIFA football games are examples of such games.

Back catalogue

Every video game publisher has its own definition of this term. NACON’s back catalogue includes all video games released digitally in previous financial years. Because its financial year ends on 31 March, a game released in March of year N will therefore be regarded as forming part of NACON’s back catalogue from April of year N.

Bigben Interactive

This refers to Bigben Interactive, a public limited company (société anonyme) governed by a Board of Directors with capital of €39,397,408, whose head office is located at 396-466, rue de la Voyette – CRT2 – 59270 Fretin, and which is registered with the Lille Métropole trade and companies register under number 320 992 977.

Cloud gaming

Cloud gaming, which was still impossible only 10 years ago, means that any game can be played on any device (PC, console, mobile phone, TV etc.) even if the consumer does not have the physical hardware required to process the game.

Console manufacturer

Manufacturer of video game consoles (Sony, Microsoft, Nintendo).

Freemium

A business model in which games are provided – generally by downloading from digital platforms – free of charge. However, players can make in-game purchases, for example buying objects that allow them to progress through the game’s levels more quickly. A patient gamer can play without paying, whereas an impatient gamer will tend to pay in order to progress more quickly.

Group

The group of companies comprising Bigben Interactive and its subsidiaries.

NACON Group

The group of companies comprising NACON and its subsidiaries.

NACON

This refers to NACON, a public limited company (société anonyme) governed by a Board of Directors with capital of €84,908,919, whose head office is located at 396-466, rue de la Voyette – CRT2 – 59270 Fretin, which is registered with the Lille Métropole trade and companies register under number 852 538 461, and which is the former Gaming division of Bigben Interactive.

Paymium

This is a business model in which gamers pay for games and can then convert real money into virtual money or buy in-game items via microtransactions, in order to speed up their progress in the game or to acquire limited-edition objects.

Sony

In this Registration Document, the terms “Sony” and “console manufacturer Sony” refer to:

- for accessories, the gaming division of the international Sony group in charge of accessories that has formed a partnership agreement with NACON, i.e. SIE (Sony Interactive Entertainment),

- for games, the gaming division of the international Sony group in charge of validating video games published for its PlayStation 2, PlayStation 3 and PlayStation 4 consoles, both physically and sold on those consoles' digital platforms, i.e. SIEE (Sony Interactive Entertainment Europe).

24. CROSS-REFERENCE TABLES

TABLE OF CROSS-REFERENCES WITH THE ANNUAL FINANCIAL REPORT:

STATEMENT BY THE PERSON RESPONSIBLE FOR THE DOCUMENT

- Statement by the person responsible for the document Section 1.1

MANAGEMENT REPORT

- Analysis of the earnings and financial position of the parent company and the consolidated group Chapters 7 and 8
- Risk factors Chapter 3
- Information relating to the capital structure and that may be relevant in the event of a public offer Chapter 16
- Information relating to share buybacks Section 19.1.3
- Grants of authority currently valid and use of them made in the financial year Section 19.1.5
- Employee share ownership Section 15.3
- Remuneration of corporate officers and list of corporate officer roles held Sections 13.1 and 12.1.2

FINANCIAL STATEMENTS AND REPORTS

- The Company's statutory financial statements Section 18.1.1
- Statutory auditors' report on the statutory financial statements Section 18.3
- The Group's consolidated financial statements Section 18.1.6
- Statutory auditors' report on the consolidated financial statements Section 18.3
- Statutory auditors' fees Section 2.4.5 of the notes to the consolidated financial statements

TABLE OF CROSS-REFERENCES WITH THE CORPORATE GOVERNANCE REPORT:

- List of all roles and functions held by each corporate officer Section 12.1
- List of agreements between a manager or shareholder of the Company and a subsidiary of the Company Sections 14.2 and 17.1
- Table summarising currently valid grants of authority made by shareholders in Shareholders' General Meetings Section 19.1.5
- Executive Management structure Section 12.1.1
- Total remuneration and benefits granted to corporate officers Section 13.1
- Composition of and arrangements for preparing and organising the work done by the Board of Directors Section 12.1.2
- Description of the diversity policy applied to members of the Board of Directors Section 12.1.2
- Limits that the Board of Directors imposes on the powers of the Chief Executive Officer Sections 12.1 and 14.5.1
- Reference to a code of corporate governance Section 14.4.1
- Specific arrangements relating to shareholder attendance at Shareholders' General Meetings Section 19.2.2 (voting rights)
- Information that may be relevant in the event of a public offer Sections 16.3 and 19.2.3