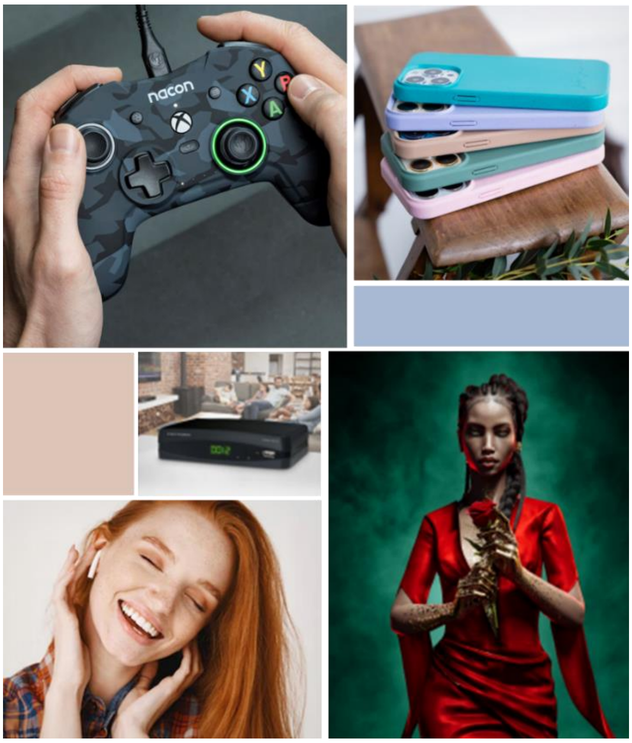
BIGBEN INTERACTIVE
Société anonyme governed by a Board of Directors with share capital of €37,399,466
Registered office: 396/466, Rue de la Voyette, CRT 2, 59273 Fretin, France
Registration number: 320 992 977 RCS Lille Métropole
(the "Company")

UNIVERSAL REGISTRATION DOCUMENT
Including the annual financial report for the year ended 31 March 2022



This universal registration document (URD) was filed on 27 June 2022 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.

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 in electronic form from the websites of the AMF (www.amf-france.org) and Bigben (www.bigben.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 2022 and the corresponding consolidated financial statements.

It incorporates by reference the consolidated financial statements for the periods ended 31 March 2021 and 31 March 2020, which are presented in the universal registration documents filed with the AMF respectively on 6 July 2021 under approval number D. 21-0687 and 7 July 2020 under approval number D. 20-0656. 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.

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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, to the best of my knowledge, the information contained in this Universal Registration Document conforms to the facts and contains no omission likely to affect its import.

I hereby certify that, to the best of 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,
27 June 2022

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

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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.

At Bigben Interactive's annual general meeting on 22 July 2022 the shareholders will be asked to reappoint KPMG SA for a further term of six financial years ending at the annual general meeting to be held in 2028 to vote on the financial statements for the financial year ending 31 March 2028 (see Section 22 "Draft resolutions for the shareholders' general meeting".

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.

At Bigben Interactive's annual general meeting on 22 July 2022 the shareholders will be asked to reappoint Salustro Reydel for a further term of six financial years ending at the annual general meeting to be held in 2028 to vote on the financial statements for the financial year ending 31 March 2028 (see Section 22 "Draft resolutions for the shareholders' general meeting".

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	High	High	High
Risks related to lower-than-expected sales of a high investment game	Average	Average	Average
Risks related to reliance on third-party technology	Low	Average	Average
Risks related to sourcing and production of accessories and audiovideo products	High	High	High
Risks related to inventories and their management	Average	Average	Average
Seasonal variations in business during the year	Average	Average High for Accessories and AudioVideo Low for Games	Average
Specific impact of the Covid-19 health crisis on the video games and AudioVideo/Telco universe	Average	Low Average for AudioVideo/Telco Low for Gaming	Average
Risks related to the Company's financial position			
Risks related to acquisitions - Financial and general risks related to acquisitions - Risk of goodwill impairment	Low Low Low	Average Average Average	Average Low Average
Liquidity risk	Low	Low	Low
Currency risk	Low	Average	Low
Market risk			
Risks related to reliance on manufacturers of consoles and game platforms - -Risk of non-accreditation as a publisher or non-authorisation on console manufacturers' digital platforms - -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	Average Average for Accessories Low for Games	Average Average for Accessories Low for Games	Average Average for Accessories Low for Games
Risks related to the competitive environment	Average Average for Mobile and AudioVideo accessories Low for Games and Gaming Accessories	High	Average
Risks related to the company's organisation			
Risks related to attracting and retaining key personnel - Risks related to seeking and retaining talent - Risk related to acquisitions: integration of employees - Reliance on key people	Average	High	High
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 (*Crédit d'Impôt Jeu Vidéo* – 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

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 three years:

	2019/20	2020/21	2021/22
In-house developments	14	22	31
Outsourced developments	5	11	15

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 2021/22, for example, Nacon announced the postponement of four games (*Vampire: The Masquerade® – Swansong*, *Blood Bowl* 3®, *Train Life* and *Hotel Life*) 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.

<u>Risks related to delays in the development and marketing of an accessory</u>

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).

<u>Materiality of this risk</u>

The Company assesses the materiality of this net risk as 'high', based on the following analysis:
- more than 75% of its games and 100% of its accessories and audio products are developed in-house. 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 20 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-catalogue[1] of old titles) to limit its reliance on a game that requires heavy investment, lower-than-expected success could have a substantial negative short-term impact on the Company: impact on revenue and profitability (especially in the first

[1] Nacon definition: digital video games released in prior financial years.

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

There have been many technological innovations in the video games sector during the past few years and the rate of innovation remains sustained.

The development studios owned by 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 'fabless' (i.e. it does not have its own manufacturing plants) and does not operate any manufacturing facilities. The Company uses more than 40 sub-contractors based in Asia for the manufacture, assembly and shipment of its products. In order to comply with the Group'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, when the Chinese production plants operated on go-slow for a month and a half before returning to normal in Spring 2020;
- in 2021, when the container ship stuck in the Suez canal paralysed global freight traffic for several weeks;
- in 2021 and 2022, when transport services were not readily available thus inflating costs, and there was a shortage of electronic components (e.g. semiconductors), which caused delays in

production plants and an increase in their purchase costs; and
- in 2022, when war in Ukraine blocked the Silk Road and held up road supplies coming from Asia, forcing operators to use sea or air freight.

To limit this risk in the future, the Group is making efforts to preserve or further diversify its supply and transportation sources as well as adapt its R&D development processes to the constraints imposed by component shortages, for example by changing the components in the circuit boards used in its products.

The top five suppliers represented 32.7% of the Group's total purchases and external charges in 2021/22 (41% in 2020/21). Of those five suppliers, two Asian manufacturing plants accounted for 15.5% of the Group's total purchases and external charges (three plants accounting for 21.8% in 2020/21). The change from one year to the next depends on product releases.

The Company assesses the materiality of this net risk as 'high', even though:
- 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;
- unlike many sector players, the Company was able to anticipate its supply needs to overcome the components shortage and in fact currently has enough stocks to supply its customers, thus generating additional sales.

For its accessories, it is reliant on the ability of its own customers to source their own flagship products (PS5, Galaxy S22) on a timely basis. Any delay in the delivery of those products would inevitably have repercussions on sales volumes of the associated accessories sold by Bigben or Nacon.

Despite all these measures, the probability of occurrence has been assessed as 'high' as opposed to 'average' previously, but in any event the Company has factored in the market environment, which remains pressured for all global supply channels in terms of electronic components and hardware.

The Company believes that the magnitude of such a risk would have a 'high' negative impact on its revenue, costs and profitability; although it would only be affected itself in the medium term because, even if all its current suppliers were to fail in turn, it would only take a few months or years to have its products manufactured by other Asian or non-Asian suppliers, the central units of the main market players (Samsung, Sony, Microsoft, etc.) on which it relies may not be available, which would impact its own accessory sales.

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, as well as Bigben Connected (see Section 6.3).

Apart from these inventory management risks related to physical games, gaming accessories and audiovideo products, 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:

	Gaming	Mobile	AudioVideo	2021/22	2020/21
Gross value	**45,105**	**44,220**	**18,138**	**107,463**	**88,704**
of which physical inventories	40,153	43,701	18,138	**101,992**	84,986
of which goods in transit	4,952	519	0	**5,471**	3,717
Impairment loss	(12,224)	(11,855)	(2,339)	(26,418)	(22,920)
Net value	**32,881**	**32,365**	**15,799**	**81,045**	**65,784**

Inventories at end-March 2022 increased due to precautionary purchases in a climate of component and transport shortages.

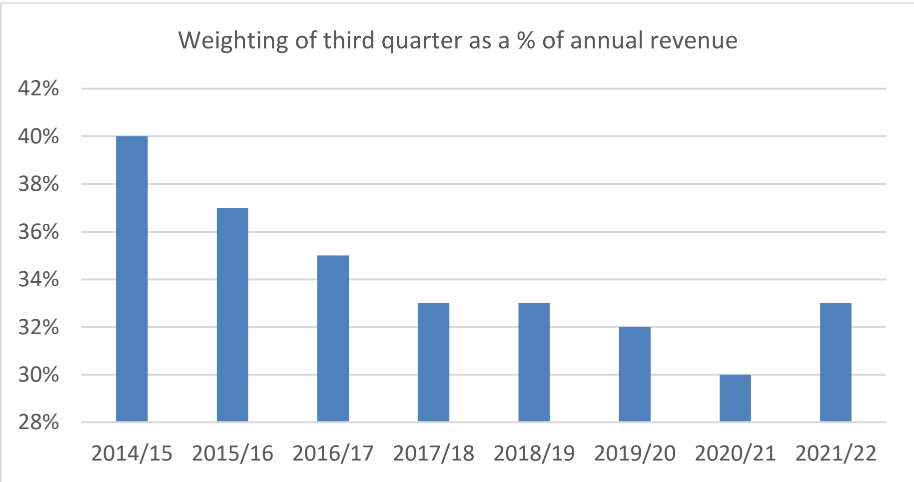
The Company therefore endeavours to optimise its inventory management according to seasonal business constraints and product sourcing times (just-in-time production and shipping, accurate continuously updated sales forecasts to facilitate 'reservations' of available stocks, etc.).

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:



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:
  - 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;
  - 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:
  - for Mobile accessories and AudioVideo 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 smartphones, which occur mostly during the Christmas period; lower-than-expected sales during that period could therefore have a significant impact on accessory sales;
  - for gaming: the impact is assessed as 'low'.

3.1.7 Specific impact of the Covid-19 health crisis on the video games and audio/telco universe

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

The Company assesses the overall materiality of this risk as 'average'.

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)

The Bigben Interactive Group has made several acquisitions of third-party companies in the past few years. Although the Group is currently focusing on strengthening its teams, in particular 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:
  - failure by the target companies to achieve their business plan;
  - disclosure of unfavourable facts or events affecting the targets despite the due diligence

performed prior to the acquisitions;
  - 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 €44.3 million at 31 March 2022.

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 Telco ModeLabs (now Bigben Connected) in 2011, the acquisition of development studios since 2018 and the acquisition of the Metronic group in October 2021.

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 and Audio/Telco market indications and the comparables analysis performed at the time of the studio acquisitions referred to above appear to show that the consideration paid for the AudioVideo/Telco entity and the development studios acquired since 2018 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, while the AudioVideo/Telco market, although temporarily affected by a slowdown in business due to the impacts of Covid-19, remains buoyant with good prospects once 5G is rolled out on a global level, 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 and AudioVideo/Telco markets 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 2022, following the various medium-term bank facilities raised in particular to finance its external growth policy, and taking into account the €87.3 million of funds raised in 2020/21 from the issue of bonds convertible into Nacon shares and the €103 million (after expenses) raised in 2019/20 from its subsidiary Nacon's IPO, the Group's cash amounted to €126.4 million and its total net debt to €53.7 million.

Apart from the acquisitions made by the Group (through medium-term financing during the last financial year), in accordance with its funding policy, the subsidiaries were also financed through short-term facilities and the use of factoring.

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 2022 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 2022. 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 'low', based on the following analysis:

- the probability of occurrence is assessed as 'low', as the Group considers that, at the URD's filing date, both of the two cash generating units, Nacon Gaming and Bigben AudioVideo/Telco had sufficient cash and free cash flow for the Group to implement its strategy and meet its financial covenants;
- the negative impact of this risk (impact on cash position and profitability) could be assessed as 'low' in light of its net earnings.

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

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 24% of Bigben's total 2021/22 revenue and 24% of its total 2020/21 revenue. 52% of the Group's purchases were denominated in US dollars in 2021/22 and 56% in 2020/21. The Group's debt is exclusively denominated in euros.

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

Due to the Group's international expansion, particularly in the USA, its revenue in USD is growing, thus reducing its exposure to currency risk.

As part of its currency management policy, the Group typically uses FX TARN/accumulator contracts and had contracts of this type outstanding at 31 March 2022. 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 €3 thousand at 31 March 2022 (versus €312 thousand at 31 March 2021) and was 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.

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) have increased due to the upturn in sales of US headsets 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:

- 4.6% of revenue in 2019/20;
- 5.6% of revenue in 2020/21.
- 6.8% of revenue in 2021/22.

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, PS5, 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.
- more recently, the Company signed a new agreement with Microsoft to develop a range of accessories for its new generation console.

The new generation consoles also have closed systems. Nacon, which has leading-edge technology for its controllers, once again has 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 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.) at the end of 2020 has generated 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 racing). 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 may be higher as they can be sold on two platforms at the same time (PS4 and PS5 for example).

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 only generates 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 and Microsoft), the relevant accessory is subject to a rigorous testing process before obtaining the console manufacturer's approval to market the product, or in the case of Sony and Microsoft, to sell the product as officially licensed by them.

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.

<u>Materiality of this risk</u>

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:
    - 'low' for games that are published on many rival platforms; and
    - 'average' for gaming accessories, whose revenue stream and profitability depend largely on the current relationship with console manufacturers Sony and Microsoft.

3.3.2 Risks related to the competitive environment

The video games and console accessories markets, and the Mobile accessories and AudioVideo 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 AudioVideo 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 AudioVideo 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':
    - for Nacon gaming accessories, which are based on leading-edge, duly patented technologies, the probability of occurrence is assessed as 'low';
    - 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';
    - for Mobile Accessories and AudioVideo 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 games 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. These activities were, of course, partly suspended in 2020, 2021 and early 2022 due to the health crisis.

Broadly, staff turnover in the Nacon Group was 13.0% in 2021/2022[3] versus 13.3% in 2020/21. More specifically, staff turnover in studios within one year of their acquisition by the Group was low. Thus, turnover for all Nacon's studios acquired the previous year (i.e. excluding Big Ant, Passtech, Crea-ture, Ishtar and Midgar) was 10.0%, which is below sector averages (between 20% and 25% according to the Company).

As explained in Section 15.1, the studios have also seen their headcount increase from 421 (excluding Neopica) to 511 (excluding Big Ant, Passtech, Crea-ture, Ishtar and Midgar) from 31 March 2021 to 31 March 2022, while Nacon's "excluding studios" scope has risen from 203 to 221 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 his or her know-how and experience to a competitor.

The risk is even greater for Nacon, Bigben Interactive's subsidiary in charge of the Gaming division, as its workforce is 14% made up of employees who were not with the Group at 31 March 2021, 16% who were not with the Group at 31 March 2020, 30% who were not with the Group at 31 March 2019 and 75% who were not with the Group at 31 March 2018. These employees are 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:
  - continues to be managed as an independent studio by the head office Publishing team;
  - retains its autonomy (financial and organisational);
  - 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;

[3] Source: Nacon SA's non-financial statement (NFS) at 31 March 2021

- employees of these new companies, 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 AudioVideo/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.

In 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:
  - 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);
  - low staff turnover in studios acquired by Nacon;
  - 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 2022, the Company's two main shareholders were the Bolloré Group via Nord Sumatra, with 20.6% of the share capital and 18.0% of the gross voting rights) and Alain Falc, with 13.4% of the share capital and 23.1% 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:
  - depreciation or amortisation charges on assets created or acquired new (not including depreciation of properties);
  - salary paid to writers who contributed to creating the video game under an intellectual property rights assignment agreement, plus the associated social security contributions;
  - 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;
  - 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. and Crea-ture Studios, which are based in Quebec (Canada), benefit 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 €2.5 million in the financial year ended 31 March 2022 compared with €2.4 million at 31 March 2021.

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 Group 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®, Just Green®, 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 (*Bee Simulator*, *AO Tennis 2*, *Session*, *Lord of the Rings - Gollum*, etc.), Bigben Interactive and Nacon hold the full intellectual property rights to its 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 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 was 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 at the time and the opportunities offered by a partnership between the two companies. During 2020/21, its subsidiary Nacon signed a major new licence agreement with Microsoft for the design and distribution of official accessories for the Xbox® One and Xbox® Series X|S (range of Revolution X and Pro Compact controllers as well as a special MG-X range for Cloud gaming) and PC. Again, all developments and associated patents belong exclusively to Nacon.

Nacon will always keep a close watch on market trends and adapt its strategy accordingly. Loss of these Sony and Microsoft 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 and Microsoft. 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:

- 2021/22: €39.1 million (41% of Nacon's 2021/22 Gaming Accessories revenue and 14.2% of the Bigben Group's revenue);
- 2020/21: €47.0 million (46% of Nacon's 2020/21 Gaming Accessories revenue and 5.6% of the Bigben Group's revenue);
- 2019/20: €30.2 million (57% of Nacon's 2019/20 Gaming Accessories revenue and 11.4% of the Bigben Group's revenue).

The weighting of Sony accessories in the Group's total Gaming Accessories revenue has fallen automatically due to growth in 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.

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, Lancel, 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 Metronic subsidiaries also exploit the *Gulli* and *Petit Prince* licences.

The Company considers that its reliance on business derived from licensing (whether for gaming or mobile accessories, AudioVideo 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 Nacon®, Force Glass®, Force Case®, Force Power®, Just Green®, *Lumin'Us®* and AromaSound®.

<u>Risks related to video games</u>

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 (PS4, PS5), Xbox Live (Xbox® One, Xbox® Series X|S, 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 2022, litigation provisions totalled €2,266 thousand (see Note 14 to the 2021/22 consolidated financial statements in Section 18.1.6 of the URD and Note 13 to the 2021/22 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 'high' negative 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.

As it is not particularly affected by these regulations, the Company assesses the materiality of this net risk as 'low'. 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 3.4.1. above (Human capital development: departure of talent, management of unsuitable skills and human resources).

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

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.

3.7 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. A Group Master Policy for business and product liability covers Bigben, Nacon 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, Bigben and Nacon's policy covers all of their 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 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

Website: 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.

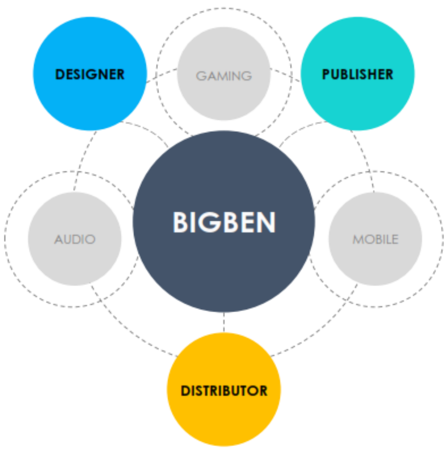
At 31 March 2022, Bigben Interactive remained Nacon's main shareholder after the exceptional distribution of Nacon shares made to Bigben Interactive shareholders in February, holding 70.97% of its subsidiary's share capital and 79.13% of the voting rights.

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.

Since 2018, Bigben Interactive has acquired a number of development studios in France and abroad selected for their creative expertise and sector approach, including Kylotonn Racing, Cyanide Studio, Eko Software, Spiders, Lunar Great Wall (RaceWard) and, more recently, Neopica, Big Ant Studios, Passtech Games, Crea-ture Studios, Midgar Studio and Ishtar Games.

Most recently, in April 2022, the Group completed its largest deal in this segment acquiring Daedalic Entertainment for a maximum potential consideration of €53 million.

Today, Nacon has more than 700 developers across 16 operating sites, supported by a 70-strong Publishing team.

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.

16 development studios in France and abroad (Belgium, Italy, Canada, Australia and Germany).

> 700 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. More recently, the acquisition of Metronic in October 2021 expanded the Group's capabilities to encompass video, as Metronic is one of the European leaders in image processing with a strong positioning in connected audio-video.

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 nearly 20 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.

5.1.1.1.3 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.

On 12 May 2022, the Group announced its plan to spin off its logistics operations into a separate subsidiary. This decision is a continuation of the Group's internal restructuring plan with the aim of optimising the operational and strategic organisation of Bigben Interactive's dedicated logistics operations. Housing all the logistics operations in a separate legal entity will provide better clarity of its results and performance. It will also make the logistics business independent by providing it with its own appropriate resources enabling it to step up its development and potentially provide services to third parties.

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 about 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

A highly-experienced Management Committee:

<u>Fabrice Lemesre, Chief Executive Officer</u>

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.

<u>Michel Bassot, Chief Operating Officer</u>

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.

<u>François Bozon, Corporate Secretary</u>

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 2000. 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 four development studios and Metronic, the initial public offering of its gaming subsidiary Nacon, a bond issue, the recent exceptional distribution of Nacon shares and the spin-off of the logistics division.

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 m^2 logistics centre at Lauwin-Planque. The logistics activity covers sourcing, order preparation, packaging and reverse logistics. Since 17 March 2022, he has been Chief Executive Officer of the newly created subsidiary Bigben Logistics.

Anne-Catherine Moulin left her position on 10 June 2022 and has been replaced by Lionel Vieux, who has been with the Bigben Interactive Group since 2013.

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 54.8% of consolidated revenue in 2021/22, i.e. about €151.0 million (versus €172.1 million the previous year, a significant 12.3% decrease).

The creation of the Nacon group at end-2019 met several objectives: bringing the publishing and accessories businesses together under a strong brand name, housing the skills and expertise of professionals in the same industry under one roof and creating value by maximising the synergies that can be derived from vertical integration.

5.1.2.1.1 Developer and publisher model and video games range

The Group initially developed the video games Publishing business by outsourcing to external development studios but its approach changed in 2017 after its acquisition of interests in a number of studios in the past few years.

<u>Bigben Interactive's investment in video games development studios</u>

The Daedalic Entertainment deal announced in February 2022, the Group's largest acquisition to date, was closed after the end of the 2021/22 financial year.

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.

<u>The developer-publisher model adopted by Nacon, sub-group of Bigben Interactive, a new market standard</u>

In an environment of increasing demand for content, the operator that has the broadest games catalogue will capture the most gamers. The three key success factors for a games publisher are now quality, a broad, diversified product offering and speed of release on the market. The developer-publisher model adopted by Nacon combines the best of two worlds in video games production:

- Lower execution risk thanks to vertical integration: better project monitoring, better anticipation of production difficulties and risk of overrun or delay, and control over budgets;
- Capture of 100% of the value: integration of the margin and royalties earned by the studios;
- In-house expertise and R&D.

Its acquisition strategy since 2017 is based on integrating studios with recognised expertise in the genres targeted by the Group (Racing, Sports, Simulation, Adventure, Action, RPG[4] and Narrative) and

[4] Role-playing games.

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 ten or so other partner studios in addition to the 16 integrated studios that work exclusively for the Group. This enables it to release 10 to 15 new games a year, with a total of more than 30 games under development at any one time.

<u>One of the largest global line-ups of AA video games</u>

Bigben Interactive, via Nacon, currently has a line-up of more than 250 video games for console and PC. Nacon's aim is to make its games as realistic as possible. It does this through a licensing strategy, signing over 200 licensing agreements a year to use the licensor's brands, models or avatars in its games.

In 2021/22, Bigben Interactive's Gaming line-up was based on four strategic ranges:

- **Racing;**
- **Sport;**
- **Simulation;**
- **Adventure.**

Racing is a popular genre in the video game market and has a significant place in Nacon's catalogue. KT Racing (trading name of Kylotonn, Nacon's in-house studio), an expert in developing racing games, offers a rallycross simulation game under official WRC license. After continuous physical and technical improvements over the past few years, *WRC 10* was released this year and is now considered to be a benchmark in its segment. Nacon and KT Racing's expertise also extends to motorcycle racing with the *TT Isle of Man*, the official game for this most prestigious of races.

Nacon's racing catalogue has also been enhanced with some innovative new products such as *FIA Truck Racing Championship* and *Overpass* (offroad racing game), both supported by official licences. These two simulation games are realistic enough to satisfy the most demanding of racing fans and offer them new thrills.

Popular across all age groups, **sports games** are an essential item in a video games library. Some sports are not really addressed by the industry majors and Nacon has been able to appropriate several disciplines for its games. Examples are rugby, cycling and tennis games developed by Nacon studios, which have recognised expertise in those sports. They meet the expectations of millions of amateur sportsmen and women who were eagerly awaiting a video game of their favourite sport. The recent acquisition of BigAnt Studios, a major Australian studio specialising in cricket simulation games, is also an illustration of this strategy, with the aim of capturing the 120 million cricket players worldwide.

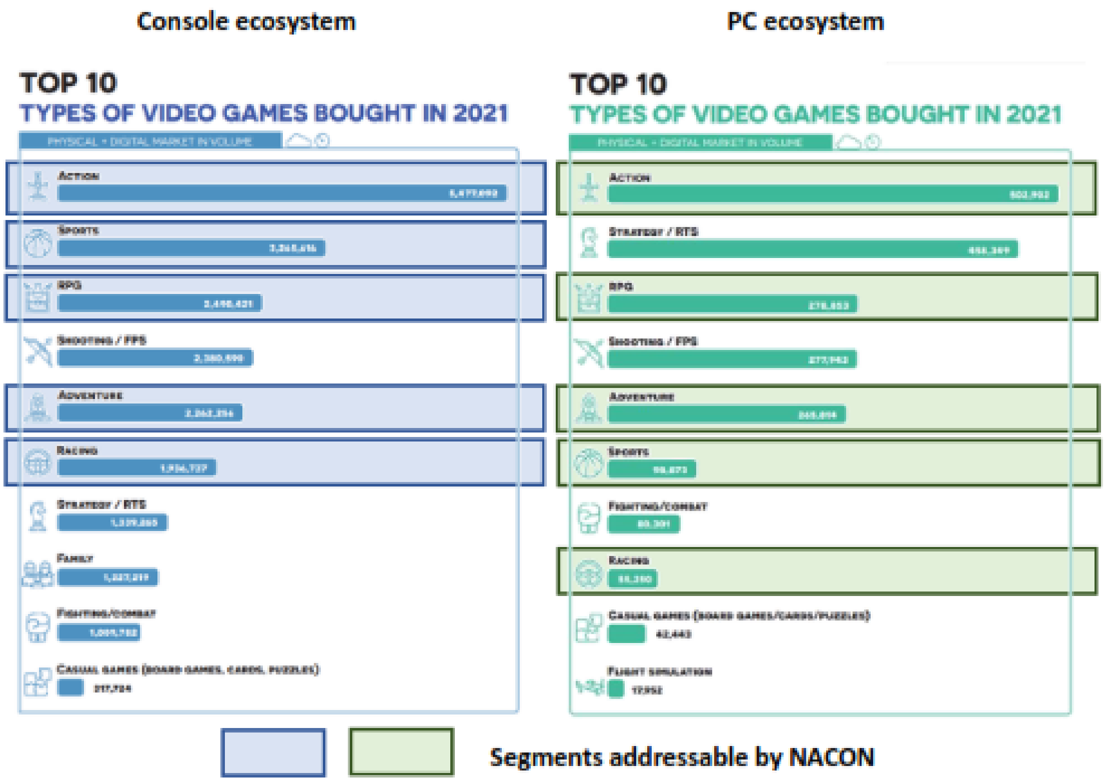
Nacon innovates and offers new experiences in a universe limited only by imagination through its **simulation games**. By combining unique gameplay[5] mechanics and realistic content (universe and licences), Nacon aims to provide an original experience that goes beyond what is typically available in the market. The latest example of this is a game called *Bee Simulator*. It is both an entertaining and educational game that invites the gamer to see the world through the eyes of a bee and discover its universe. As indicated earlier, Nacon announced more recently (March 2021) that it was developing a new collection of games devoted to life simulations. The Group intends to strengthen its editorial position in this segment while uniting its productions under a single brand.

The last major genre offered by Nacon is **Action/adventure**, an extremely popular genre. It is the most competitive segment of the market and the Company therefore endeavours to develop innovative, original content. Nacon is able to obtain major licences for games that already have a strong following whilst at the same time proposing new concepts that will appeal to the community: the *Warhammer* universe and *Werewolf* to name but two.

More recently, when the 2021/22 results were announced, Nacon unveiled a new category of titles for **children**. Nacon believes that, apart from console manufacturer Nintendo, this segment is poorly addressed and that, given its track record in casual games for the entire family, this is a buoyant segment. During 2022/23, Nacon will release two titles for children: *Zorro The Chronicles* and *My Fantastic Ranch*.

Based on its 2021/22 segmentation by game type, Nacon now addresses the most popular genres in the market. The data below show the breakdown of sales volumes by genre in the French market (source: SELL, March 2022). Although these data only cover the French market, Nacon believes that this split is relevant in all the markets addressed by the Group.

[5] Gameplay is a term used in the video game world meaning how the game is played, including the rules, the plot, the objectives and how to conquer them, as well as a player's overall experience.



Based on its segmentation (Action/Adventure, Racing, Simulation and Sport), Nacon believes it is able to address more than 75% of the market.

Furthermore, to strengthen its editorial capabilities in Simulation games, in March 2021, Bigben Interactive announced that it was developing a new collection of games devoted to life simulations. Combined under the Life label, five games have been or are still being developed: *Train Life*, *Hotel Life*, *Chef Life*, *Surgeon Life* and *Architect Life*. The Group intends to strengthen its position in this segment while uniting its productions under a single brand. The Life series gives gamers the opportunity to experience life in various iconic professions, such as surgeon, award-winning chef or architect, through gameplay.

As announced along with its 2021/22 release pipeline, Nacon unveiled a new strategic range, known as Triple i (3i) games. Sector operators in this category are seeking to emulate the AAA games segment, sales of which typically reach more than 5 or even 10 million copies, but relying on independent studios (hence the 'i') with lower development budgets. The games will be of high quality and quite aggressively priced (from €20 to 30 per game), which the Group expects to generate high sales volumes and margins. Nacon brought two games in this range to the market during 2021/22 - *RogueBooks* and *RogueLords*.

TRIPLE i

<u>Digital sales</u>

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 accounted for 82% of the software business in France in 2021 according to SELL, versus 69% in 2017 (PC + consoles + mobiles, source: SELL, March 2022), 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.

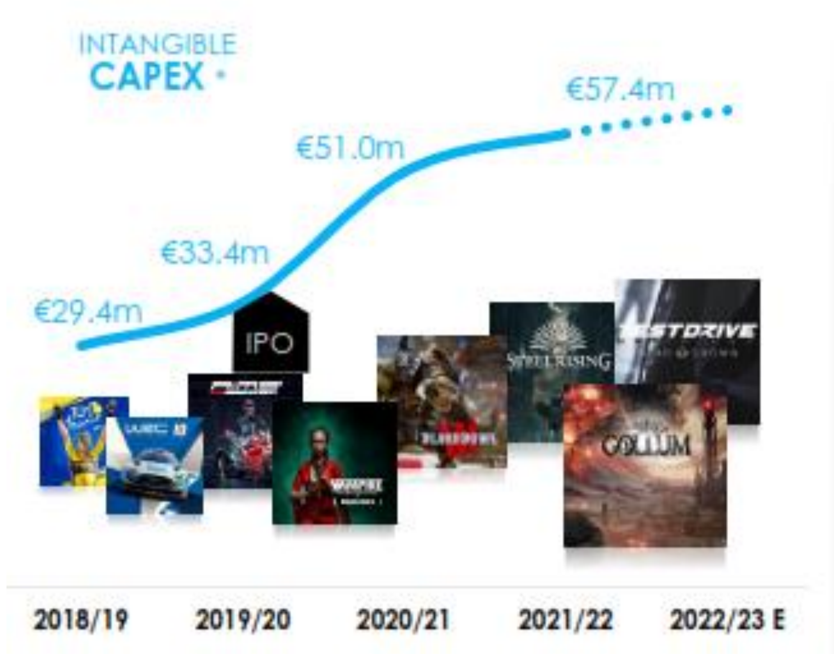
<u>Games now first-class in terms of quality:</u>

Gamer feedback on the quality of the games published by Nacon has improved significantly in the last few years, as reflected in the scores of each *WRC* game presented below.

Nacon's objective is now to maintain satisfactory scores consistent with the investment budgets for its games, in line with the Metacritic scores obtained for the latest version of WRC (*WRC 10*: 76 on PlayStation® 5 and 80 on Xbox Series X/S).

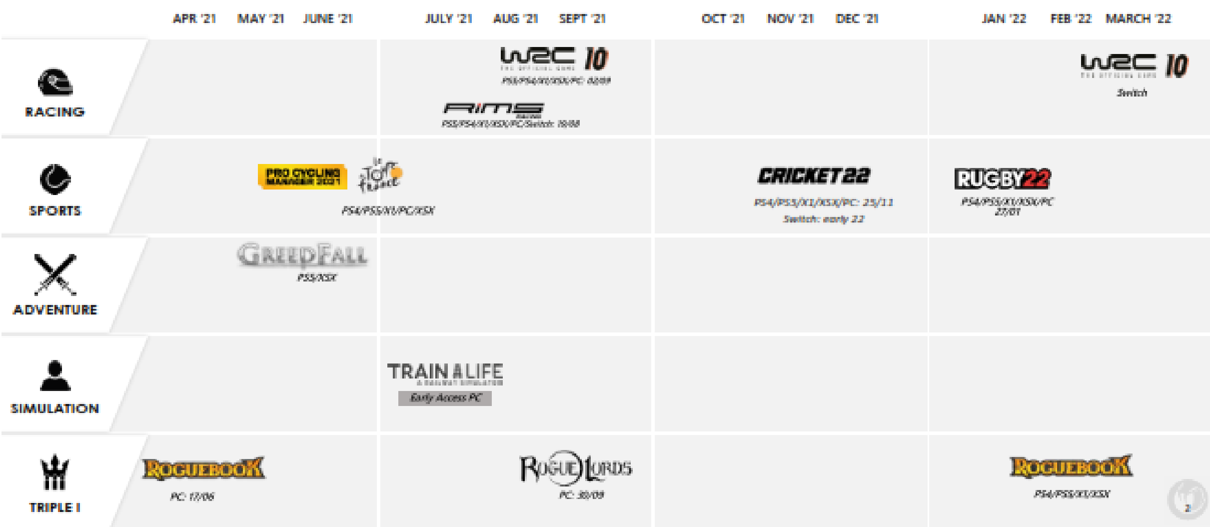
<u>Inevitably higher investment budgets:</u>

Given the various acquisitions made in the past few years and its ever-broader line-up of titles, Bigben Interactive's annual investment in intangible assets on behalf of its subsidiary Nacon is growing significantly. The following chart shows the upward curve in annual development costs for its games.



<u>Building a profitable line-up</u>

The officially announced release line-up in 2021/22 was as follows:



The Company's line-up includes high potential and therefore high budget games (over €10 million) as well as lower cost games with an easily reachable profitability threshold.

Releases in the last financial year were more limited than expected, as Nacon announced the postponement of four games in 2021/22 (*Vampire: The Masquerade® – Swansong*, *Blood Bowl 3®*, *Train Life* and *Hotel Life*) in order to improve them and align them to the Group's expected quality standards.

The extremely full officially announced release line-up for 2022/23 is as follows:

LINE UP 2022-2023

In addition to Nacon's 2022/23 pipeline presented above, the Group has bolstered its games publishing teams with the acquisition of Daedalic Entertainment. Daedalic Entertainment manages a diverse catalogue of games for PC and console and is particularly well-known for publishing independent games thanks to its solo and multi-player titles. Daedalic Entertainment currently has some 15 new games due for release in 2022, including *Godlike Burger*, *Barotrauma*, *WildCat Gun Machine* and *Potion Tycoon*.

The Company's line-up includes high potential and therefore high budget games (over €10 million) as well as lower cost games with an easily reachable profitability threshold.

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.

Thus in 2015, the Group directly negotiated a specific licence with Sony to address the PlayStation® 3 market, which led to significant tangible sales of dedicated products in financial year 2015/16 under Sony PlayStation™ licence.

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®):

Blue-chip partnerships, first with Sony and now Microsoft

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 Nacon Compact controller, Asymmetric Wireless controller, Arcade Stick 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 almost 2 million and they continue to be one of the Group's bestsellers, especially now that worldwide sales of PS4® consoles have exceeded 115 million (116.9 million at end December 2021 - Source Sony).

By adapting its premium offering to each controller segment, Nacon thus aims to provide all gamers with the best controller in their segment:

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.

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.

Second major partnership agreement, this time with Microsoft

Now a world recognised expert in video games accessories, Bigben Interactive wishes to broaden its network of partners. In July 2020, its subsidiary Nacon unveiled the signing of a major new partnership agreement with Microsoft at the company's first online press conference 'Nacon Contact'.

Thus, Nacon can now offer several categories of officially licensed accessories, including controllers and headsets for Xbox One and Xbox Series X|S products. This new partnership should accelerate growth of the Group's international Accessories business.

Pro controller and MG-X controller for the Xbox range

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:

RIG™ headset range

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.

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.

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 Samsung smartphones due to replacement purchases with 4G and then 5G.

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). However, since 2018/19, the market has been affected by a relative decline in sales of smartphones due to a tendency for consumers to keep their smartphones for longer, but has remained supported by value.

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.

Range of Force Case® brand mobile accessories:

Range of Force Power® brand mobile accessories:

Bigben Interactive also released a new range of smartphone protection accessories in 2019/20 under the brand name Just Green®, which addresses consumers who are concerned about social and environmental responsibility. These products are made from biodegradable and compostable materials, offering a new innovative circular economy approach.

Apart from its internal Corporate Social Responsibility (CSR) policy (see Section 5.7.4), the Group has now embarked on an approach based on manufacturing products that are more environmentally-friendly not only in terms of sourcing and shipping but also manufacturing (product components and packaging) and have an overall environmental impact.

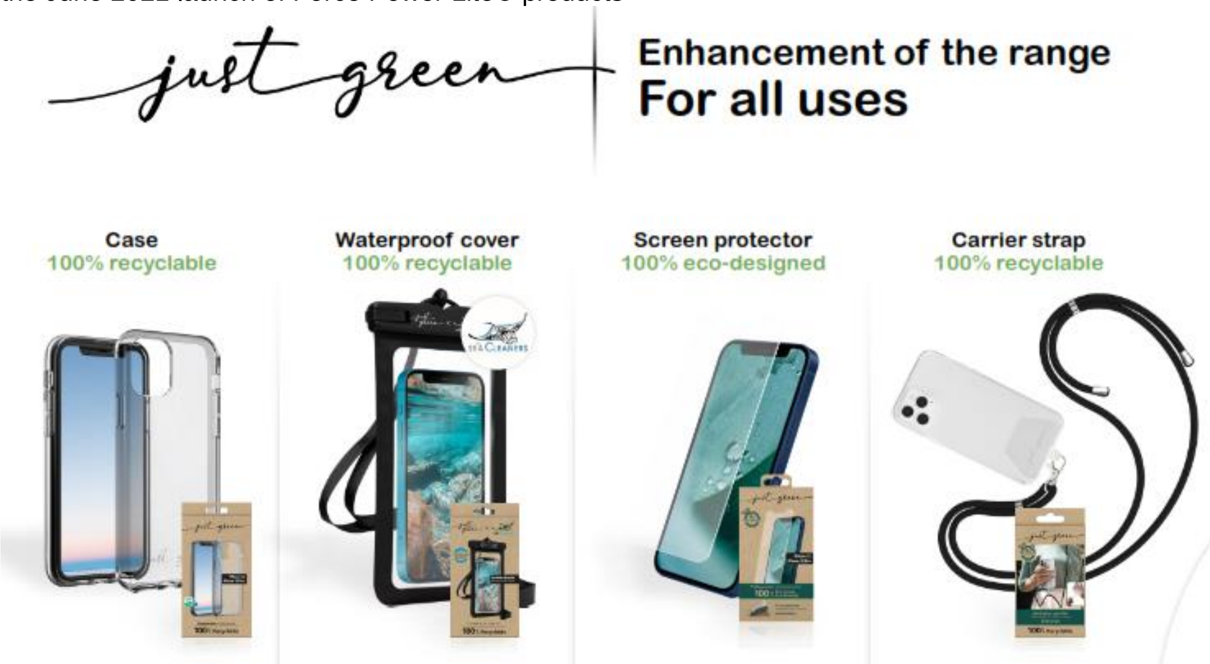
The launch of the Just Green® brand in 2019 was just the first stage in this approach and has proved popular with end consumers as it meets their expectations. Bigben Interactive's objective is now to roll out this approach to all its product ranges.

See Section 5.4.1 on the Group's Mobile products strategy.

During 2020/21, the Bigben Interactive Group rounded out its product catalogue, in particular with its Bigben® TWS pods (October 2020).

Bigben® True Wireless Slim Pods:

More recently, the many events in 2021/22 included additions to the Just Green® range and above all, the June 2021 launch of Force Power Lite® products



For 2022/23, the Group has announced the launch in July 2022 of a new range of Force Play® wireless and wired earpods.

5.1.2.3 Audio range becomes the AudioVideo range

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.

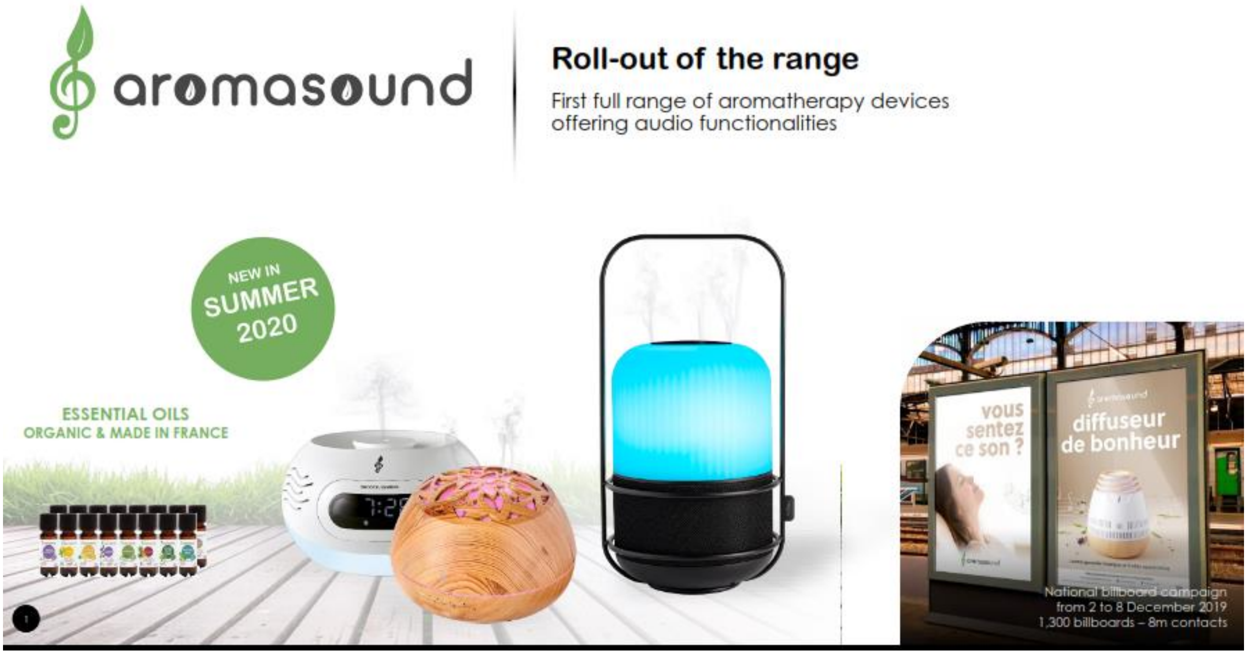
More recently, the Group acquired the licence to sell products under the Thomson brand, an extremely well-known consumer brand. This agreement was an active growth driver for the Audio segment leading to market share gains and a sustained performance in 2014/15 (revenue growth of almost 40% to €31.5 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 an 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 (in particular in the home decor and well-being segments).

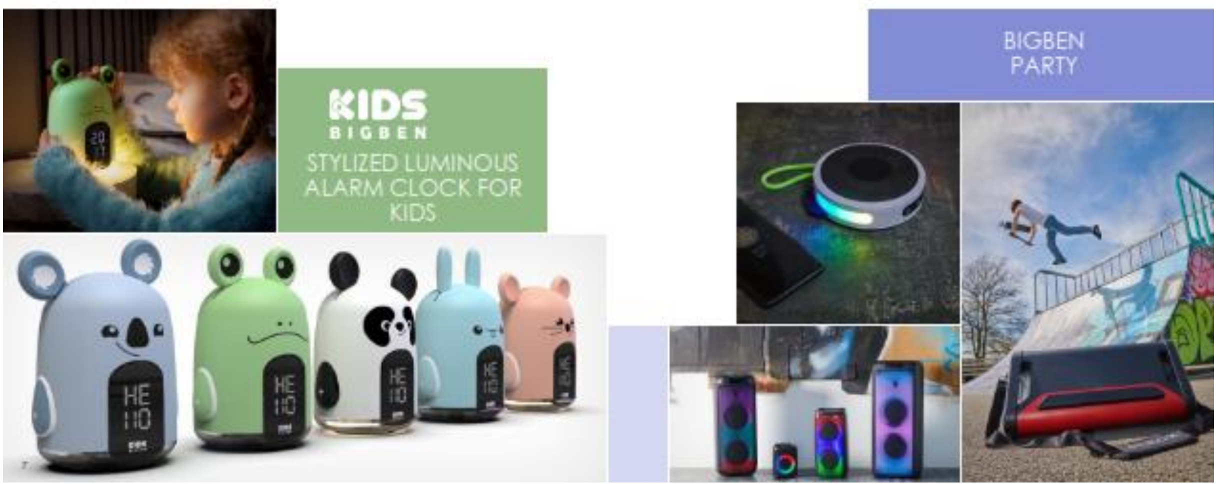
Several AromaSound® products launched in 2020:



In 2020/21, Audio revenue totalled €31.1 million, a decrease of 10.6%. Like the Mobile segment, business was affected by the consequences of the Covid-19 health crisis on the physical distribution networks, despite efforts made to get its products into almost 200 new home decor and well-being stores.

During 2021/22, efforts were made to develop the Audio segment and launch major products, in particular with the Bigben Kids and Bigben Party ranges.

Several products in the Bigben Kids® and Bigben Party ranges:



Apart from launching new products to expand the Bigben Kids and Bigben Party ranges and continuing to promote its Thomson licensed products, the main event for the Audio segment in 2021/22 was the October 2021 acquisition of Metronic, a European leader in image processing with a strong positioning in connected audio-video. Founded in 1987 by Yves Bouget, Metronic designs and distributes innovative products for broadcasting and receiving images at home (TV and audio accessories, amplifiers, decoders, connectors, headsets, speakers, etc.) as well as telephone accessories and audio products.

The product line-up is therefore quite broad.

This has expanded and opened up the Bigben Interactive Group's product range in this segment, which has thus become the AudioVideo segment. In 2021/22, this segment generated revenue of €31.8 million, as Metronic was not consolidated until the second half of the year.

5.1.3 Global presence

The Bigben Interactive Group has several subsidiaries and entities across Europe, Asia and North America (see Section 6 for its legal structure and list of the Group's subsidiaries).

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.

The Group therefore has an operational organisation enabling it to very broadly address the international markets.

<u>An operational base already well structured to address the international markets:</u>

5.2 MAIN MARKETS

The section below contains information about the Company's markets.

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 after television in the entertainment economy in terms of value. With more than $180.3 billion of revenue in 2021 and growth of about 1.4%, despite the more than 20% growth achieved in 2020 compared with 2019 due to the Covid-19 effect, the video games market has overtaken cinema and music combined (source IDC and Newzoo).

Like music and video, the gaming market has evolved radically in the past ten years. Digitalisation has changed habits permanently. It is 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, for illustration, represented 82% of the software business in France in 2021 according to SELL versus 69% in 2017 (PC, console and mobile environments). This trend, which is expected to gather pace in the years ahead, is due to the increasing number of digital distribution platforms (such as Steam and Epic Games Store for PC gaming and Sony's PlayStation Store and Microsoft's Xbox Live for consoles) as well as increased competition from smartphones, which are also largely used for gaming.

Growth of digital sales as a proportion of total video games sales (French market)

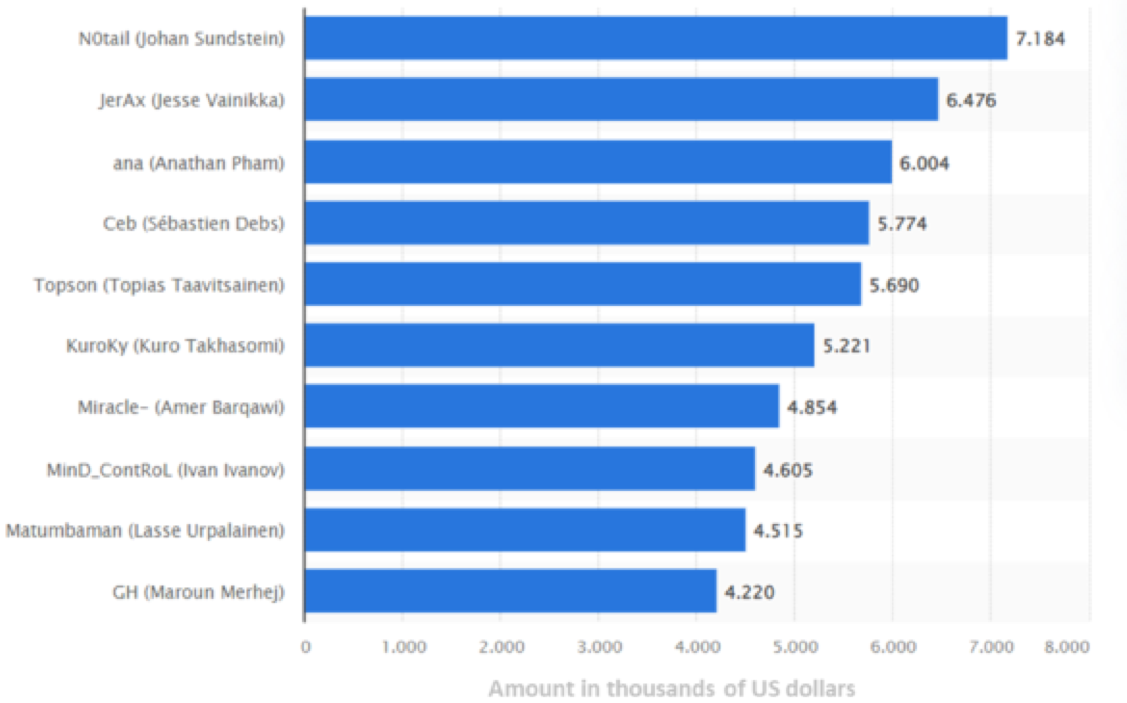
Source: SELL – sales France (March 2022)

The popularity of gaming is likely to spread even further and faster over the next few years with the roll-out of 5G, which will make widescale cloud gaming possible. 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.

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. Apart from sponsorship, since the mid-2000s, the largest international eSport competitions have grown significantly and now offer several million dollars of prize money.

Rankings of the world's top ten eSport players in terms of revenue generated, February 2022



Source: Statista (March 2022)

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.

After the success in recent years of Sony's PlayStation 4, Microsoft's Xbox One and Nintendo's Switch™, in 2020 the global market was boosted by two key catalysts:

- The Covid-19 pandemic and in particular the lockdowns imposed across the world (Asia followed by Europe and then the USA) led consumers to switch massively to online and digital purchasing. This was particularly the case for games publishers, who sold more and more products on digital platforms (Steam, PlayStation Store, Xbox Live, Google Stadia, etc.).

- There was a resurgence in console sales following the November 2020 release of the new generation PlayStation 5 and Xbox Series X|S, with significant growth in sales recorded in November and December 2020.

Thus, in 2020, the market grew by more than 20%.

Despite this challenging baseline effect, with aggregate revenue of $180.3 billion in 2021, the global gaming market nonetheless delivered 1.4% growth in 2021 (source: IDC and Newzoo). But while the market remained buoyant, there were some contrasting performances. The mobile universe was up 7% driven by the success of certain games, eight of which generated revenue of more than $1 million each, while consoles were down symmetrically by 7% and the PC environment remained flattish at -1% (source: Newzoo).

After its virtually flat performance in 2021, the global video games market is expected to pick up again and reach $218.7 billion by 2024 (source: Newzoo), driven by mobile and consoles (forecast growth of about 8% a year for these two segments), while growth in the PC environment is expected to be low (about 2% a year in 2021-2024).

5.2.1.3 Emergence of new business models for games publishing

In the games market, there are two major trends having an effect on how publishers sell their products, with an increasing amount of content now published through two models:

- free-to-play: games distributed online are made available to gamers free of charge and the publisher aims to monetise its game through advertising or micropayments (e.g. through a virtual store where gamers can purchase new characters or new powers to evolve in the game).

- live ops: online games are updated regularly not only to correct various bugs but mainly to improve the user experience based on user feedback. Thus, by continuously improving its product and providing additional content and functionalities, the publisher can extend the title's life and thus its potential to monetise the game (through a subscription or micropayments):

The objective of both these models for the publisher is still to retain gamers' loyalty to a title, the challenge being to meet their expectations over time in order to maximise the long-term return on investment.

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 (which accounts for the major part of the Group's business in mobile accessories), 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 2020, the market fell by a further 8% versus 2019, with smartphone sales of 16 million units, due to the impact of the Covid-19 health crisis and the shutdown of operators' distribution networks (which represent 55% of market shares). Online sales and a rise in the average price of smartphones limited the impact on the market in terms of value during that period, and the French market for reconditioned phones was extremely buoyant with a rise of 20% (GfK data, February 2021).

In Europe, trends were even more pronounced than in France (more volatile). According to Counterpoint estimates, sales amounted to 185.9 million units in 2020 compared with 216.1 million in 2019, a 14% market contraction. In 2021, the post Covid-19 rebound was stronger than in France, with a market up 8% according to Counterpoint. However, the upswing was checked, as it was in France, by shortages of components affecting the volume of available products, in particular new 5G mobile products,

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. Under the impact of Covid-19, the downward trend seen over the past few years accelerated in 2020 and the market contracted by 5.9% over the year, even though the end of 2020 benefited from the market release of 5G smartphones. In 2021, still according to IDC, sales volumes rose by 5.7% to 1.4 billion units despite a sluggish fourth quarter affected by component shortages.

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, Poland and, more recently, Romania, Benelux and Germany.

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 volume growth in the mobile telephony business since 2016, the trend for dedicated accessories (protection, chargers, etc.) 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. The decline accelerated in 2020, with a decrease of 20% due to the Covid-19 pandemic and the shutdown of distribution networks for this type of product, in particular the operators' networks (GfK data, February 2021).

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 (steady rise in the average price of a smartphone from €358 in 2016 to €374 in 2017, €419 in 2018, €420 in 2019, €423 in 2020 and €446 in 2021). In this environment, smartphone owners are bound to continue buying dedicated accessories.

5.2.3 The AudioVideo market

Apart from Bigben Interactive's activities in Gaming and Mobile accessories, it is important to note that the Audio business contributed €26.1 million representing 9.5% of the Group's total revenue in 2021/22.

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 the year of audio headsets, with sales of 11.2 million units in France worth a total of €539 million according to GfK, representing more than 30% growth in value.

Bigben Interactive does not have detailed data for 2019 and 2020, when the Audio market changed radically, but considers the market to be buoyant and likely to benefit in the future from the boom in connected technology.

The acquisition of Metronic in October 2021 broadened the Group's product range and its universe now more broadly addresses the consumer electronics market through an offering now presented as AudioVideo. In 2021, according to GfK, the overall consumer electronics markets in France decreased by about 3.8% in volume although it increased slightly in value by about 1.6%.

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 and watching videos 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 'AudioVideo/Telco' market, the boundaries of which go well beyond the smartphone and speaker, as the Audio function in particular 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 more than 40 years ago. On the URD's filing date, it had a workforce of over 1,160 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.[6]

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.

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, now account for a significant proportion of the Group business (30.7% of 2021/22 revenue) and are 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. The integration was highly successful, propelling the Group into the Top Three in gaming headset sales in the USA as of the first year.

[6] Source: Company

More recently, Bigben Interactive, still through its subsidiary Nacon, has further rounded out its capabilities in games development studios with the acquisition of Neopica (Belgium) in 2020/21, Passtech Games (France), Big Ant Studios (Australia), Crea-ture Studios (France), Ishtar Games (France) and Midgar Studio (France) in 2021/22, and, very recently, Daedalic Entertainment (Germany), Nacon's biggest acquisition to date for a maximum potential amount of €53 million, in April 2022.

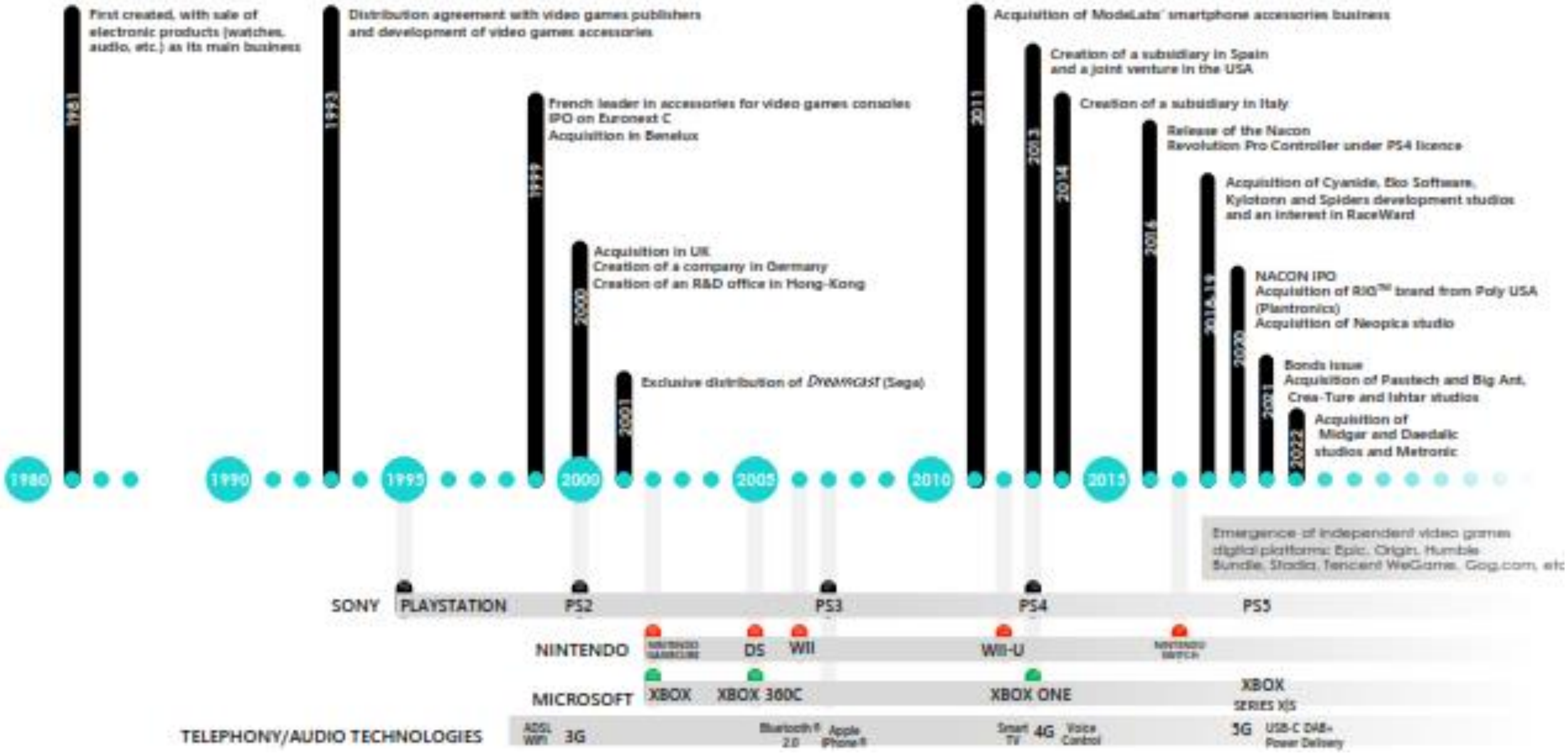
Furthermore, in July 2020, a second major partnership was signed with Microsoft to sell gaming accessories for the Xbox One and Xbox Series X|S platforms.

Lastly, as regards the Audio/Telco scope, Bigben announced in October 2021 that it had completed the acquisition of Metronic, an audio and video products company.

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, a number of video games development studios since 2018 and, more recently, Metronic in October 2021, have given the Group a solid presence in three market segments, Gaming, Mobile Accessories and AudioVideo Products.

Today the Group has:

- business assets (Development, Publishing and Distribution) serving three separate markets (Gaming, Mobile and AudioVideo);

- intellectual property assets, with strong own brands (Nacon®, Force Glass®, Force Case®, Force Power®, Force Moov®, AromaSound®, Just Green®, Metronic® and Mooov®), major licence agreements (Thomson, Sony's PlayStation® 4 products and Microsoft's Xbox One and Xbox Series X|S consoles) and, more recently, proprietary video game titles following the acquisition of Cyanide, Eko Software, Spiders and Crea-ture Studios (*Pro Cycling Manager*, *Styx*, *The Council*, *How to Survive 1 & 2*, *Greedfall*, *Werewolf: the Apocalypse - Earthblood*, *Session*, 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 some 250 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® and Just Green® brands. Given the decision of major players Apple and Samsung to no longer include smartphone charging devices in their Mobile package, the power range has been highly successful and has taken off even further since the development of a specific Force Power Lite® range for lower-cost smartphones;

- in the AudioVideo segment: continued sales of Thomson licensed products, development of new product segments (AromaSound® and ColorLight home decor ranges and Bigben Party products for teenagers) and expansion of the line-up to Video products with the October 2021 acquisition of Metronic (TV aerials, connectors, CPL products, etc.).

5.4.1 Strategic plan out to 2023

When the 2019/20 results were announced in May 2020, Bigben Interactive unveiled its medium-term strategic plan "Bigben 2023", which was updated when the Group announced its 2020/21 results. The plan sets out the following objectives for each business segment:

5.4.1.1 GAMING

Vertical integration for control over game "content" creation

Having integrated more than 700 developers in the past few years, 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:
  - by continuing its studio acquisition strategy
  - and through organic growth of existing studios

  continue its strategy of content creation by investing massively in creating proprietary content (developments costs of around €60 million a year in the coming years, which will lead to a change in the average budget per game). This content will enable Nacon to:
  - enrich its back catalogue
  - and thus generate digital sales and additional recurring revenue
  - which could potentially significantly improve its profitability
- editorial diversification: new genres and new niches
- seize the opportunities provided by digitalisation:
  - exclusivity agreements with distribution platforms
  - step up 'live ops' - monetisation of existing games through downloadable content (DLC), additional content and functionalities, microtransactions, additional avatars/cars/accessories, subscriptions, etc.
  - 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. In addition, the acquisition of the RIG™ brand from Plantronics Inc (Poly) in early 2020 (gaming headsets) has given the Group a strong foothold in the North American gaming accessories markets, where it took third place in the gaming headsets segment in the USA as of 2020. Its international expansion will be accelerated by the 2020 signing of a major new partnership with Microsoft to sell accessories for the Xbox One and Xbox Series X|S platforms.

Nacon also aims to increase its sales of physical products in its traditional Retail channels, which could soon suffer from a decline in sales of physical games in their stores and therefore open up more broadly to the Group's gaming accessories.

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

5.4.1.2 AUDIOVIDEO/TELCO

5.4.1.2.1 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 3,500 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.

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 Just Green® and Force Power Lite®, 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.

Market trends

Bigben Interactive is now in an ideal position to capitalise in the short-term on major market trends in the Mobile universe:

- the arrival of 5G technology and its gradual roll-out should prompt consumers to replace their phones and thus invest in new protection products and charging devices;

- the decision of major operators Apple and Samsung to no longer include power adapters with their phones opens up massive potential in this segment, hence the Group's launch of its *Force Power Lite*® range. The Group is leveraging its Force Power® brand to verticalize its product range and thus reach all consumers;

- the wide-scale roll-out of USB-C and adoption of Power Delivery for all electric charging devices for smartphones, tablets and laptops opens up new opportunities in terms of product categories for which Bigben Interactive will be able to supply dedicated accessories.

International

Through the Bigben 2023 plan, one of Bigben Interactive's objectives for the Mobile business is to consolidate on its international expansion along the lines of its development in Spain, Poland and Benelux based mainly on partnerships.

As a reminder, 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 enables 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 1,000 sales outlets currently use this key innovation in connected retail in France and worldwide.

International expansion is also continuing in other European countries such as Romania and Benelux.

New distribution channels

The omnipresence of Mobile products means that Bigben Interactive must be able to reach end consumers no matter where they are. Consequently, the distribution strategy adopted by the Group aims to expand its distribution channels to encompass national non-specialist mass consumer electronics retailers, such as service stations, town centre stores and DIY and home decor stores.

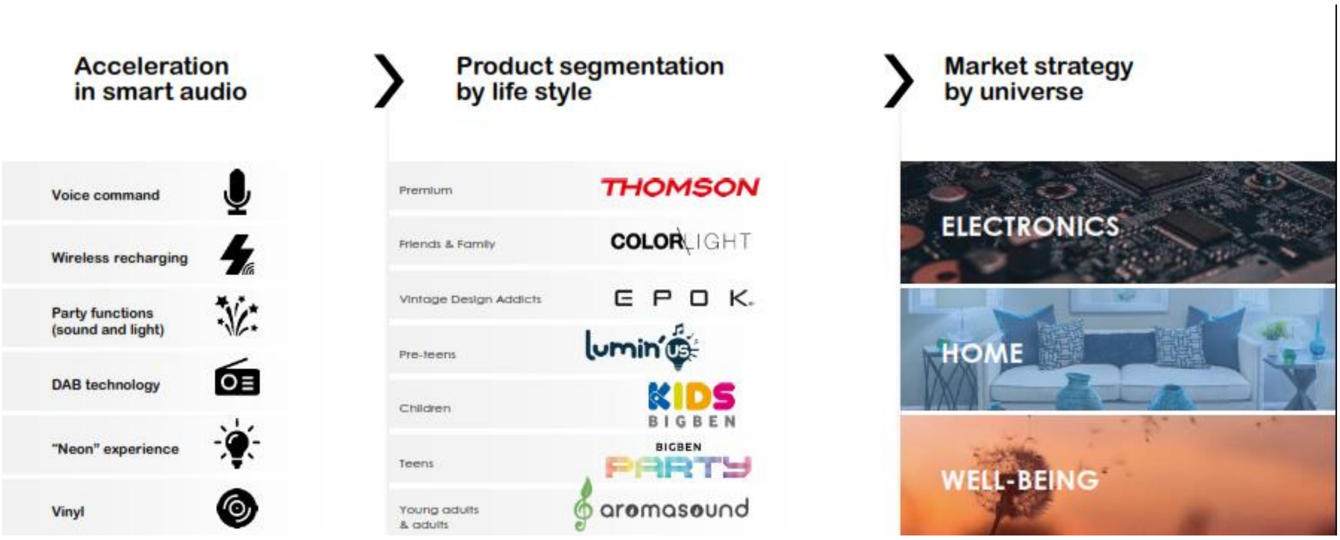
These new channels offer the Group a potential of 700 retail outlets in France.

5.4.1.2.2 ***AUDIOVIDEO :***

New uses - new channels

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 AudioVideo 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 and Lumin'Us brands;
- 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.

<u>Expansion of the product offering to the Video universe with the acquisition of Metronic</u>

In October 2021, Bigben Interactive announced its acquisition of Metronic, whose Audio and Video products will inevitably strengthen the Group's market shares in Europe.

For more than 30 years, Metronic has designed and distributed innovative products for broadcasting and receiving image, sound and information technology in the home. It has made good quality high-tech products widely available to the consumer market, thereby becoming a European leader in image processing with a strong positioning in connected audio-video. Today, more than 15 million European homes are equipped with satellite adapters and Metronic digital terrestrial TV.

With Metronic, the Group has acquired a well-known player that will make a strong contribution to developing its AudioVideo/Telco business. This deal provides the segment with a new source of growth and offers many synergies, such as:

- A good fit between the product ranges and distribution networks;
- Products sold through channels that Bigben Interactive has not yet exploited to any great extent, such as BtoB markets, large home improvement stores, etc.;
- Acceleration of international expansion, especially in Italy and Spain thanks to Metronic's dedicated subsidiaries;
- Online sales.

In this respect, apart from the physical sales networks, Bigben Interactive is now focusing on developing 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.

5.4.1.3 Bigben Group - Embracing sustainability

Beyond these significant opportunities, Bigben Interactive's recent product developments are in line with the Group's CSR policy (see Sections 5.1.2.2 and 5.7.4), as witnessed by the success of the Just Green® ranges. The CSR approach, including for products developed and sold by Bigben Interactive, has become a major focus for the Group's product positioning.

Consumers are increasingly aware and demanding. Today, their expectations in this area are high, with particular attention on:

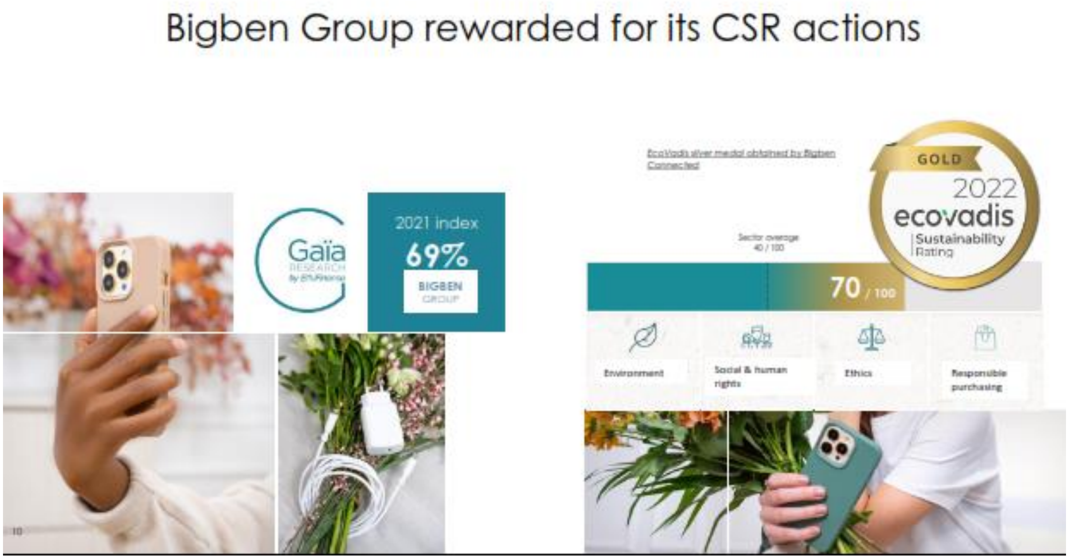
- local production of the products they buy;
- use of recyclable materials;
- reduction in packaging or use of optimised packaging (zero plastic, reduction in size, etc.).

The Group intends to step up its efforts to meet these demands, mainly through a widespread roll-out of the eco-design approach used to develop its new products and also by promoting new eco-responsible attitudes.

In this vein, in 2021, Bigben also wanted to highlight the improvement made in its non-financial performance by assessing its "CSR best practices" and obtained:

- an overall score of **69% on the Gaia index** for the 2021 assessment. This score has improved significantly over the last three years from 55% in 2019, once again attesting to the validity of the measures taken by Bigben in terms of corporate social responsibility. Across all criteria applied, Bigben came out above the average of the national benchmark spanning 400 companies (58%) and the sector benchmark comprising 60 companies (59%). In the segment comprising 85 companies with revenue of €150 to 500 million, Bigben also outperformed the segment benchmark of 61%;
- **a score of 3.5 out of 5 on the Humpact index;**
- and a rating of **D for CDP reporting** (with limited scope to take action regarding environmental criteria due to the nature of its activities).

More particularly, as early as 2018 Bigben Connected, the subsidiary in charge of Telco, obtained an EcoVadis score of 58/100 and a silver medal, which was already one of the best scores in its sector. Bigben Connected improved its CSR performance in 2021 with an EcoVadis score of 62/100, and again in early 2022 with a score of 70/100 and Gold status.



Sharing the experience of subsidiaries that have made the most progress and seeking to emulate this experience have allowed for the development over the years of a true sense of awareness of CSR issues at the Bigben Group. In its press release of 25 January 2021, the Group also publicly announced that its CSR commitment was an even more significant matter, having already been focusing for several years on more socially responsible management.

Bigben intends to continue these efforts to ensure that its business activities make a meaningful contribution to sustainability (see also the Non-Financial Statement in Section 5.7.4.).

The Group thus aims to achieve carbon neutrality by 2050 and is preparing its transition, in particular through its proposal to set up CSR Committees at Nacon and Bigben Interactive Board level.

5.4.2 Objectives

Based on these broad strategic outlines, Bigben Interactive's guidance for 2022/23 is revenue of €400 million and EBIT of more than €55 million.

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 AudioVideo 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 AudioVideo products and Mobile accessories.

To achieve those objectives, the Group 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, particularly now that the Group has another major agreement with Microsoft (see risk 3.5.2), it would merely be replaced by another, which the Company believes it could do within a reasonable time frame. 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 combined financial statements (Note 2);
- the risk factors likely to be impacted by these R&D aspects:
  - 3.1.1 "Risks related to potential delays in the development and marketing of the main products developed by the Group"
  - 3.1.3 "Risks related to reliance on third party technology"
  - 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"
  - 3.4.1 "Risks related to attracting and retaining key personnel"

  - 3.5.2 "Risks related to intellectual and industrial property and licensing agreements"

5.5.2 Profile of Bigben'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®).

More recently, 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.

Lastly, the acquisition of Metronic in October 2021 brought the Group the technical expertise of teams highly specialised in broadcasting and receiving images, sound and information technology at home (image processing in connected audio-video). Furthermore, Metronic was a pioneer in CPL and Wi-Fi adapters providing internet access throughout the home when Triple Play (Internet, telephone and TV) first became available.

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 has evolved over the past few years, mainly following the acquisition of a number of development studios. 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.

Bigben Interactive's studios, via the Nacon Group, now have more than 700 developers who use a broad range of widely available off-the-shelf tools commonly used in the video games world. 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 studios that now belong to the Group: 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 middleware components[7] 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 Slash[8] 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 key 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 AudioVideo, 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.

In addition, 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, Microsoft, etc.), Mobile accessories (Orange, Huawei, etc.) and Audio products (Thomson).

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

[7] Software that lies between an operating system and the applications running on it.
[8] RPG involving battling against hordes of monsters.

area, combining a distillation of both software and hardware technologies, thus meeting the demanding standards of licensing companies such as Sony and Microsoft, 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 2022 the Group had 133 separate patents, including 88 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 350 proprietary models covering controllers, protective covers or cases for handheld consoles, keyboards, earbuds and headphones, hifi systems, radios, loudspeakers, digital audio players, alarm clocks, video technology, etc.

The latest patented models are all highly successful ranges:

- in Gaming, products for Microsoft Xbox One and Xbox Series X|S consoles, in particular the Pro Controller and MG-X controller, as well as new ranges of headsets for gamers under the RIG™ brand;

- 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;

- in Audio products, the Lumin'Us, Kids Bigben and Bigben Party ranges of Bluetooth luminous speakers and speakers in very specific shapes.

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, Xbox One and Xbox Series X|S 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 Company 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;
- *Lord of the Rings™: Gollum*™ for Daedalic Entertainment.

Lastly, Bigben Interactive, again through the Nacon Group, 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, the licences held today by Bigben Interactive through the Nacon Group cover

Europe with an extension for other countries in the PAL region (Australia, New Zealand, Gulf countries, Asia and Japan).

AudioVideo/Telco

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

Bigben Interactive has also obtained two other licences through its acquisition of Metronic in October 2021 - *Gulli* and *Le Petit Prince*.

The smartphone accessories business, which in the past had generated a portion of its revenues through brand licences (Kenzo, Lancel, etc.), has now turned away from the licensing model in the telco market and adopted a "manufacturer model" (Paul Smith, Jeanne Lanvin, etc.) 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 2022 the Group had more than 500 trademarks covering various countries, including 243 for its gaming accessories or known trademarks in the video games universe, 71 for its Mobile accessories and 182 for its Audio products.

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, including:

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

Licensed trademarks:

- *Warhammer®*
- *WRC®* for its Rally games (agreement with FIA/WRC Promoter until 2023);
- *Tourist Trophy Isle of Man®*
- *Tennis World Tour*
- *Werewolf*
- *Lord of the Rings™: Gollum™*
- *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 (Lunar Great Wall Studios);
- Eko Software
- Spiders;
- Neopica;
- Passtech;
- Big Ant;
- Crea-ture Studios;
- Ishtar Games;
- Midgar Studio; and
- Daedalic Entertainment.
- = 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. 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 then invested in the premium segment for each of its markets and core segments. The Nacon® and RIG® brands are now firmly positioned in the premium segment, while continuing to appeal to the mass market, therefore guaranteeing the stability of its business.

The Nacon Group's brand strategy aims to get the following brand message across to consumers:

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

Mobile and AudioVideo:

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 Power Lite®, Force Moov®, Just Green® and Artefakt® for mobile accessories for premium smartphones, and Thomson, Lumin'Us, ColorLight®, AromaSound®, Metronic® and Mooov® for technical and designer AudioVideo products.

5.6 COMPETITIVE POSITION

5.6.1 Gaming universe

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

- developer and publisher of AA 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 as developer-publisher 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 studios Quantic Dream and DontNod Entertainment.

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;
- Turtle Beach: gaming headsets specialist;
- 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 45%.

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

5.6.3 AudioVideo universe:

In the AudioVideo 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, JBL and Google (via its voice assistants) have gained significant market share at the expense of the other operators.

As mentioned earlier, Metronic, acquired by the Group in October 2021, is a major European player in connected video products (receiving and broadcasting images at home).

Although Bigben Interactive does not have market data, it believes it has a market share of about 4% to 5% 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 mainly 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.

In addition, the Audio/Telco division acquired the Metronic group in October 2021, thus rounding out the Group's product ranges. This segment has now become the AudioVideo/Telco division.

5.7.1.1 Development studio acquisitions

The Group initially developed the video games Publishing business by outsourcing to external development studios but its approach has changed over the past four years following its acquisition of interests in several studios.

Having closed the acquisition of Big Ant Studios in May 2021 for a maximum total consideration of €35 million, Bigben Interactive, via its subsidiary Nacon, completed several acquisitions in 2021/22 including, most recently, its biggest deal in the Gaming segment with the acquisition of Daedalic Entertainment for a potential maximum amount of €53 million broken down as follows:

- net price of €32 million paid in cash on closing;
- contingent consideration payable 100% in cash, based on performance until 2026.

See notes to the 2021/22 consolidated financial statements "Change in scope".

5.7.1.2 Metronic Group acquisition

In October 2021, Bigben Interactive announced its acquisition of Metronic, whose Audio and Video products will inevitably strengthen the Group's market shares in Europe.

The Group acquired all of the share capital and voting rights of Metronic SAS from HF Company Group on 15 October 2021 for a price of €12 million in cash. Contingent consideration could be payable in cash in 2023 and 2024, for a total of €4 million maximum.

5.7.1.3 R&D expenditure

During the past few years, the Company's investment budgets have increased to support its video games development strategy.

Apart from video games development, 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, Revolution X Pro Controller under licence for Microsoft's Xbox One and Xbox Series X|S) as well as acquiring reproduction rights relating to the video game Publishing business (*Warhammer*®, *Tennis World Tour*, etc.), as well as the March 2020 acquisition of RIG™ premium brand gaming headsets;
- For the AudioVideo/Telco entities: acquiring licences (Thomson, etc.) and the Metronic acquisition.

These investments are 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 €4.5 million in 2021/22 (versus €3.9 million in

2020/21 and €3.9 million in 2019/20). None of these expenditures are capitalised, nor are mould costs (€0.4 million in 2021/22 versus €0.3 million in 2020/21 and €0.8 million in 2019/20), which are directly included in the cost price of the goods;

- Development costs of games published by its subsidiary Nacon, whether developed in-house or outsourced, which amounted to €58.0 million in 2021/22 (versus €48.5 million in 2020/21). Investments should continue to increase, reaching around €60 million in the coming years.

Trends in development costs

Costs in € millions	2021/22	2020/21	2019/20
Game development costs	58.0	48.5	32.8

- Costs related to the legal protection of the Group's developments amounting to €0.6 million in 2021/22 (versus €0.7 million in 2020/21 and €0.6 million in 2019/20); Nacon also devotes an increasingly large amount of operating expenses to protecting its developments (registering patents, trademarks and models).

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.

5.7.1.4 Other investments

Not applicable.

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 AudioVideo 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 2022, Nacon thus had 46 games under development, including 31 in-house in its own studios and 15 in external studios, for a total amount of €100 million.

In addition, 14 more games are being developed by independent studios under the supervision of Daedalic Entertainment, which is one of its editorial specialities.

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 70.97% interest in the Nacon sub-group, Bigben Interactive 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.

Given the expected trends in the next few months, at its meeting of 30 May 2022 the Board of Directors of Bigben Interactive decided to put the following resolutions to the vote at the annual general meeting of shareholders to be held on 22 July 2022:

- Payment of a cash dividend of €0.30 per share in respect of the 2021/22 financial year;
- A distribution of Nacon shares in a ratio of one (1) Nacon share for every four (4) Bigben Interactive shares held, which represents about 5.4% of Nacon's current share capital.

Subject to approval at the annual general meeting, the ex-dividend and payment date of both the cash dividend and the distribution of Nacon shares is expected to be no later than two weeks after the date of the annual general meeting.

Alongside the notice of annual general meeting, Bigben will also publish a press release detailing the technical arrangements for the distribution of Nacon shares.

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.

As of 2022/23, the company intends to focus on forward-looking data in its non-financial statement in order to draw up a road map for its environmental and social strategy.

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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 2021/22.

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.

Bigben Interactive SA, as parent company of the Bigben Group, has been a member of the UN Global Compact since 2016 and renewed its membership in 2021 and 2022. All of the Group's subsidiaries are covered by its membership.

Over the last six years, the Group and one of its main subsidiaries, Bigben Connected SAS, have worked hard on their engagement in social and environmental responsibility:

- 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. Bigben Connected has expressed this engagement to stakeholders through its 'Responsible Purchasing Policy'.

- In the past few years, Bigben Connected 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 or LinkedIn posts and encouraging statistics circulated by general management. This culture has been extended to all its partners, as reflected in its 2021 greetings card message, which highlighted the message of “building a more circular with its partners and contributing to a year of greater togetherness”.

- Bigben Connected made its first efforts in this regard in 2018, obtaining an EcoVadis score of 58/100 and a silver medal, already one of the best scores in its sector. Bigben Connected improved its CSR performance in 2021 by obtaining a score of 62/100 and then at the start of 2022 a score of 70/100 and Gold status.

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.

- In addition to ratings and setting intentions, Bigben Connected has entered a new phase that consists of making its CSR targets concrete. This includes producing more environmentally friendly products in terms of both sourcing and shipping, as well as manufacturing (packaging, product components) and their environmental impact (consumer standards).

Bigben Connected's desire to reduce its impact on the environment is reflected by:
  - the launch of "made in France" production in October 2014 and "made in Europe" production in 2017;
  - the launch of its *Just Green®* mobile accessories brand in September 2019, which is fully recyclable and now sold in more than 15 countries;
  - in September 2020, all its own brands had eco-designed packaging meeting the following requirements:
    - Zero plastic
    - 20% lighter
    - 100% recyclable
  - in 2021, the proportion of "made in France" ranges was increased, incorporating "French origin guaranteed" certification for new product lines.

This desire is also reflected by the creation in September 2020 of GREEN ACT!, the first survey to raise consumer awareness about the environmental impact of Bigben Connected mobile accessories on the basis over 70 environmental, social and ethical criteria.

With this in mind, in November 2020, Bigben Connected SAS – the leading name in its sector – felt the duty to make all members of the production chain responsible in ensuring the widespread use of eco-design in products launched on the French, European and worldwide market, applying its GREEN ACT! label to all tech products in addition to just smartphone accessories. The target for 2022 is to extend the benefits of this label to other electronic equipment brands with the aim of guiding consumers to make more responsible choices when buying technology products. All the Bigben Group's own brand products (mobile, audio and gaming) will also obtain this label. Mobile products are all duly rated, while the rating process for the Group's audio products has begun and is due to be completed by the end of 2022.

Learning from this experience, the Group's other subsidiaries also stepped up their efforts in 2021/22 with regard to:
- Taking CSR aspects more into account when creating a product and establishing various associated product strategies duly highlighted during discussions with business partners (CSE presentations to partners, etc.);
- Following on from the work done by Bigben Connected in terms of recycling with "zero plastic" packaging for mobile accessories, Bigben Interactive's Audio business unit continued with its efforts and by 31 March 2021 could boast that almost all its own brand Audio products were in "zero plastic" packaging, while the transition for other Audio products and Gaming accessories is well under way and should be completed this year;
- New products from recently acquired company Metronic are designed in accordance with the EU's Energy-related Products Directive (ErP Directive), reducing their impact on the environment. Metronic's new products are packaged without plastics, using recyclable card and a photo of the product to replace the blister packaging or plastic window.
- Paper manuals for most of the group's products have now been replaced with manuals in digital format that can be downloaded by users;
- Soy ink or vegetable inks are now commonly used on packaging;

- Raising employee awareness about CSR issues (recycling, distribution of reusable water bottles to staff, recommended use of DocuSign, training in responsible purchasing and design and business ethics, etc.);
- The new companies that have joined the Group have also demonstrated their commitment, in particular Metronic, which is continuing with its eco-responsible and civic approach in terms of the design, manufacture and recyclability of its products.

In 2021, Bigben also wanted to highlight the improvement made in its non-financial performance by assessing its "CSR best practices" and obtained:

- An overall score of **69% in the GAIA index** in 2021. This score has improved significantly over the last three years from 55% in 2019, once again attesting to the validity of the measures taken by Bigben in terms of corporate social responsibility. Across all criteria applied, Bigben came out above the average of the national benchmark spanning 400 companies (58%) and the sector benchmark comprising 60 companies (59%). Among companies generating revenues of €150-500 million, Bigben also outperformed its category, beating the average of 61% for 85 French companies.
- A score of **3.5/5 in the Humpact index**.
- And a rating of **D in the CDP reporting system** (with limited scope to take action regarding environmental criteria due to the nature of its activities)

Sharing the experience of subsidiaries that have made the most progress and seeking to emulate this experience have allowed for the development over the years of a true sense of awareness of CSR issues at the Bigben Group. In its press release of 25 January 2021, the Group also publicly announced that its CSR commitment was an even more significant matter, having already been focusing for years on more socially responsible management.

The Group is planning to achieve carbon neutrality by 2050 and is preparing for its transition, primarily be preparing the future proposition to the Boards of Directors of Nacon Bigben Interactive of the appointment of a "CSR Committee".

The various commitments and measures taken by the Group's subsidiaries are explained in more detail in the report below.

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:

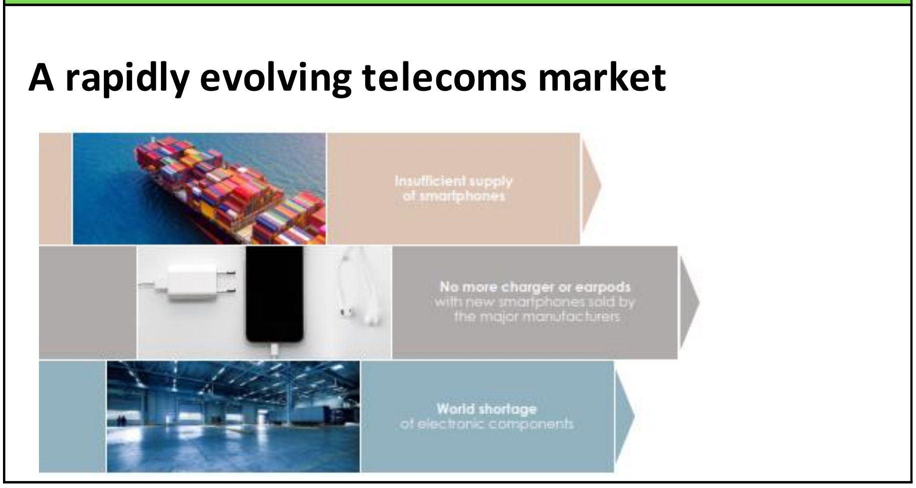
- Gaming, through video games publishing and video games accessories;

- AudioVideo/Telco through its Mobile accessories and AudioVideo products.

2.2. Market trends

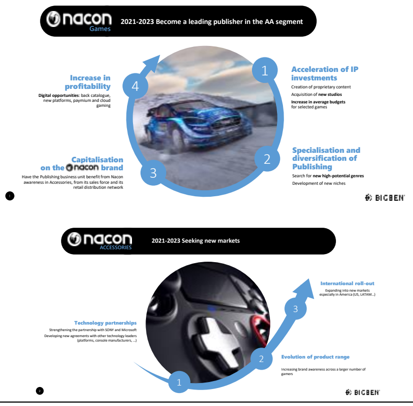
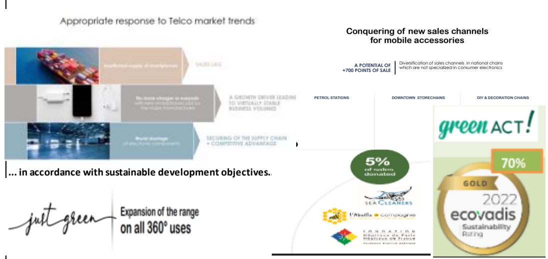
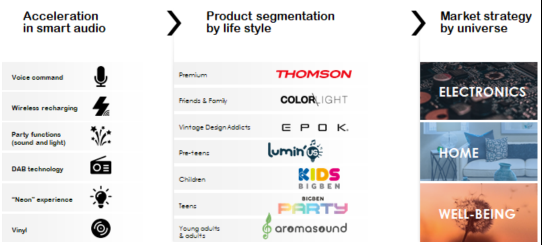
GAMING

MOBILE



AUDIOVIDEO

2.3. THE BIGBEN GROUP'S VALUE CREATION MODEL

RESOURCES	OPERATIONAL EXCELLENCE	GROWTH STRATEGY	VALUE CREATION
Human capital 1,156 employees across more than 11 countries Training budget: 0.6% of payroll	**Product and marketing innovation: a core component of the Group's strategy since the outset** Thanks to the dedicated R&D and Marketing teams with their in-depth understanding of consumer needs and talented development studios with recognised expertise in the target genres: Racing, Sports, Simulation, Adventure, Action, RPG and Narrative. The quality of the games is reflected in customer satisfaction and Metacritic scores: *e.g. WRC series* 	<u>GAMING STRATEGY</u>: Build the foundations for future growth to generate more than €250 million of revenue by 2023 	**Human capital** 303: number of new hires between March 2021 and March 2022
Intellectual capital A large R&D team and substantial R&D expenditure	<u>Bigben works with the best to develop its products:</u> *Example:* An ambassador and influencer programme to strengthen credibility and pro gamer endorsement of the games to casual players The ambassadors assist in product design: for example, pro gamer Kayane took part in designing the Daija Arcade Stick for the PS4™ and PS5™ 		**Intellectual capital** Innovative, margin-generating products Many patents registered
"Manufacturing" capital Heavy annual investment in developing new games Production capacity of 16 in-house studios and several partner studios capable of developing almost 50 games on a continuous basis and launching more than 15-20 games per year 28,000 m² logistics facility (capacity of 36,000 pallets for 11,000 line items)		<u>MOBILE STRATEGY</u>: "High end" strategy and conquering new channels 	**"Manufacturing" capital** Category management for our customers thanks to an in-house tool Excellent scores (Metacritic, etc.) for recently-released video games
Financial capital A robust financial structure Gearing of 17.9% (excluding lease liabilities and earnout payments on acquisitions)			**Financial capital** Target revenue of €400 million and recurring operating income of over €55m in March 2023 Continue dividend distribution in cash; Distribution in kind
Social capital Many internships and work/study contracts available Many partnerships with local organisations (schools, associations, etc.) A global supplier network An anti-corruption code of conduct implemented at all subsidiaries	<u>As a reminder, Bigben was a pioneer in:</u> *G aming accessories:* - NACON Revolution controller: development of a suitable algorithm to gain access to new capacities specific to the pro gaming world - multiplayer radio-controlled wireless controller - early development of induction-based battery charging for Gaming accessories *Mobile:* - range of smartphone accessories with a lifetime warranty - range JustGreen: eco-designed (biodegradable, etc.) - *Green Act!* scale *Audio:* - multimedia towers - Bluetooth luminous speakers (Lumin'Us) - *Aromasound* organic oil diffusers with connected speakers - Revival recordable turntable	<u>AUDIO STRATEGY</u>: Focusing on new networks 	**Social capital** Many indirect jobs created in the upstream activities of the value chain (suppliers and service providers) An anti-corruption code of conduct implemented by all Group employees in 2021/2022
Environmental capital Purchase of ROHS and REACH compliant products Hybrid vehicles accounted for 25% of the Group's fleet in 2021/22			**Environmental capital** Bigben Connected's EcoVadis score: Gold medal with 71/100 in 2021 Reduction in business travel through increased use of confcalls; home working arrangements during lockdown Preference for sea freight

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.

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
EMPLOYEE-RELATED							
Health and safety of employees and third parties in the workplace	Deterioration of well-being at work and health and safety conditions leading to accidents or illness among employees or third parties	High	During Covid-19 (from March 2020): Home working or other arrangements for employees during lockdown (child care leave, etc.); Encouraging employees and third parties to take contact precautions in the workplace (social distancing obligatory, provision of hand sanitiser, distribution of masks, posters about washing hands, etc.)	N/A	N/A	01/04/2021 to 31/03/2022	Group
			Continuous attention to safety standards both in the warehouse and office premises	Number of occupational accidents with time off work	No.	01/04/2021 to 31/03/2022	
				Occupational accident frequency rate	%		
				Occupational accident severity rate	%		
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 in 2019/2020 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.	Total headcount at 31 March 2021 and breakdown by gender	No.	01/04/2021 to 31 /03/2022	
				Number of joiners	No.		
				Number of leavers	No.		
				Staff turnover (categorised and non-categorised)	%		
				Average compensation per employee	€		
				Average number of training hours per employee	Hours		
				Average number of training programmes per employee	No.		
				% 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.		
				Number of days absence / Absenteeism	No. / %		
				% of women by responsibility level - Proportion of women in managerial roles	%		
				% 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; Sustainable use of resources Limited energy costs.	Electricity consumption	kWh	01/04/2021 to 31 /03/2022	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		
				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; Gradual transition of group car fleets towards hybrid/electric vehicles; Business travel policy; Goods transport management.	Scopes 1 and 2 CO2 emissions arising from energy consumption of buildings	TCO_2eq		
				CO2 emissions arising from external data centres	TCO_2eq		
				CO2 emissions arising from car fleets	TCO_2eq		
				CO2 emissions arising from transportation of goods	TCO_2eq		
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; Anticorruption guide disseminated within the framework of the SAPIN II anticorruption law.	Monitoring manufacturing plant audits (social data)	N/A	01/04/2021 to 31 /03/2022	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. AGREEMENTS ON HEALTH AND SAFETY IN THE WORKPLACE ENTERED INTO WITH THE TRADE UNIONS OR STAFF REPRESENTATIVE BODIES

No such agreements relating to health and safety in the workplace were entered into during the financial year by the Group's various companies.

However, there were a few events of note at the Group's French subsidiaries in 2020 and 2021:

- At Bigben Interactive, Bigben Connected and Nacon SA, a business continuity plan was adopted within the context of the Covid-19 crisis, with the appointment of internal Covid officers and the associated risks set out in the single document.
- A working from home charter (for Bigben Interactive and Nacon) and a working from home agreement (for Bigben Connected) were drafted to set out procedures for this practice, launched in 2020. All these elements were subject to consultation and discussion with employee representative bodies.
- At Bigben Interactive, two safety officers were appointed in early 2021 to take care of site safety. Members of the CSE received health and safety training. New procedures have been written up and disseminated concerning treating injuries and use of certain warehouse tools/machinery in order to provide suitable safety advice.

4.1.2. 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 risk assessment document ("DUERP") validated by the Social and Economic Committee (CSE) in order to define, assess and analyse the risks to which employees might be exposed. It should also be noted that Companies' activities engender risks that do not fall within the framework of the criteria of difficult working conditions as defined by law.

Nacon, which was founded in the second half of 2020, has continued 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). Its French studios have done the same by updating their unique document each year, if necessary with their CSR teams.

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 musculoskeletal disorders: In 2019/20, the Lauwin-Planque heating system was completely overhauled to increase the ambient temperature and thus improve working conditions for employees working in the warehouse. Since 2021, materials handling flows (forklift operators) have been subject to reorganisation at the logistics site and this has been accompanied by investment in computerised management tools and buying new engines.

French employees of Bigben Interactive, Bigben Connected and Nacon also receive safety training both to prevent workplace hazards (as part of the applicable regulations) and to train volunteers in first aid and using firefighting equipment. Initial training and refresher courses in emergency first aid are organised regularly.

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.
- In Australia, the company adheres to the principles of the Australian Institute of Health & Safety.
- In the United States, the company complies with the National and State Safety and Occupational Health regulations.
- Studio Cyanide buys ergonomic chairs for all its employees and has trained them in their use, as well as possible ways of adjusting lighting for enhanced comfort.
- Studio Kylotonn has trained 10 employees in emergency first aid at work and renewed two certifications

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 its employees on home working as soon as possible or on 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. This attitude continued as each country's governments decided on further lockdowns; working from home agreements were also adopted at most of the Group's entities.
- Implementing a strict lockdown exit plan as soon as this was authorised by the respective governments 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 by accredited companies
  - Closure of promises as soon as the number of employees with Covid-19 surpasses the cluster thresholds set by each country's public health authority
- Donating 5% of revenue from its Just Green® range of recyclable products to four charities (The Sea Cleaners, L'Abeille noire, Les Hôpitaux de Paris and Plantons pour l'avenir).

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 its business activities, it generally only suffers a limited number of accidents both in frequency and severity.

Occupational accidents (frequency and severity) and illnesses

	BIGBEN GROUP	
	31/03/2022	31/03/2021
Number of occupational accidents with time off work	4	1
Number of occupational accidents without time off work	0	0
Number of commuting accidents	3	1
Frequency of occupational accidents	2.76	N/A
Severity of occupational accidents	0	N/A

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 2022, Bigben Interactive had 1,156 employees versus 853 at end-March 2021. The headcount increased sharply as a result of the acquisition of studios Big Ant, Passtech, Crea-ture, Ishtar and Midgar, and of three companies belonging to the METRONIC group, as well as the recruitment of new employees at other studios and the Publishing team from Nacon’s head office.

The breakdown of headcount by business remained relatively stable over the period, apart from Gaming, 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			
	31/03/2022		31/03/2021	
	Number	%	Number	%
TOTAL HEADCOUNT	**1,156**		**853**	
Breakdown by business:				
Gaming	750	64.8%	544	63.7%
Mobile	100	8.7%	94	11.0%
AudioVideo	63	5.4%	17	1.9%
Logistics	88	7.6%	76	8.9%
Administration	156	13.5%	123	14.4%

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, Mobile 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. There has been staff turnover in general since September 2021.

In 2021/22, 303 employees joined the Group (including 226 on permanent contracts and 87 women) and 190 left, including five dismissals.

Joiners and leavers	BIGBEN GROUP			
	31/03/2022		31/03/2021	
	F	M	F	M
Total number of external joiners	87	216	101	143
o/w permanent	*59*	*167*	*67*	*79*
o/w fixed-term	*20*	*40*	*29*	*60*
o/w apprenticeships or work/study contracts	*8*	*9*	*5*	*4*
o/w temporary staff (1)	*5*	*4*		
Leavers	76	114	75	59
o/w permanent	*60*	*88*	*64*	*38*
o/w fixed-term	*10*	*22*	*9*	*17*
o/w apprenticeships or work/study contracts	*6*	*4*	*1*	*4*
o/w temporary staff (1)	*6*	*4*	*1*	*1*
O/w dismissals:	*2*	*3*	*5*	
Staff turnover by category	*22.9%*	*13.3%*	*26.9%*	*9.9%*
Staff turnover non-categorised		*16.0%*		*15.1%*

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

The overall staff turnover indicator shows a relatively low rate of 16% compared with 15.1% to 31 March 2021. As this includes fixed-term employment contracts coming to an end, the actual rate of turnover can be thought of as closer to 10-12%.

The staff turnover indicator for women shows a relatively low rate of 22.9% compared with 26.9% to 31 March 2021.

2020 and 2021 remained unusual years in terms of recruitment, with "stop and go" periods, more uncertain and impulsive behaviours among applicants, and above all more complicated conditions for integrating new joiners. Some business lines are facing difficulties and having trouble recruiting staff. In these areas, the job market in 2021/22 continued to be dominated by a high level of demand and shortage of applicants. However, this did not stem the increase in the Group's headcount.

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 or their involvement in projects (in particular for development studios).

- At Bigben Interactive and Nacon in France, salary increases are approved during mandatory pay negotiation meetings. Adjustments may also be made once a year in accordance with the agreed minimum levels. 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, employees of Bigben Interactive SA, Bigben Connected and Nacon SA were able to benefit from "Macron bonuses" in respect of 2019, 2020 and 2021. Other forms of ancillary compensation, i.e. meal vouchers, personal protection and health insurance, were also reviewed in 2021/22. Bigben Interactive signed a new incentive bonus agreement in August 2021.
- 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's 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.

Compensation and trends in compensation *in thousands of euros*	BIGBEN GROUP 31/03/2022	 31/03/2021
Compensation for the year	43,922	33,534
Social security costs	16,383	12,802
Average annual compensation per employee	**41**	**39**

The average gross annual salary of a Bigben Group employee was €41,000 in 2021/22 (compared with €39,000 in 2020/21). This is higher than the previous year due to the full-year contribution of the new studio employees.

Employees of French subsidiaries Bigben Interactive SA, Bigben Connected, Nacon SA and Bigben Belgium employees also receive other benefits, including luncheon vouchers, an employer contribution to a healthcare benefits scheme for French employees, and, in Belgium, pension savings insurance.

At Bigben Interactive SA and Nacon SA, health and personal insurance policies were also reviewed in 2021/22 with some levels of cover increased and employee contributions lowered. A mutual/personal insurance committee met during the overhaul of these two schemes in order to allow for consultation with employee representatives.

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 six new annual performance share plans covering all employees between 2016 and 2021, subject to continuing service and performance conditions. The Group may offer further plans of this type in the future.

Some studios are also offering new benefits to their employees. Kylotonn is planning to introduce an employee savings plan in 2022/23.

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.

French employees at Bigben Connected, Nacon and Bigben Interactive or within studios also benefited in 2020 and 2021 from an assessment of their training needs during Professional Interviews. These interviews are an important event for all employees, during which each manager discusses their team's performance and helps to develop their skills. This assessment also makes it possible to prepare for the next two years in terms of setting targets and an individual development plan.

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.

However, the health crisis curtailed the rollout of the skills development plan in the first half of 2020 and it was necessary to roll out more training programmes in 2021, in particular at Bigben Interactive in relating to safety and regulatory training. The skills development plan was ramped up as of March 2022. Following professional interviews, huge demand was expressed for training in 2022.

The major recurring training themes in 2021 were technical training related to employees' areas of expertise or relating to safety – in particular for Bigben Interactive – and training in office systems and personal development.

In the specific case of video games development studios, there is very little adequate specialist training for their industry in France. These studios often have to provide their own training and in doing so largely favour in-house training and intra-company skills transfers.

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.).

- **Total number of training hours/number of training programmes per employee**

In 2021/22, training expenditure represented 0.6% of total payroll. Thus, 242 employees received at least one form of training, i.e., almost 20.9% of the Group's average headcount. The average number of training hours per employee was therefore five hours, while the average number of training programmes per employee was 0.15.

	BIGBEN GROUP	
	31/03/2022	**31/03/2021**
% of payroll devoted to training	0.6%	0.4%
Training expenditure (€)	258,059	145,780
Total number of employees trained	242	129
% of average headcount trained	**20.9%**	**15.1%**
Number of training programmes	176	160
Total number of training hours	5,678	3,404
Average number of training hours per employee	**5**	**4**
Average number of training programmes per employee	0.15	0.19
% of employees receiving an annual appraisal	48.9%	38.4%

In general and across the Group as a whole, investment in training was limited in 2020/21 and 2021/22 due to the successive lockdowns and the need to postpone training programmes that should have been held “face to face”. In order to secure working conditions and ensure the continuity of business, the Bigben Group had to refocus its employees’ activities on the most “essential” tasks during the peak of the crisis. Training will continue to be provided in hybrid format, combining remote training and face-to-face sessions, as some employees prefer to take training programmes from home.

As mentioned above, 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 certain training indicators 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 head office and Nacon's head office has a large glazed courtyard with exotic plants, table tennis and table football tables, 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 (barbecues, breakfasts, "Christmas sweater" day, Christmas party, seminars organised by some departments or companies, restaurant invitations, photo shoots with the children of volunteer employees, etc.). These activities were severely put on hold in 2020 and early 2021 due to the health crisis.

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 wellbeing at work:
- Mental wellbeing
- Social wellbeing
- Physical wellbeing
- Environmental wellbeing

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

The Group endeavoured to maintain as far as possible an appropriate working environment for its employees while respecting the requirements set in the light of the Covid-19 health crisis.

- **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, comprising a high and low season reflecting 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. The number of working hours per week based on the legal requirement also means that other departments at Bigben Interactive and Bigben Connected can allocate days off in lieu.
- 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.
- In the United States, there are no restrictions on working hours.

During the Covid-19 lockdowns, 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 during the first lockdown in spring 2020. Departments that could continue to operate through home working arrangements did so.

As soon as lockdown restrictions were relaxed and during the subsequent lockdowns (autumn 2020 and spring 2021), which had fewer restrictions, contact precautions at the Group’s premises, social distancing for employees working on site and extended home working enabled the Group to maintain its rate of work (see 4.1.1.). The only absences reported related to the shielding of certain employees. At Bigben Interactive, take-up of short-time working increased in 2021/22 because of staff having to isolate in accordance with Covid requirements (early 2021) or having to look after children at home due to schools being shut.

The current Covid-19 health crisis has given the Group the opportunity to rethink how its work is organised.

Working habits have been completely transformed, in particular with the accelerated rollout of home working for all office-based jobs. In September 2020, the three main French companies Nacon SA, Bigben Connected SAS and Bigben Interactive SA adopted a home working charter (for Bigben Interactive and Nacon) and a home working agreement (for Bigben Connected), which allow their employees – outside the context of the Covid-19 health crisis – to opt to work from home one day per week. Home working has also been widely adopted at all other Group companies.

- **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 Bigben Interactive, two safety officers were appointed in 2021 in order to pass on HSE information and also be consulted about the company's HSE approach. 11 CSE meetings are held each year at BBI, four of which are dedicated to health, safety and working conditions.
  - At Nacon, a CSE was created and its members elected for a four-year term in January 2020. Meetings take place every two months.
  - Lastly, three French studios duly elected their CSEs in 2019. Meetings take place every two months. The studio Spiders has also created a trade union section, with CSE elections to be held in July 2022.
- 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, Asia and the United States 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. 0573. The development studios are covered by the Syntec collective agreement no. 3018 (technical design firms, engineering consultants and consulting firms).

The following collective agreements were signed in 2021/22:

- By Bigben Interactive SA: Adjustments were made in 2021/22, with wholesale employee representatives signing a new agreement concerning employees after two years without change. Logistics employees were also able to benefit from changes relating to two increases in the minimum wage (October 2021 and January 2022).

No other collective agreements were entered into during the year.

4.3.2. OUTCOMES

- **Absenteeism**

The number of absences in absolute terms increased relative to the previous year.

This was mainly due to the change in scope of consolidation and the full-year effect of the acquisition of the new development studios, as well as the higher number of days of sick leave due to the health crisis. However, annual absenteeism remains extremely low at 2.3%.

	BIGBEN GROUP	
In days	**31/03/2022**	**31/03/2021**
TOTAL NUMBER OF DAYS ABSENTEEISM	**6,142**	**4,851**
Sick leave	5,064	4,108
Occupational accidents and accidents between home and work	128	21
Unpaid leave	951	722
ABSENTEEISM	**2.3%**	**2.4%**
Maternity leave	952	581
Paternity/parental leave	836	242

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 AudioVideo 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

Total headcount and breakdown by gender, age and geographical area

		31/03/2022		31/03/2021	
		Number	%	Number	%
TOTAL HEADCOUNT		**1,156**		**853**	
Breakdown by:					
EMPLOYMENT TYPE	Full-time	1,095	94.7%	807	94.6%
	Part-time	61	5.3%	46	5.4%
GRADE	Managers	483	41.8%	339	39.7%
	Other	673	58.2%	514	60.3%
CONTRACT TYPE	Permanent	1,062	91.9%	754	88.4%
	Fixed-term	61	5.3%	97	11.4%
	Apprenticeships or work/study contracts	33	2.9%	1	0.1%
	Other (temporary staff) (1)	14		31	
	Other (internships) (1)	47		22	
GENDER	Women	323	27.9%	260	30.5%
	Men	833	72.1%	593	69.5%
GEOGRAPHICAL AREA	France	845	73.1%	662	77.6%
	Rest of Europe	158	13.7%	113	13.2%
	Asia	32	2.8%	30	3.5%
	Other	121	10.5%	48	5.6%

(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 2022, the non-French subsidiaries represented about 26.9% of the Group's total workforce versus 22.4% at 31 March 2021. 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 within the framework of two POEC sessions (*Préparation Opérationnelle à l'Emploi Collective* training programme for refugees and immigrants in France). These employees are then taken on as temporary staff over a period of several months. Fixed-term contracts may be used as a recruitment tool with a view to their subsequent conversion to a permanent contract. The apprenticeship scheme was also ramped up in 2021 with the hiring of young people on work/study contracts.

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

It operates in more than 11 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:

Age pyramid		BIGBEN GROUP			
		31/03/2022		**31/03/2021**	
Age bracket	25 and under	173	15.0%	110	12.9%
	26 to 35	498	43.1%	373	43.7%
	36 to 45	274	23.7%	228	26.7%
	46 to 55	164	14.2%	112	13.1%
	56 and over	47	4.1%	30	3.5%
	Number of older employees (45 and over)	211	18.3%	142	16.6%
	o/w French employees	121	14.3%	88	13.3%

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 Nacon Group has a total of 1,156 employees, 27.9% of whom are women and 72.1% men. The proportion of women has fallen slightly compared with the previous year due to the acquisition of new development studios and the recruitment of developers at existing studios, where the majority of employees are men.

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 26% of managers.

Although the development studios have a largely male workforce, there is no discrimination against women.

Gender balance index

Since 1 March 2020, French companies with at least 50 employees are required to measure their gender balance as defined by the “Professional future” law of 5 September 2018.
The purpose of this index is to measure the company’s positioning in terms of professional equality between men and women on the basis of four indicators (for companies with fewer than 250 employees) defined by the French government:

- The pay gap between men and women;
- The difference in the rate of individual salary increases;
- The percentage of female employees receiving a pay rise on returning from maternity leave;
- The number of people from the underrepresented gender among the top 10 highest-paid employees.

If the score is below 75%, corrective measures must be taken.

The French subsidiaries of Bigben concerned all apart from one obtained a score of more than 81% in 2021, a significant improvement relative to last year. This encouraging performance confirms the commitments made by the Group in terms of professional equality.

Accessibility to key positions is also a key issue for AudioVideo and Telco companies, where 40% of "top management" employees are women (in particular for Bigben Connected, where the percentage is 52.4%).

	BIGBEN GROUP	
Breakdown of headcount by gender	**31/03/2022**	**31/03/2021**
	% F	% F
% of women in middle and top management positions	25.8%	28.3%
	% F	% F
% of women in top management positions	16.7%	20.7%
% of women in middle management positions	27.7%	30.1%
% of women with managerial grade	18.8%	20.4%
% of women with supervisory grade	29.0%	33.9%
% of women with clerical or administrative grade	33.2%	35.6%

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.

The percentage of women in managerial roles is calculated by taking account on a pro rata basis of women categorised as "top managers" and "middle managers" relative to the total number of "top managers" and "middle managers".

Aware of the importance of diversity in the workplace, which enhances the Group as a whole, social balance and economic efficiency, the Group is committed to ensuring equal opportunity and equal treatment of employees regardless of gender, and intends to continue with its efforts over the years to come.

Nacon is also a signatory of the Diversity promotion charter jointly drafted by the SNJV (national video games trade union), DGE (Directorate General for Enterprise), CNC (National Centre for Cinema and Animation) and SELL (entertainment software developers trade union), with the aim of encouraging diversity within team and incorporating the values of diversity and equality into the company. Nacon is committed in particular to:

- Help to measure efforts to improve diversity

- Ensure equal treatment within the company
- Take action to prevent discriminatory behaviours, harassment and violence of any form
- Work towards better promotion of jobs in the video games industry to young people.

Measures in favour of disability employment and inclusion

The Bigben Group employs 16 people with disabilities.

Employment of people with disabilities	31/03/2022	31/03/2021
Number of people	16	14
Employment rate	1.4%	1.6%

** Amendment of figure as of 31 March 2021: 14 rather than 12 as initially mentioned*

At 31 March 2022, the major French companies Bigben Interactive, Nacon and Bigben Connected employed 9 people qualifying under the disability employment requirement.

Note that since 2020/21, the OETH reform concerning the recruitment of people with disabilities in connection with the “Professional Future” law of 5 September 2018 has not only amended the means by which disabled employees are declared (now done automatically via the Nominative Social Declaration or DSN) but also removed certain deductions in order to encourage direct employment of disabled workers. French companies still have to pay a contribution in the case of missing beneficiaries.

Due to this change of calculation method, at the three major French subsidiaries Bigben Interactive, Bigben Connected and Nacon concerned by the obligation to employ workers with disabilities, some companies did not fully meet their obligations and had to pay AGEFIPH financial compensation in 2021. Nacon paid €15,710 and Bigben Connected paid €13,510.

The Group continues to use 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.

In addition, several years ago, Bigben Interactive started recycling its waste under a partnership with the company Elise, which employs people on inclusion and disability employment programmes.

In 2017, Bigben Interactive SA formed a partnership with Game Lover, part of the Papillons Blancs association based in the Hauts de France region of northern France, which brings together people with disabilities who publish a news blog about video games. It has since grown in scale, becoming part of the CapGame Testing association. The aim of the collaboration was 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. This partnership has made it possible to raise awareness about making video games accessible to people with motor and cerebral disabilities and adopting an approach, which now forms part of Nacon’s specifications, to ensure that developers take account of these restrictions as much as possible during development.

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

- In 2019/20, 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;
- Employees of Spiders undertook a one-day training programme in 2020/21 provided by Cap Games on accessibility in gaming;
- A number of studios, including Spiders and Cyanide, also use the services of support through work organisations as much as possible.

Lastly, in March 2021, subsidiary Bigben Connected launched its “Disability agreement” project, which was unanimously approved by its CSE and aims to encourage employment of people with disabilities. Training will be provided in future for managers to raise their awareness and help them to recruit people with disabilities, particularly in administrative positions. The aim is to highlight skills and business expertise are the main selection criteria in order to avoid any focus on the disability.

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 subcontracted. 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. Sustainable development is currently a reality in developing products, the vast majority of which are eco-designed and involve all parties concerned within the company, namely product marketing, logistics, procurement and sales.

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 2022, Bigben Connected SAS obtained an EcoVadis score of 70/100 and a gold 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 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, Nacon and Bigben Connected, have motion detectors or automatic light control systems to adjust lighting to employee needs;
- The Lauwin-Planque site replaced its lighting with LED bulbs during 2021/22;
- 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;
- Some studies such as Cyanide and Kylotonn have signed “green energy” agreements with ERDF and Enercoop.
- 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 €0.0619 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 2022 when the Covid-19 lockdown restrictions have been lifted.

Lastly, the Group ensures that its suppliers also use resources sustainably (see 6.1) and introduced new indicators (see 5.3) to be able to continue to improve the assessment of its own carbon footprint in 2021/22.

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.

	BIGBEN GROUP	
Water (m^3)	31/03/2022	31/03/2021
Head office	331	550
Logistics	957	1,145
Subsidiaries	376	297
TOTAL	**1,664**	**1,992**

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 also raises employee awareness about saving water.

- **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 m^2 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.

	Electricity (kWh)	31/03/2022	31/03/2021
Internal consumption	Head office	296,030	295,612
	Logistics	765,988	919,150
	Subsidiaries	551,696	484,273
	TOTAL	**1,613,714**	**1,699,035**
	Gas (m^3)		
	Head office		
	Logistics	175,097	159,882
	Subsidiaries		
	TOTAL	**175,097**	**159,882**

The increase in gas costs relates to the first full year of the new more powerful heating system.

The reduction in internal energy costs is due to electricity savings at the logistics site following the installation of an energy efficiency boiler, despite the integration of a number of new companies and increased consumption at "administrative" sites returning to a normal level post-lockdown.

Since 2020/21, the following indicator assesses not just electricity consumption resulting from the use of external servers but also the associated carbon footprint (see 5.3.2):

		31/03/2022	31/03/2021
External datacentres	Electricity (kWh)		
	TOTAL	**119,377**	**118,814**

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 and Nacon SA at their shared 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 their 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 optimisation 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
- Raising employee awareness about CSR, in particular by distributing free reusable water bottles to employees in 2020. A campaign to renew awareness about recycling was carried out at Bigben Interactive and Nacon's Lesquin site in 2021.

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.
- In January 2022, Bigben Connected SAS and partner Greenly launched an employee questionnaire to establish the company's carbon footprint in order to assess its environmental impact and on the basis of this take collective and individual action to reduce its environmental impact.

In addition, the French subsidiaries continuously raise employee awareness about reducing their office paper consumption by encouraging double-sided printing (printer default setting). The three major subsidiaries Bigben Interactive SA, Nacon SA and Bigben Connected SAS decided in 2021/22 to stop printing corporate documents and to send out only digital greetings cards to their partners.

In terms of the Group's CSR initiatives, apprentices and interns at these three subsidiaries sent out CSR questionnaires to all employees in order to find out their opinions and find ways of making improvements, or reviewed CSR benchmarks in order to come up with pragmatic measures to be taken.

- **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;

  Specifically, Bigben Interactive SA and Nacon SA collect and recycle:
  - printer cartridges through Conibi;
  - 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 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**

Sharing the experience of subsidiaries that have made the most progress in recycling and seeking to emulate this experience have allowed for the development of a true sense of awareness of CSR issues at the Bigben Group. CSR aspects and recycling concerns are now given more consideration when creating a product and establishing the associated product strategy, which is duly highlighted during discussions with the various business partners.

An eco approach to recycling from the outset

Eco-designed products:

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.

Waste management is also a core issue for Bigben Connected, In September 2019, it launched the Just Green® range of mobile accessories, which uses a fully recyclable material particularly on protective covers and has made a commitment to The SeaCleaners association, which works to reduce sea pollution.
Furthermore, instigated by Bigben Connected, the Group continued its recycling efforts in 2021/22:

- Since September 2020, all its own brand mobile accessories have had eco-designed packaging meeting the following requirements:
    - Zero plastic
    - 20% lighter
    - 100% recyclable

  Following on from the work done by Bigben Connected in terms of recycling with "zero plastic" packaging for mobile accessories, Bigben Interactive's Audio business unit continued with its efforts and can boast that as of 31 March 2021 all its own brand Audio products were "zero plastic" and comprised 100% FSC packaging using soy ink. Furthermore, the plastic used in all "blister-free" audio products is now PET, and therefore recycled and recyclable. Efforts are continuing with regard to large products, and the audio product department is in the process of developing a solution to use padding and internal protection to prevent products being broken and which help protect the environment.
  Solid progress has also been made in Gaming accessories.

  Paper manuals for most of the group's products have now been replaced with manuals in digital format that can be downloaded by users;

- Soy ink now commonly used on packaging;

- Initiatives have been launched to use FSC cardboard packaging (with an FSC certification number).

- Note that the plant in Asia, which manufactures most of the Group's video game controllers, is also fitted with solar panels that do not generate any carbon emissions;

  This desire to minimise its impact on the environment is also reflected by the creation by Bigben Connected in September 2020 of GREEN ACT!, the first environmental rating scale for mobile accessories, defined on the basis of over 70 criteria assessing their environmental, social and ethical impact. The rating scale is based on the *Nutriscore* principle, which environmental performance denoted by the letter A, B, C, D, E on the packaging for each Bigben own brand mobile accessory.

- In November 2020, Bigben Connected SAS – the leading name in its sector – felt the duty to make all members of the production chain responsible in ensuring the widespread use of eco-design in products launched on the French, European and worldwide market, opening up its GREEN ACT! label to all tech categories in addition to just smartphone accessories. The aim is to unite all electronic equipment brands with the aim of guiding consumers to make more responsible choices when buying technology products. All the Bigben Group's own brand products (mobile, audio and gaming) will obtain this label. Mobile products are all duly rated.

- Lastly, the Group's companies continued to raise employee awareness about CSR issues (recycling, distribution of reusable water bottles to staff, sending out CSR awareness questionnaires, training in responsible purchasing and business ethics, training in responsible design, etc.).

- The new companies have also confirmed their civic commitment. For example, Metronic plays a part in the circular economy by repairing its products and taking back unsold stock from retailers in order to offer it as second hand.

Sensible paper consumption

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

They have also invested in digitising the documents it produces such as invoices and expenses reports:

- 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 (80% of invoices are now digital) and thus reducing the company's carbon footprint.
- At Bigben Interactive and Nacon, the same process was initiated in September 2020.
- In March 2020, these three companies also introduced expense report software, which allows users to scan their receipts and obtain approval directly in electronic format;
- In 2020/21, Nacon, Bigben Interactive and Bigben Connected also rolled out the use of DocuSign signature software to avoid printing out legal documents such as contracts, which can be signed electronically.
- Efforts continued in 2021/22: all marketing materials have been digitised since the Maison & Objet trade show in March 2022, with a QR code to be downloaded by visitors to our stands. This initiative was carried on at Bigben Week in May 2022, during which the Group’s traditional product catalogues and corporate brochures were replaced with digital materials.

Downstream management of recycling

The Lauwin-Planque warehouse has made the effort for many years to sort its products and separate 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 Citeo (new name of Eco-emballage) for packaging of products sold on the French market;
- waste electrical and electronic equipment (WEEE) to Eco-Systèmes 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 regards Bigben Connected SAS’s 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. As of 2021, the Just Green range of products also automatically includes a Just Green recycling facility to collect used chargers and distribute them via the charity *Les Joyeux Recycleurs* to members of the reprocessing industry concerned.

In addition, 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. Despite employees being present less frequently because of increased working from home, 2,015 kg of cardboard, 107 kg of plastic and 24 kg of various metals were recycled in 2021/22 (compared with 2,540 kg of cardboard, 132 kg of plastic and 37 kg of various metals in 2020/21).

- 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.

  Despite the health crisis and fewer employees being present at premises (working from home), 318 kg of various waste was recycled in 2021 (versus 537 kg in 2020, 626 kg in 2019 and 264 kg in 2018), which is the equivalent of two trees saved, 189 coat hangers, 24 fleeces, three scooters, 874 aluminium cans and one bicycle. The subsidiary's target for the years ahead is to exceed this score.

At Nacon SA and Bigben Interactive SA, recycling projects initiated by employees (e.g., recovering plastic capsules or paper for donation to charity) have also 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.

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.

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 and management of containers and packaging to Ecoembes. 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. As of September 2020, the company has also started eliminating faulty products including batteries via the ECOEM Consortium;
- Lastly, all development studios introduced selective waste sorting (consumables, batteries, cardboard, etc.) several years ago.

- **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.

- **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 site (packaging of more “small series” products), and partly to increased storage at the end of the year of packaging materials to protect against the risk of the current rise in cardboard prices.

	Paper and cardboard (kg)	31/03/2022	31/03/2021
Consumption	Head office	1,270	508
	Logistics	217,869	210,833
	Subsidiaries	1,325	3,563
	TOTAL	**220,464**	**214,904**

This temporary increase nevertheless conceals some improvements:
- for example, at the Lesquin plant, everyday use of DocuSign has allowed for an equivalent saving of 61 kg of wood, 1,492 litres of water, 143 kg of carbon and 10 kg of waste;
- while using service provider Publiscreen has enabled it to contribute to the planting of two trees, the creation of six animal shelters, generating eight months’ worth of oxygen, storing 0.30 tonnes of carbon dioxide and creating two hours of work within the framework of its REFOREST’ campaign.

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

The increase in paper and cardboard recycling at the warehouse is in line with the increase in cardboard consumption.

	Paper and cardboard (kg)	31/03/2022	31/03/2021
Recycling	Head office	2,013	2,540
	Logistics	258,565	238,870
	Subsidiaries	451	1,427
	TOTAL	**261,029**	**242,837**

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 and Tours. The Group's other premises are offices based in Europe, Canada, Hong Kong, the United States and Australia. 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 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 Group's subsidiaries have a number of hybrid models in their fleet (24 vehicles out of the 95 in the fleet are classified as "hybrid", representing 25% in 2021/22 compared with 23% in 2020/21). In particular:
- Bigben Connected has nine hybrid vehicles out of a total 30;
- Bigben Interactive has three, including one rechargeable vehicle, out of a total nine;
- Nacon has five out of a total 21.

Some international subsidiaries have also taken similar initiatives:
- Bigben Benelux has set limits for CO_2 emissions in its car policy;
- Bigben Italy and Bigben GmbH have fleets of Euro 4, 5 and 6 classified cars.

- **Use of environmentally friendly production plants**

The "environmentally friendly" aspect is duly taken into account when selecting partner production plants (see 6.1.).

- **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 subcontractors are based in Asia or Europe, which therefore requires
- freight by sea, air or train between China and mainly Europe and the United States;
- and road freight in Europe.

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 carbon emissions.

For example, in Bigben Connected's CSR plan decided in 2015, the company made a commitment in 2022 with regard to sales transportation to ensure that more than 50% of vehicles are under contracts with CO2 certified transportation companies,

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.

- **Use of external datacentres**

The Group has decided as of 2020/21 to use the following new indicator, which assesses not just electricity consumption resulting from the use of external servers (see 5.1.2.) in addition to internal electricity consumption but also the associated carbon footprint.

- **Monitoring of greenhouse gas emissions from company cars**

As of 2021/22, the Group has decided to use the following new indicator that assesses in particular the carbon footprint of the company's vehicles. A comparison with 2020/21 has been added in order to make this monitoring relevant.

5.3.2. OUTCOMES

CO_2 emissions (kg CO_2e)	31/03/2022	31/03/2021
Emissions associated with company cars (kg CO_2/km)		
o/w diesel cars	290,826	268,642
o/w petrol cars	36,470	28,585
o/w hybrid cars	59,965	51,392
Total Scope 1 emissions	***387,261***	***348,619***
Indirect emissions related to energy consumption		
Emissions related to electricity (kg CO_2e)	*168,848*	161,263
Emissions related to gas (kg CO_2e)	*448,599*	351,740
Total Scope 2 emissions	***617,446***	***513,003***
Scope 3 items measured		
Emissions associated with transportation	*5,164,119*	8,431,475
Emissions associated with external servers	*14,634*	15,444
Total Scope 3 emissions	***5,178,753***	***8,446,919***
Total emissions – all scopes	***6,183,461***	***9,308,542***

See 5.1.2 for an explanation of the changes in gas and electricity consumption.

The Group's main carbon dioxide emissions consist of emissions associated with outsourced goods transportation. The Group's target is to cut carbon emissions from transportation by reducing the proportion of air transportation.

Energy consumption related to the transportation of the Group's products amounted to 5,164 tonnes of carbon dioxide in 2021/22 (compared with 8,431 tonnes in 2020/21) on the basis of information provided by transportation providers and extrapolated to the Group as a whole. This represents a significant reduction, primarily as a result of the following:

- reduced use of air transportation;
- natural purification of the old global fleet of energy-consuming boats;
- "slow moving" policy adopted by shipping companies coupled with a shift towards low sulphur hydrocarbons in order to save on diesel used by boats.

The new indicator tracked by the Group concerning carbon dioxide emissions from company cars highlights a slight increase relating to the resumption of activity and a rise in car journeys after 2020/21 was impacted by numerous lockdowns. Note that figures to 31 March 2021 have been added in order to provide a basis for comparison for this new indicator.

5.4. GREEN TAXONOMY

5.4.1. NEW REGULATION

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishes a framework to facilitate sustainable investment within the European Union (EU), amending regulation 2019/2088. This EU taxonomy of sustainable activities or "green taxonomy" establishes the general framework for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable.

A qualifying activity must:

- contribute substantially to one or more of the following environmental objectives:
    1. climate change mitigation
    2. climate change adaptation
    3. sustainable use and protection of water and marine resources
    4. transition to a circular economy
    5. pollution prevention and control
    6. protection and restoration of biodiversity and ecosystems
- do no significant harm to any of the other environmental objectives;
- be carried out in compliance with minimum safeguards set out in:
    - the OECD Guidelines for Multinational Enterprises
    - the United Nations Guiding Principles on Business and Human Rights, and
    - the principles and laws set out in the eight fundamental conventions cited in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and by the International Bill of Human Rights;
- comply with technical screening criteria established by the Commission.

In accordance with this regulation, the Bigben Group is only subject in 2021/22 to the obligation to publish "green" financial ratios, i.e. the proportion of its revenue, capital expenditure ("capex") and operating expenditure ("opex") relating to products or services associated with economic activities for which environmental sustainability criteria have been defined.

In respect of 2021/22, the requirements to publish these financial ratios concern only the "eligibility" of activities. The Bigben Group is required to publish these indicators showing the proportion associated with potentially sustainable activities, without taking account of technical criteria.

Eligible activities are listed and described in the light of the first two climate objectives of mitigation and adaptation. They will be extended to the four environmental objectives (sustainable use of water and marine resources, circular economy, pollution prevention, protection and restoration of ecosystems) in 2022/23 with the obligation to publish in respect of 2023/24.

5.4.2. OUTCOMES

Some of the Bigben Group's activities contribute to one or more of the six environmental objectives by facilitating one of the activities that support these objectives.

By nature, some of the services offered by the Bigben Group contribute to sustainable development.

The financial information in question for this analysis is taken from Bigben's IT systems at the end of the financial year on the basis of the IFRS consolidated financial statements to 31 March 2022 and in accordance with the regulation with the aim of defining "green" revenue, capex and opex. The results of this analysis are given below.

For Bigben, the three key performance indicators defined by the green taxonomy for 2021/22 are as follows:

Proportion of economic activities eligible and not eligible for the taxonomy in the Group's revenue, capex and opex:

in thousands of euros	BIGBEN GROUP		
	TOTAL	Proportion of activity eligible for Green Taxonomy	Proportion of activity not eligible for Green Taxonomy
Green revenue	275,711	0.4%	99.6%
Operating expenditure	58,926	0.9%	99.1%
Capital expenditure	59,974	0.2%	99.8%

Eligible revenue

With regard to revenue, and in the light of the regulatory framework set out above, it appears that most of the Group's activities belong to sectors that are not eligible for the two climate objectives established by the Green Taxonomy.

For Bigben's AudioVideo/Telco business, only revenue from the eco-responsible product *Just Green* has been taken into account.

Nacon's economic activities as a video games and accessories developer are not eligible for the Taxonomy Climate Delegated Act.

As a result, the proportion of economic activities eligible for the taxonomy in Nacon's total revenue was 0.4%.

Eligible capex/opex

With regard to other items eligible for the taxonomy, the **capital expenditure** concerned by the taxonomy established by the regulation, and taken into account in the numerator, include costs in the following categories:

► installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (activity 7.5.)
► vehicle fleet leasing (related to activity 6.5. "Transport by motorbikes, passenger cars and light commercial vehicles")
► fixed assets in connection with the storage, handling, management, circulation, control, display, commutation, exchange, sending or processing of data by data centres (activity 8.1).
► renovation of existing buildings (activity 7.2.)
► installation, maintenance and repair of energy efficiency equipment (activity 7.3.)
► freight transport services by road (activity 6.6)

According to regulations and the Group's analysis, 0.2% of the Group's capital expenditure is eligible in respect of 2021/22.

The **operating expenses** concerned by the taxonomy established by the regulation, and taken into account in the numerator, include costs in the following categories:
► sustainability-related R&D costs
► building repairs and maintenance
► vehicle repairs and maintenance
► other repairs and maintenance
► building renovations (not capitalised)
► property rentals
► vehicle rentals
► other short-term rentals
► general services costs (maintenance).

According to regulations and the Group's analysis, 0.9% of the Group's operating expenses are eligible in respect of 2021/22.

The capital expenditure and operating expenses taken into account to calculate key performance indicators also include costs relating to any expenses associated with direct or indirect production from economic activities aligned with the taxonomy and certain individual measures allowing the targeted activities to contribute to reducing greenhouse gas emissions.

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 subcontractors**

Purchasing policy and consideration of CSR aspects in negotiations with suppliers and subcontractors 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 subcontractors is thus one of the criteria taken into consideration during contract negotiations.

In practice, Bigben has an ecological purchasing policy but this is not always formally set out, apart from for one of the group's biggest companies, Bigben Connected (in charge of Mobile accessories).

This company makes 100% of its distribution partners sign a responsible purchasing charter based on the ILO's fundamental conventions and the 10 principles of the United Nations Global Compact. In addition, Bigben Connected has set out a formal environmental policy that defines its targets and implementation.

However, Mobile, Audio and Gaming buyers at head office are starting to be trained in sustainable development issues, which consists of knowing about environmentally friendly products and certifications, as well as which suppliers offer them. The most significant example at present concerns packaging, as the Group uses the same printer for a large proportion of its products representing considerable purchasing volumes. This printer is FSC certified, which guarantees traceability in terms of respecting the environment and forests in particular.

Selection of production plant subcontractors

The Group uses subcontractors for its product manufacturing needs.

Subcontractors 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, subcontractors are also required to provide evidence of their compliance with safety and quality assurance regulations. All partners sign up to or provide BSCI, SMETA, REACH, ROHS and/or LABELCO2 certification.

In Asia, Bigben Hong Kong and Nacon Hong Kong also perform audits of all their 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.

In addition, subcontractors are also required to provide evidence of their compliance with safety and quality assurance regulations.

Due to the difficulty in obtaining this information from its partner production plants, the Group did not generally select its partner plants according to criteria based on greenhouse gas (GHG) emissions in both scope 1 “GHG emissions directly related to manufacturing the product” and scope 2 “GHG emissions related to energy consumption necessary to manufacture the product”. This requirement could be facilitated due to the fact that China, where the Group carries out most of its production, is now aiming to be net zero carbon. The Group would like in future to select its partner production plants on a more exacting basis, using criteria also based on greenhouse gas emissions. Within this framework, it is looking for a true international standard approved by all countries that it can rely upon to assess the GHG emissions of selected plants.

Selection of transport providers

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

Until now, the Group did not generally select its partner plants according to criteria based on scope 3 greenhouse gas emissions (“GHG emissions not directly related to manufacturing the product but to other stages of the product lifecycle – supply, transportation, etc.”). As of 2020/21, the Group now assesses the energy consumption related to the transportation of its products on the basis of information provided by its main transportation providers and extrapolated to the Group as a whole (see 5.3.1 and 5.3.2).

Selection of subcontractors excluding transport and production plants

The Group also uses subcontractors for studies, promotional and marketing services, and video game development.

Subcontractors 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, subcontractors are also required to provide evidence of their compliance with safety and quality assurance regulations.

Until now, the Group did not generally select its IT hosting partners according to criteria based on scope 2 greenhouse gas emissions (“GHG emissions related to energy consumption necessary to manufacture the product”). As of 2020/21, it now assesses energy consumption related to database hosting for its main operating entities on the basis of the number of servers concerned and their annual utilisation time (see 5.1.1., 5.1.2., 5.3.1 and 5.3.2).

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

- **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
- ✓ 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

Production plants

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. Other plants have SMETA (Sedex Members Ethical Trade Audit) accreditation, one of the ethical audit standards. 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.

As at 31 March 2022, 11 of the 30 main partner production plants were ISO 14001 certified.

As at 31 March 2022, of the 30 major production plants with which the Group’s sourcing subsidiaries in Hong Kong generate 46% of their revenue:

- 73% have at least one SA8000, SMETA, BSCI or RBA social audit report (versus 80% as at 31 March 2021 and 50% as at 31 March 2020);
- 37% have at least one ISO 14001 environmental audit report (versus 40% as at 31 March 2021 and 20% as at 31 March 2020);
- 73% have at least one ISO 9001 quality management system audit report (versus 73% as at 31 March 2021 and 47% as at 31 March 2020).

These numbers reflect Bigben’s investment in this area, with a sharp increase in the number of partner production plants with these certifications in the last three years.

The plant in Asia, which manufactures the majority of video game controllers, is also fitted with solar panels that do not generate any carbon emissions;

The Bigben Group has never used “conflict minerals” (the 3 Ts: tin, tungsten and tantalum) or gold from the Democratic Republic of the Congo for the manufacturing of its products or in its supply chain.

Transport providers

In 2021/22, 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 2020, Chronopost obtained an EcoVadis score of 70/100 (Gold level since 2017) and is among the top 5% in its sector.

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

- Based on four main areas for action:
  - Offering clients sustainable supply chain solutions;
  - Ensuring ethical and responsible business practices in the logistics value chain;
  - Acting as an employer that is committed to its employees;
  - Strengthening ties with its stakeholders on a regional level.
- Based on the ISO 26000 standard for assessing stakeholders' CSR criteria, it involves all members of the company in supporting core 11 commitments and achieving quantitative targets to be achieved by 2025, with a first step towards this by 2020;
- 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.

In 2019, Bolloré Logistics obtained Gold status for its CSR performance across its full scope on the basis of an evaluation by independent rating agency EcoVadis.

The Group's third transport partner, Clasquin, was again recognised for its CSR achievements in 2021 by the world's main CSR rating agency, EcoVadis, which assesses the social and environmental performance of global supply chains. Clasquin obtained gold level with an overall score of 62/100. Clasquin also obtained a score of 67/100 in the GAIA index. These two scores represent improvements of 10 points and 5 points respectively relative to 2020. This attests to the transport company's level of involvement in addressing sustainability issues.

The Group's fourth transport partner, BGI Worldwide Logistics, takes account of sustainable development goals in its approach. It has obtained an ESG rating of 2/5, based on a company's performance and the risks relating to Environmental, Social and Governance criteria. This shows that BGI is one of the best performing transport companies in the sector with an average score of 2.82.

The Group's fifth transport company, Kühne & Nagel, places a strong focus on environmental issues. Its Net Zero Carbon plan aims to reduce CO_2 in its transport and logistics services worldwide. Since 2020, the company has offset direct carbon emissions that cannot be avoided, and then proactively addresses the carbon footprint of transportation service provided by its suppliers (airlines, shipping companies and transportation companies) in order to become net carbon zero by 2030.

The Group's sixth transport partner, DSV, signed the United Nations Global Compact in October 2009 and demonstrates a strong commitment to reducing carbon emissions. Between now and 2030, DSV intends to cut its scope 1 and 2 emissions (company cars, offices and warehouses, etc.) by 40% and its scope 3 emissions (outsourced goods transportation, etc.) by 30% relative to 2019.

Energy consumption related to the transportation of the Group's products amounted to 5,164 tonnes of carbon dioxide in 2021/22 (compared with 8,431 tonnes in 2020/21) on the basis of information provided by transportation providers and extrapolated to the Group as a whole. This represents a significant reduction, primarily as a result of the following:

- reduced use of air transportation;
- natural purification of the old global fleet of energy-consuming boats;
- "slow moving" policy adopted by shipping companies coupled with a shift towards low sulphur hydrocarbons in order to save on diesel used by boats.

Subcontractors excluding transport and production plants

External datacentres:

Energy consumption related to database hosting for the Group's main operating entities amounted to 119,377 kWh (14.6 tonnes of CO_2) in 2021/22 (versus 118,814 kWh or 15.4 tonnes of CO_2 in 2020/21) on the basis of the number of servers concerned and their annual utilisation time. This increase relates to the higher number of subsidiaries within the audit scope (new companies acquired).

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, model bookings, orders of embroidered polo shirts;
  - 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.

Efforts continued in 2021/22, in particular with Bigben Connected obtaining official "Origin France Garantie" certification in September 2021 for the FORCE CASE - PULSE range of products.

Much more demanding than the "Made in France" certification for which Bigben Connected had already been a pioneer in its industry since 2016, this label ensures that the majority of the product's unit cost is "French", from the origin of the raw material to the labour used for its manufacture. Strategically, relocating its production activities to France is a reality that the Group, which firmly believes in the benefits of short channels, is looking to step up, with a shorter time-to-market, reduced stock levels, improved traceability and a shared innovation culture.

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 2022:
  - Bigben Connected had 10 apprentices. Interns and work/study employees mainly come from local schools.
  - Bigben Interactive has two apprenticeships and over the course of the year also took in around 20 interns on long-term placements, on job shadowing experience or under the operational preparation for collective employment (POEC) scheme, primarily in logistics positions.
  - During the year, the Nacon Group and its subsidiaries took on a number of work/study placements as well as a number of high school students on observations or internships of more than one month. Interns and work/study placements come from local

universities specialising in video gaming such as CESI, Supinfo Games and ISEN, as well as business schools elsewhere in France such as Neoma and ESC Clermont.
  - The studios took on many interns during the year to train them in the video game development business and many internships have resulted in a fixed-term or permanent contract.
- ✓ As at 31 March 2022, the Bigben Group had 33 apprenticeships or work/study placements and 47 interns (including 18 apprenticeships or work/study placements and 33 interns for the Nacon Group) compared with four apprenticeships or work/study placement and 26 interns as at 31 March 2021 (including one apprenticeship and three interns for the Nacon Group).

In addition, the French subsidiaries renewed their commitment in 2021/22 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 private Passy Saint Honoré Paris XVI high school (examiner for the oral exam on customer and supplier relationship management for the SME Management Assistant vocational diploma).
- Nacon SA

Gaming:

- There are many partnerships between the Gaming Publishing teams at the Lesquin head office, the studios and Rubika (SupInfoGame and ISD), a school belonging to the Valenciennes Chamber of Commerce, as well as with other universities such as CNAM – ENJMIN, ECV Bordeaux, Pole III D, IIEM (in partnership with the Cyanide studios), IIM and ICAN:
  - The Group's employees gave marketing and business lessons to students at SupInfoGame during the year and were also members of the end of year panel at five or six universities.
  - A partnership was launched in 2021 with CNAM – ENJMIN (school for training and research into video games and digital media, university specialising in video games and digital interactive media)
  - Many design and development projects have also 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.).
  - Note that the Lesquin head office has recruited many students to the Publishing and Accessory Design departments in past years, and have taken on others as interns. For example, a young intern was hired on a permanent contract as Associate Producer in 2020/21. An intern on a fixed-term contract has also been given a permanent contract.
- 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 also 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. A student from the school was hired on a permanent contract and a number of internship opportunities are offered to students.

- The studios acquired since 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 IIEM.

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.
    - 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 (primarily ISEN in Lille) and intend to resume this practice in 2021 following the recent reform on training and work/study, in connection with the Professional Future law, 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 REBOND, a company providing opportunities for people with disabilities in Albi (Tarn), for office supplies.
The reform of the apprenticeship system as a result of the French law "for the freedom to choose one's professional future" has led to huge growth in apprenticeships. The law has relaxed the process for apprenticeship training programmes in order to make the scheme more efficient and more attractive to both young people and employers. Nacon has taken on two young people on work/study contracts within this framework.

- **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-video and telephony.

The Publishing division in particular is involved in many partnerships:
At national level:
- Nacon is a member of various video game unions and 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.
    - Through its group contribution, which includes the recently acquired development studio and the head office Publishing team, Nacon is a member of the trade union for the video games industry, SELL.

    - The head of Production for the KT Racing studio (Kylotonn) is also the first female vice-chair of the Board of the national video games union SNJV. The studio's head of Publishing was a board member a few years ago.
- From 2015 to 2017, Nacon's 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.

At regional level:
- The head of Publishing holds a number of offices in the Hauts de France region:
    - 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.
    - 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.
    - In 2021, he also became a member of the Comité Métropolitain du Numérique (Metropolitan Committee for Digital Technology) under the patronage of Akim Oural (Delegated Metropolitan Councillor for Innovation and Digital Technology).
    - In 2021, he also joined forces with Capital Games, a regional video games industry association in the Ile-de-France region comprising 150 to 160 partner companies as part of a mentoring system. Nacon's head of Publishing will devote five hours to supporting a video game company with a specific project.
    - Lastly, he is to speak at a conference for the French association of games specialists.
- The Group Treasurer is a member of the local section of the French Institute of Corporate Treasurers and the Group Chief Financial Officer is a member of several CFO associations in the Hauts de France region.
- Lastly, studio EKO Software is a member of Capital Games, an association to support video gaming in the Paris 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 and in 2021 became a member of CONFINDUSTRIA (general confederation of Italian industry), the main organisation representing Italian manufacturing and service companies;
- Studio RaceWard is a member of IIDEA, Assolombarda and Confcommercio, supporting video gaming in the Lombardy region;
- Nacon is also a member the trade unions ESA in the United States and UKIE in the United Kingdom, as well as the Australian trade union (via newly acquired studio Big Ant) and associations in Quebec (including the Quebec video gaming guild).
- Kylotonn is a member of the SNJV and GameOnly.

- **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, French company Bigben Connected has donated products to Compagnons de l'espoir (Emmaüs) and gave a percentage of revenue from *Just Green*® to the charities "L'Abeille de Compagnie", "Hôpitaux de France" and "The Sea Cleaners". It also made a donation to the charity "Plantons pour l'Avenir".
- French companies Bigben Interactive, Nacon, Bigben Connected, Kylotonn and Cyanide also support local sports and charitable organisations such as Ligue Contre le Cancer and Institut Raphaël.
- 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 and Spain, products have been made donated in the past or during the year to sports associations;
- In spring 2020, the studio Spiders launched the "Video Games Bursary" along with various video games companies and the charity "Loisirs Numériques", which aims to provide financial support and mentoring for students who do not have the socioeconomic means to pursue costly studies in video games. The "Video Games Bursary" offers the selected student(s) full funding for their registration and tuition fees and computer equipment, as well as assistance with accommodation and transportation and support from professional mentors. Spiders has since made an annual donation to the charity each year to support this initiative over the long term. Other Group studios have joined this bursary scheme and five students were selected to benefit in 2021/22.

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 international testing organisations with a proven reputation and competence.

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, Bigben Connected SAS and all other subsidiaries of the Bigben 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. Bigben Connected SAS has expressed this engagement to stakeholders through its 'Responsible Purchasing Policy'. Its membership was renewed in 2021.

- In 2022, Bigben Connected SAS obtained an EcoVadis score of 70/100 and 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 for more information.

Other major subsidiaries also promote ethical values:

In its CSR approach, METRONIC is a member of the **AMFORI BSCI** international programme and ensures that its partners comply with an ethical code of conduct, upholding human rights, labour rights and protecting the environment.

Refer to the www.amfori.org website for more information about AMFORI BSCI.

- **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 subcontractors in Southeast Asia comply with these obligations.

- ✓ **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 subcontractors 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 subcontractors 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, March 2020, February 2021 and March 2022. 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.

Subcontractors:
- New major subcontractors 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 subcontractors) 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 were decided and implemented in 2020/21 and 2021/22 within the Group and its French and foreign subsidiaries in accordance with French regulations, and will continue to be implemented within new subsidiaries in future:

- 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, as well as carbon footprint assessments of certain transportation providers covering the period from 1 January to 31 December of year N-1. The first quarter (January to March) is considered identical to that of the previous year in terms of transportation providers' emissions. 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 or the Metronic group in 2021/22, and for the sake of clarity as regards the Non-Financial Statement, the Group has once again departed from this rule for 2021/22 and has included the relevant company in the section on employee-related indicators and green taxonomy based on the approximate length of time that the relevant company has belonged to the Group, i.e.:

- 1 year for PASSTECH GAMES SAS (from 1 April 2021 to 31 March 2022)
- 11 months for BIG ANT STUDIOS Holding PTY Ltd (from 3 May 2021 to 31 March 2022)
- 8 months for CREA'TURE Studios Inc. (from 30 July 2021 to 31 March 2022)
- 5.5 months for METRONIC SAS (from 15 October 2021 to 31 March 2022)
- 5.5 months for LINEAS OMENEX METRONIC SL, METRONIC SAS's Spanish subsidiary (from 15 October 2021 to 31 March 2022)
- 5.5 months for METRONIC ITALIA S.R.L., METRONIC SAS's Italian subsidiary (from 15 October 2021 to 31 March 2022)
- 4 months for ISHTAR Games SAS (from 25 November 2021 to 31 March 2022)
- 2 months for MIDGAR SAS (from 7 February 2022 to 31 March 2022)

As a reminder, as regards the comparative figures, in 2020/21, the newly acquired studios were also included based on the approximate length of time they had belonged to the Group, i.e.:

- 6 months for Neopica (from 1 October 2020 to 31 March 2021)

This studio is now fully included in the 2021/22 figures for all indicators.

- Subsidiaries sold or closed down during year N-1/N are excluded from the reporting scope for year N-1/N. Not applicable in 2021/22.

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.

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 and Nacon'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 and then Nacon have 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 (in particular the German, Italian and Hong Kong subsidiaries) that habitually recycle their cardboard and paper waste.
All environmental indicators	Companies accounted for by the equity method are excluded from the scope of reporting. BBI USA, a dormant former joint venture that had no employees and was 50% owned by Nacon SA, was dissolved on 17 August 2020. No other companies are accounted for under the equity method.

Disclosure	Scope
Employee-related indicators	
All employee-related indicators	Companies accounted for by the equity method are excluded from the scope of reporting. BBI USA, a dormant former joint venture that had no employees and was 50% owned by Nacon SA, was dissolved on 17 August 2020. No other companies are accounted for under the equity method.

9.6.2. Methodology clarification

Employee-related data:

Disclosure	Description
End-of-period headcount and breakdown by: - Gender - Age - Geographical area	Number of employees on the payroll at 31 March of year N on permanent and fixed-term contracts. Includes employees on parental leave, maternity leave and long-term sick leave, and employees on apprenticeship and work/study contracts. Excludes non-salaried executive corporate officers, interns, temporary staff, employees on early retirement schemes and employees on sabbatical leave. The age brackets defined are: ≤25 and under, 26-35, 36-45, 46-55, 56 and over.≥ It has been agreed that employees aged over 45 are regarded as "older". The few French employees with two employment contracts with two separate French entities have each been treated as two workforces in accordance with French law. The geographical areas defined are: France, Rest of Europe, Asia, Other.

External joiners	Number of employees hired on permanent or fixed-term contracts, apprentices and work/study 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, apprentices and work/study contracts, that left the company from 1 April of year N-1 to 31 March of year N on 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 on the employee's initiative (resignation)
Staff turnover	Number of voluntary departures divided by headcount at the end of the period. As voluntary departures include fixed-term employment contracts coming to an end, the actual rate of turnover can be thought of as lower. The “staff turnover by category” ratio is broken down between men and women.
Absenteeism, total and breakdown: - Sick leave - Occupational and commuting accidents - Unpaid leave	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. 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.
Compensation for the year	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. Average compensation per employee is calculated by dividing the amount of compensation referred to above by end-of-period headcount.
Frequency of occupational accidents	The frequency of occupational accidents is calculated using the following formula: (Total number of occupational accidents / Number of hours worked) * 1,000,000
Severity of occupational accidents	The severity of occupational accidents is calculated using the following formula: (Number of days with time off work due to occupational accidents / Number of hours worked) * 1,000
Social security costs	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).
Occupational accidental with time off work	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.
Occupational accidental without time off work	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.
Commuting accidents	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.
Percentage of payroll devoted to training	Training expenditure in calendar year N-1/payroll N-1
Training expenditure	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.
Employees trained	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.
Training hours	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.
Average number of training hours per employee	The average number of training hours per employee is calculated using the following formula: Total number of training hours / Total number of employees as at 31 March year N
Average number of training programmes per employee	The average number of training programmes per employee is calculated using the following formula: Number of training programmes / Total number of employees as at 31 March year N
% of employees receiving an annual appraisal	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.
Proportion of women in managerial roles	The percentage of women in managerial roles is calculated by taking account on a pro rata basis of women categorised as “top managers” and “middle managers” relative to the total number of “top managers” and “middle managers”. 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).

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 commercial entities mainly comprises photocopier paper. As this does not represent a significant amount, it has been decided that the paper consumption of small distribution subsidiaries and development studios would no longer be recorded as of 2021/22.
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. As this does not represent a significant amount, it has been decided that the paper waste of small distribution subsidiaries and development studios would no longer be recorded as of 2021/22.
Internal 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.
Electricity consumption associated with external servers	Electricity consumption related to external datacentres is calculated using the following formula: Number of servers hosted by external service providers * Annual start up time * Average server power (approx. 0.170 kWh according to ADEME)
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, 2 and 3	CO_2 emissions arising from electricity and natural gas consumption. For internal consumption estimates, the following emission factors were used: - Natural gas: 0.244 kg CO_2e / kWh LHV (Source: European emission factor, ADEME carbon base 2015), conversion factor 1 m^3 = 10.5 kWh LHV (Source: International Energy Agency) - Electricity: France: 0.0599 kg CO_2e / kWh, Belgium: 0.22 kg CO_2e / kWh, Germany: 0.461 kg CO_2e / kWh, Hong Kong: 0.766 kg CO_2e / kWh, Italy: 0.406 kg CO_2e / kWh, Spain: 0.238 kg CO_2e / kWh; USA 0.522 kg CO_2e / kWh; Australia 0.841 kg CO_2e / kWh; Poland 0.781 kg CO_2e / kWh and Canada 0.186 kg CO_2e / kWh. (Source: ADEME carbon base). CO_2 emissions from car fleets are calculated using the following formula: Number of diesel/petrol/hybrid cars * Average number of litres per 100 km for diesel/petrol/hybrid * Average number of km per year/car * CO_2 emission coefficient. With the following consumption assumptions (source: ADEME): Diesel: 5 litres per 100 km; Petrol: 6.8 litres per 100 km; Hybrid: assumption 50% petrol/50% electric, giving an average of 3.1 litres per 100 km And CO_2 emissions generated by type of car (Source: ADEME carbon base) Diesel CO_2 emission coefficient: 3.10 kg CO_2e/litre Petrol and hybrid CO_2 emission coefficient: 2.70 kg CO_2e/litre For estimates of consumption by transport companies, figures are taken - Either directly from the carbon footprint assessment provided by each transport company contacted (note that transport companies contacted represented around 67% of transport company CO_2 emissions in 2021/22 for the Bigben Group and 25% for the Nacon Group compared with 83% in 2020/21 for the Bigben Group and 56% for the Nacon Group) - Or an emission factor per means of transport (air/sea/road) provided by a transport company and applied to "other journeys made by transport companies not contacted".
Green taxonomy indicators	These indicators are required by a new EU directive (Taxonomy Regulation) that favours environmentally sustainable economic activities. An economic activity qualifies as environmentally sustainable if it meets the following criteria: 1/ it contributes to at least one of the six environmental objectives 2/ it does no harm to any of the six environmental objectives 3/ it is carried out in compliance with minimum safeguards (ILO conventions) The six environmental objectives are: 1/ Climate change mitigation 2/ Climate change adaptation 3/ Sustainable use and protection of water and marine resources 4/ Transition to a circular economy, waste management and recycling 5/ Pollution control 6/ Protection of ecosystems For 2021/22, three indicators have to be calculated: Green revenue: proportion of the Group's total revenue generated by products or services associated with economic activities that can be considered environmentally sustainable according to the new EU directive. Green opex (operating expenses) Proportion of operating expenses related to assets or processes associated with economic activities that can be considered environmentally sustainable - including, without being exhaustive: - Expenditure related to green energy consumption (photovoltaic/solar/wind power, etc.), including all types of ecological heating/energy - Installation of an energy-efficient heating system (heat pump), ventilation, light sources or air-conditioning - Installation, maintenance and repair of electric vehicle charging points - Maintenance and repair of area thermostats, intelligent thermostat systems and detection equipment, including movement control and daytime lighting - Insultation works - Expenditure in relation to "zero plastic" packaging - Product development expenses included in green revenue (e.g. Just Green) and

	share of product service expenses - Costs relating to the hybrid and electric vehicle fleet - All other expenses relating to a local or group CSR policy. Green capex (capital expenditure) Proportion of capital expenditure related to assets or processes associated with economic activities that can be considered environmentally sustainable. This expenditure is capitalised in the balance sheet of the Group's subsidiaries. The following is a non-exhaustive list of eligible expenditure: - Investments in photovoltaic power - Investment in restoration/maintenance for improved energy efficiency

Environmental reporting includes little information about the environmental footprint of the Group's main suppliers, other than transport providers and external datacentres, 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.

The "Frequency of occupational accidents" and "Severity of occupational accidents" performance indicators do not present any historical comparisons as these indicators were introduced in 2021/22.

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, member of the KPMG International network and one of the statutory auditors to the company (hereinafter the "Entity"), we have conducted work in order to give a reasoned opinion expressing a limited assurance conclusion on the historic information (actual or extrapolated) provided in the consolidated non-financial performance statement prepared in accordance with the entity's procedures (hereinafter the "Guidelines") for the financial year ended 31 March 2022 (hereinafter respectively the "Disclosures" and the "Statement") presented in the Group's management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.[9]

Conclusion

Based on the procedures we have performed, as described in the section "Nature and scope of our work" and the information we have gathered, we did not identify any material misstatements causing us to believe that the Statement does not comply with the applicable regulatory requirements and that the Disclosures, taken as a whole, are not presented fairly in all material respects in accordance with the Guidelines.

[9] Cofrac Inspection accreditation no. 3-1049, scope available on the website www.cofrac.fr

Preparation of the non-financial statement

The lack of generally accepted and commonly used reference framework or established practices on which to draw to assess and measure the Disclosures means that we can use different but acceptable measurement techniques that may affect the comparisons between entities and over time.

Therefore, the Disclosures should be read and understood in reference to the Guidelines the main elements of which are presented in the Statement and are available on request from the Entity's head office.

Inherent limitations to preparation of the Disclosures

The Disclosures may be subject to uncertainty inherent to the level of scientific or economic knowledge and the quality of external data used. Some information may be sensitive to choices of methodology, assumptions and/or estimates made to establish this information and presented in the Statement.

Entity's responsibility

It is the responsibility of the Board of Directors:

- to select or establish appropriate criteria for preparing the Disclosures;
- to prepare a Statement in accordance with legal and regulatory requirements, 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, including key performance indicators, as well as the information required under Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- as well as to set up the internal controls it deems necessary for preparing Information that does not contain any material misstatements, whether due to fraud or error.

The Statement has been prepared in accordance with the Entity's Guidelines as mentioned above.

Independent third party organisation's responsibility

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 historic disclosures (actual or extrapolated) 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.

As it is our role to give an independent conclusion on the Disclosures as prepared by management, we are not authorised to be involved in the preparation of these Disclosures, as this could compromise our independence.

It is not our responsibility to comment on:

- the Entity's compliance with any other applicable legal and regulatory requirements (in particular those regarding the information required under Article 8 of Regulation (EU) 2020/852 (green taxonomy) and anti-corruption and tax evasion legislation);
- the sincerity of the information required under Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory requirements and applicable professional guidance

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, in lieu of a verification programme, and ISAE 3000.[10]

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 of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements.

Means and resources

Our work was performed by a team of five people between March and June 2022 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.

Nature and scope of our work

We have planned and carried out our work taking account of the risk of material misstatements in the Disclosures.

We believe that the procedures we performed, based on our professional judgement, are sufficient for us to provide a limited assurance opinion:

- 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, as well as disclosures regarding respect for human rights and compliance with anti-corruption and tax evasion legislation;
- 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; and
  - corroborate the qualitative disclosures (actions and outcomes) that we considered to be the most important, as presented in the Appendix. For some risks[11], our work was conducted at the level of the consolidating entity. For other risks, work was conducted at the level of the consolidating entity and within a selection of entities[12].

[10] ISAE 3000 (revised) – Assurance engagements other than audits or reviews of historical financial information

[11] Management of suppliers and service providers; Human rights and Anti-corruption and tax evasion.

[12] BB Connected; Kylotonn SAS; BB France; Nacon SA.

- 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 or other means of selection, 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 entities and covered between 23% 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.

The procedures performed within the framework of a limited assurance audit are less extensive than those required for a reasonable assurance audit carried out in accordance with the professional guidance of the French Institute of Statutory Auditors (“CNCC”); a higher level of assurance would have required more extensive verification work.

Paris-La Défense, 24 June 2022

KPMG S.A.

Fanny Houlliot
Partner
Sustainability Services

Stéphanie Ortega
Partner

Appendix

Qualitative disclosures (actions and outcomes) considered to be the most important
Internal promotion policy and outcomes
Employee benefits and other measures to develop human capital
Governance in terms of security
Prevention of risks to which employees may be exposed in the workplace
Measures to improve working conditions
Measures to reduce energy consumption
Measures to encourage waste recycling
Assessment of the carbon impact of operations and associated reduction measures
Measures to prevent corruption
Commitments and measures taken to ensure that suppliers and subcontractors uphold human rights and employment rights and protect the environment

Key performance indicators and other quantitative outcomes considered to be the most important
Total headcount at the end of the financial year and breakdown by gender
Average number of training hours per employee
Staff turnover categorised and non-categorised
Absenteeism
Proportion of women in managerial roles
Percentage of employees with disabilities
Frequency of occupational accidents
Severity of occupational accidents
Electricity consumption
Natural gas consumption
Paper and cardboard consumption
Amount of paper and cardboard recycled
Scopes 1 and 2 CO_2 emissions arising from energy consumption of buildings
CO_2 emissions associated with external datacentres
CO_2 emissions relating to transportation of goods

6. ORGANISATION STRUCTURE

6.1 LEGAL STRUCTURE

The organisation chart presented below shows Bigben Interactive SA and all its subsidiaries within the meaning of Article L.233-1 of the French Commercial Code (Code de Commerce).

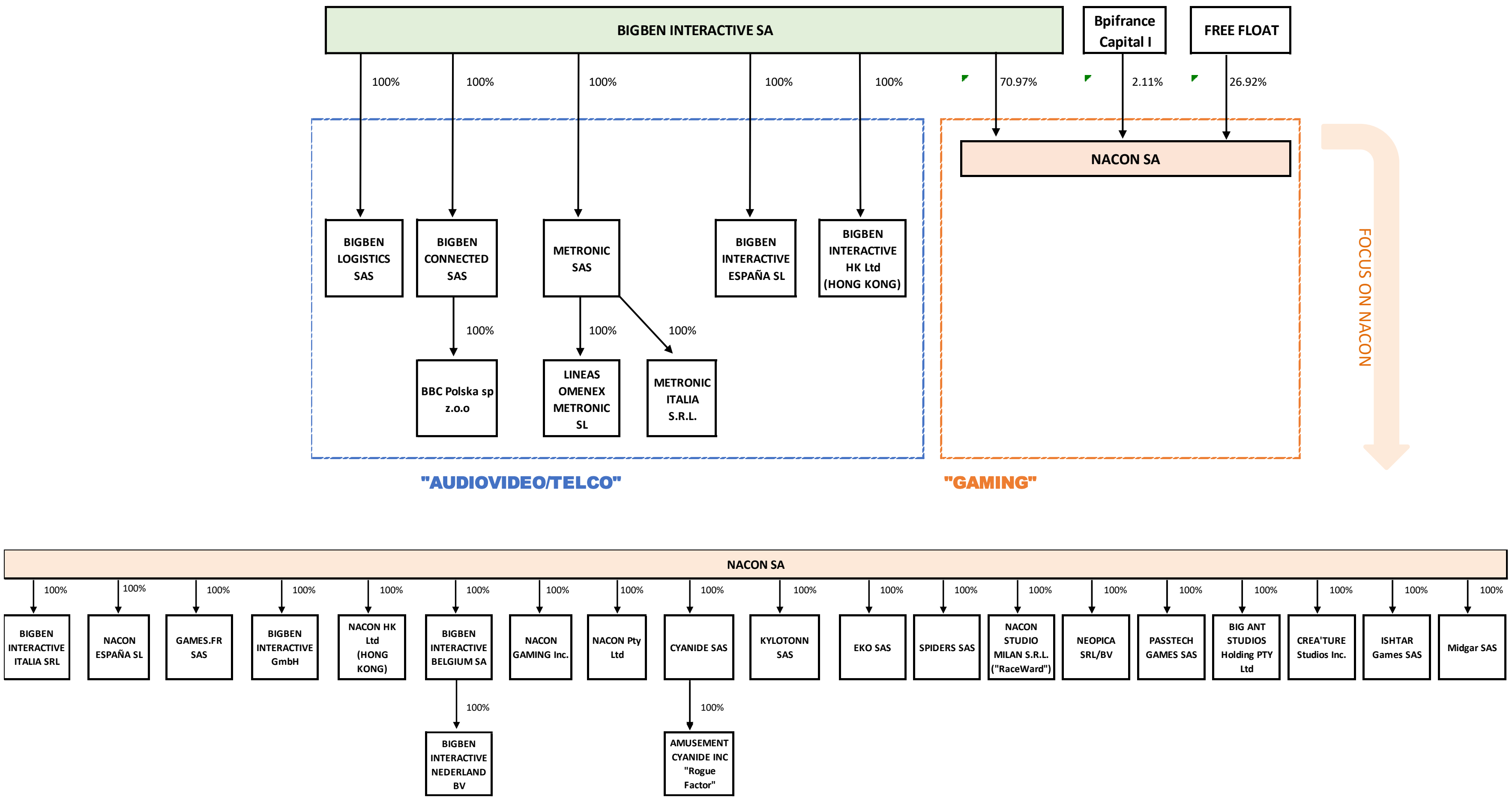
The Bigben Interactive Group currently has two divisions:

- AudioVideo/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, the design and wholesale of smartphone accessories within Bigben Connected SAS and its subsidiaries, and the manufacture, sale, import and export of Video products within its Metronic subsidiary.

- Gaming, which is the result of a reorganisation of the Bigben Interactive group's business activities and, since 2019, has encompassed 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 SA all of its interests in certain companies described below, which are involved in the Gaming business either as video games developers and publishers or as manufacturers and distributors of accessories.

BIGBEN GROUP LEGAL STRUCTURE AT 31 MARCH 2022



The percentage interests are the percentage of capital and voting rights owned by Bigben Interactive, as there are no double voting rights in the subsidiaries.

Nacon SA acquired German development studio Daedalic Entertainment in April 2022. As this company was acquired after the 2021/22 close, it does not appear in the above organisation chart.

6.2 GROUP COMPANIES

Parent company

BIGBEN INTERACTIVE SA

Bigben Interactive SA is a *société anonyme*, initially incorporated on 17 February 1981 as a *société par actions simplifiée*.

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

BIGBEN CONNECTED SAS

Bigben Connected SAS is a French *société par actions simplifiée*.

Formerly ModeLabs SA, it became Bigben Connected SAS in March 2013. Its business is the design and distribution of mobile accessories.

Bigben Connected SAS now focuses on the design and sale in France and abroad of smartphone and tablet accessories developed or distributed by the Group.

BIGBEN INTERACTIVE HK LTD

Bigben Interactive HK Ltd. is a Hong Kong company incorporated in 2000.

Its business is the design of phone 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.

Distribution subsidiaries

BIGBEN INTERACTIVE ESPANA SL

Bigben Interactive España SL is a Spanish company incorporated in 2013.

It supports the Group's phone 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 Polish company incorporated in 2019.

It is a subsidiary of Bigben Connected SAS created in Poland to pursue its expansion in Europe. It began operating in August 2019 and supports the Group's telephony business in Poland.

METRONIC SAS

Metronic is a French *société par actions simplifiée* acquired by Bigben Interactive SA on 15 October 2021 from HF Company Group.

Founded in 1987, Metronic, a well-known operator in its sector, designs and distributes innovative products for broadcasting and receiving images at home (TV and audio accessories, amplifiers, decoders, connectors, headsets, speakers, etc.) as well as telephone accessories and audio products. Metronic products are distributed through a variety of channels, including the large national retailers in each country.

METRONIC ITALIA S.R.L.

Metronic S.R.L. is an Italian company.

It supports Metronic's commercial activities in Italy in the gaming, audio and mobile accessories sector. It is wholly owned by Metronic SAS.

LINEAS OMENEX METRONIC SL

Lineas Omenex Metronic SL is a Spanish company.

It supports Metronic's commercial activities in Spain in the gaming, audio and mobile accessories sector. It is wholly owned by Metronic SAS.

Logistics subsidiary

BIGBEN LOGISTICS SAS

Bigben Logistics SAS is a French *société par actions simplifiée* registered on the Lille Métropole Trade and Companies Register on 28 March 2022.

It was not operational in 2021/22.

See Section 2.1.5 of the statutory financial statements and Section 2.2.5 of the consolidated financial statements for details of the proposed spin-off of Bigben Interactive SA's logistics division into a separate subsidiary, currently being implemented at the date of this URD.

Gaming division entities

Parent company of the Nacon sub-group

NACON SA

Nacon is a French *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.

Distribution subsidiaries

GAMES.FR SAS

GAMES.FR SAS is a French *société par actions simplifiée*.

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 Nacon SA following the spin-off completed on 31 October 2019.

BIGBEN INTERACTIVE BELGIUM SA

Bigben Interactive Belgium SA 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 BV) and it has exclusive distribution rights in Benelux over games published by Square Enix. It is wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

BIGBEN INTERACTIVE NEDERLAND BV

Bigben Interactive Nederland BV is a Dutch company.

It is Bigben Interactive Belgium's subsidiary for selling products in the Netherlands. Its parent company is wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

BIGBEN INTERACTIVE GmbH

Bigben Interactive GmbH is a German company.

It supports the Group's commercial activities in Germany, Austria and German-speaking Switzerland in the video games and accessories sector. It is wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

BIGBEN INTERACTIVE ITALIA S.R.L.

Bigben Interactive Italia s.r.l. is an Italian company.

It supports the Group's commercial activities in Italy in the video games and accessories sector. It is wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

NACON HK LTD

Nacon HK Ltd. is a Hong Kong company incorporated in 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 to Nacon HK Ltd 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 Nacon SA following the spin-off completed on 31 October 2019.

NACON GAMING ESPANA SL

Nacon Gaming España SL is a Spanish company incorporated on 18 October 2019.

It supports the Gaming division's commercial activities 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 Nacon SA following the spin-off completed on 31 October 2019.

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 Nacon Group's commercial activities in the United States in the video games and accessories sector. 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 an Australian company incorporated on 17 March 2020.

The company supports the Group's commercial activities in Australia in the video game accessories sector and its purpose is to develop sales of RIG™ headsets and other Nacon group products in Australia.

Video game development studios

CYANIDE SAS

Cyanide SAS is a French *société par actions simplifiée*.

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.

Bigben Interactive SA acquired all of the capital and voting rights of development studio Cyanide SAS on 20 June 2018. It is now wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

KYLOTONN SAS

Kylotonn SAS is a French *société par actions simplifiée*.

Its business is developing video games mainly in the racing segment (motorcycle racing, car racing, rally car racing, etc.).

Bigben Interactive SA acquired all of the capital and voting rights of development studio Kylotonn SAS on 2 October 2018. It is now wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

EKO SOFTWARE SAS

Eko Software is a French *société par actions simplifiée*.

Its business is developing video games in highly popular genres like action/RPG, Hack'n Slash and sports simulation games.

Bigben Interactive SA acquired all of the capital and voting rights of development studio Eko Software SAS on 18 October 2018. It is now wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

SPIDERS SAS

Spiders SAS is a French *société par actions simplifiée*.

Its business is developing all kinds of role-playing games. Bigben Interactive SA acquired all of the capital and voting rights of development studio Spiders SAS on 3 September 2019. It is now wholly owned by

Nacon SA following the spin-off completed on 31 October 2019.

NEOPICA S.R.L./BV

Neopica is a Belgian company whose business is video games development.
Neopica developed some 60 games, including a number of casual games designed to appeal to a wide audience, in particular children, before moving on to more complex simulation games. It now specialises in simulation (hunting) and racing games.

It has been wholly owned by Nacon SA since 19 October 2020.

NACON STUDIO MILAN S.R.L. (formerly LUNAR GREAT WALL STUDIOS S.r.l.)

Lunar Great Wall Studios (known under the trading name RaceWard), which was renamed Nacon Studio Milan S.R.L. in 2022, is an Italian company whose business is developing video games mainly in the racing segment (motorcycle and car racing games).

Nacon SA has gradually increased its interest in the company and owned all of the share capital at 29 October 2021.

PASSTECH GAMES SAS

Passtech Games is a French *société par actions simplifiée*. Its business is developing video games in the rogue-like action genre. It has been wholly-owned by Nacon SA since 1 April 2021.

BIG ANT STUDIOS PTY LTD

Big Ant Studios is an Australian company whose business is video games development. It has been wholly-owned by Nacon SA since 3 May 2021. The studio is best known for its high-quality sports franchises such as the Australian Football League (AFL), Rugby League, tennis and cricket.

STUDIOS CREA-TURE INC

Studios Crea-ture Inc is a Quebec *société par actions.* Its business is developing sports simulation games, in particular skateboarding.
Nacon SA acquired all of the studio's capital and voting rights on 30 July 2021.

ISHTAR GAMES SAS

Ishtar Games is a French *société par actions simplifiée* based in Lille and Bordeaux. Its business is the development and distribution of so-called 'independent' games.
Nacon SA acquired all of the studio's capital and voting rights on 7 October 2021.

MIDGAR SAS

Midgar is a French *société par actions simplifiée.* Its business is the development of J-RPG video games.
Nacon SA acquired all of the studio's capital and voting rights on 7 February 2022.

New studio acquired after 31 March 2022

DAEDALIC ENTERTAINMENT

The Daedalic Entertainment deal announced in February 2022 is the Nacon sub-group's largest acquisition to date and was closed after the end of the 2021/22 financial year.

Daedalic Entertainment is a German company whose business is video games development. Nacon SA acquired all of its capital and voting rights in April 2022. The studio has developed games for well-known franchises such as Ken Follett's *The Pillars of the Earth,* but is also reputed for its own titles, such as the *Deponia* series, *Shadow Tactics, Blackguards* and *The Whispered World*. Daedalic Entertainment's

Publishing division manages a diverse catalogue of games for PC and consoles. It is a well-reputed publisher of independent games thanks to its solo and multi-gamer titles such as *Witch It!*, *Unrailed!*, *Partisans 1941* and *Bartrauma*. The studio is a global operator and its major markets are North America and China.

6.3 MAIN INTRA-GROUP TRANSACTIONS

Transactions with directors

An employment contract has been signed between Nacon SA, a subsidiary of Bigben Interactive SA, and Laurent Honoret in relation to his role as Head of Strategy and Business Development. That employment contract is in addition to his role as a corporate officer of Nacon SA as authorised in accordance with recommendation 15 of the Middlenext Code.

The employment contract represents a regulated agreement for Nacon SA that was authorised by its Board of Directors on 27 April 2020 and took effect on 2 May 2020.

Transactions between related companies

Bigben's main intra-group transactions are:

Within Bigben Interactive's AudioVideo/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.

- Logistics services (storage, order preparation and shipment) provided by the Lauwin Planque logistics platform owned by Bigben Interactive SA to Bigben Connected SAS and its subsidiaries: 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;

- A cash management agreement between Bigben Interactive SA and Bigben Connected SAS, 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;

- A cash management agreement between Bigben Connected SAS and Bigben Connected Polska, 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;

- A cash management agreement between Bigben Interactive SA and Metronic SAS, 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.

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;

- A cash management agreement between Kylotonn SAS and Nacon SA, 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;

- A cash management agreement between Nacon Gaming Inc and Nacon SA, 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.

<u>Between Bigben Interactive SA (parent company, the Nacon Group and Bigben Connected SAS:</u>

- Logistics services (storage, order preparation and shipment of group products) 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;

- Logistics services (storage, order preparation and shipment of non-group products) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Bigben Interactive Belgium SA at a rate of 2.5% of gross revenue before any price reduction or discount and after taking into account any returns. 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 subsidiaries[13] 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 €4.9 million or 3.1% of the Nacon Group's 2021/22 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. Each company may grant the other advances at market interest rates.

[13] 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.

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 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 full-year consolidated financial statements prepared in accordance with IFRSs as adopted by the European Union for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022. Please read this analysis of the Group's earnings and financial position for the financial year ended 31 March 2022 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 all the 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 used 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 for 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 calculation

EBITDA calculation

(in thousands of euros)	2021/22	2020/21	2019/20
Recurring operating income	**20,985**	**36,210**	**23,686**
Depreciation and amortisation of non-current assets	29,325	31,391	28,812
EBITDA	**50,310**	**67,601**	**52,498**

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).

Please read the following information concerning the Group's earnings together with its consolidated financial statements for the financial years ended 31 March 2021 and 2022 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 incorporates Bigben Interactive's statutory financial statements for the financial year ended 31 March 2022 and the audit report on those statutory financial statements provided in section 18.3.

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 recently acquired by the Group, 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 (now AudioVideo following the October 2021 acquisition of Metronic) – within two operational business segments, i.e. the Bigben–AudioVideo /Telco segment and the Nacon–Gaming segment.

7.1.1 Business performance

Performance by business line

in thousands of euros		12-month total		Contribution	
		2021/22	2020/21	2021/22	2020/21
Revenue		**275,711**	**292,833**	**100%**	**100%**
of which	*Gaming*	151,384	172,281	55%	59%
	Mobile	92,530	89,471	34%	31%
	Audio	31,797	31,082	12%	11%

GAMING

In the 2021/22 financial year, Gaming's revenue declined by 12.2% from the outstanding levels achieved in 2020/21. Revenue fell to €151.3 million in 2021/22, down from €172.3 million in the previous year:

- Gaming Accessories revenue held up at a high level of €96.6 million, down just 6.3% on the record level of €103.1 million in the previous financial year. Performance in 2020/21 had been boosted by the first-time consolidation of RIG® premium headsets, with a very strong contribution linked to the lockdowns in the United States. The business thus recorded a slight dip in its 2021/22 revenue as a result of this high base for comparison. The Group's core products again performed well. The approved PlayStation® 4 and Xbox Series X/S controllers posted healthy sales, and the newly introduced *Revolution X Pro Controller*, *MG-X* and *Pro Compact* products for the Microsoft gaming universe were a hit.
- Video Games sales slowed down more markedly, with the postponement of four games at the end of the year, two of which had a major impact on the Group, namely *Vampire: The Masquerade® – Swansong* and *Blood Bowl 3®*. As a result, Video Games revenue totalled €54.4 million in 2021/22, down 21.2% on the 2020/21 level. Even so, back catalogue sales came to €28.7 million, a healthy level down just slightly from €31.0 million in the previous financial year. Likewise, Nacon's core franchises also performed well, including *Rugby 22, WRC 10, Cricket 22* (inherited from the May 2021 acquisition of BigAnt Studios) and *Pro Cycling Management/Tour de France 2021*.

AUDIOVIDEO/TELCO

Mobile's 2021/22 revenue rose 3.4%, a slight uptick on the previous year blighted by the various lockdowns in France and the rest of Europe, which had a major impact on the physical distribution networks. During the prior period, the *Force Power*®, *Bigben*® and *Just Green*® ranges continued to perform well, especially as original chargers and handsfree kits are no longer sold with the majority of new smartphones. That said, the delayed release of several premium smartphones into April and May 2022 dampened the growth in Gaming Accessories sales during the final quarter of the 2021/22 financial year.

AudioVideo sales remained virtually stable, up just 2.5% (€31.9 million versus €31.1 million in 2020/21) even though they benefited from a contribution from the Video activities of Metronic, a group acquired in October 2021. Excluding Video products (€7.1 million contribution from Metronic's products during the year), the Audio segment's revenue experienced a hefty decline of 20.5%. In the aftermath of the Covid-19 pandemic, the market has remained fiercely competitive, and the Group has focused on higher-margin product ranges, while developing new distribution 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 certain smartphones influencing its Mobile business, and may increase towards the end of the calendar year (mainly in Gaming Accessories and AudioVideo products), the Group believes that these factors are unlikely to produce significant seasonal variations in its earnings.

in millions of euros	2021/22	2020/21	2019/20
First quarter	56.7	55.2	58.6
Second quarter	67.5	80.6	68.5
First half	**124.2**	**135.8**	**127**
Third quarter	91.3	87.3	85.4
Fourth quarter	60.2	69.7	51.1
Second half	151.5	157	157
TOTAL	**275.7**	**292.8**	**263.5**

During its 2021/22 financial year, AudioVideo/Telco's performance (post-lockdown rebound in Mobile and first-time consolidation of Metronic) made up for the downturn in Gaming caused by the release of certain games being delayed into the following financial year.

Ultimately, in an environment disrupted by several external factors (component shortage, delayed release of new game controllers and smartphones, etc.), the Group's revenue totalled €275.7 million, in line with the latest guidance given by management during the financial year (€270 million was the bottom end of the range).

Breakdown of revenue by customer country*:

in thousands of euros		12-month total		Contribution	
		2021/22	2020/21	2021/22	2020/21
Revenue		**275,711**	**292,833**	**100.0%**	**100.0%**
of which	*France*	126,403	133,557	45.8%	45.6%
	Export	149,308	159,276	54.2%	54.4%

in thousands of euros	12-month total			Contribution		
	2021/22	2020/21	2019/20	2021/22	2020/21	2019/20
Export revenue by geographical zone	**149,308**	**159,276**	**114,308**	**100.0%**	**100.0%**	**100.0%**
Europe	83,124	91,419	74,284	55.7%	57.4%	65.0%
North America	46,963	50,632	24,754	31.5%	31.8%	21.7%
Asia	18,777	16,899	14,792	12.6%	10.6%	12.9%
Africa	444	327	478	0.3%	0.2%	0.4%

Segment reporting:

To recap, 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 in 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 studios acquired are marketed by all Group entities and therefore contribute to Nacon's overall cash flow.

Nacon has its own sales, marketing and finance functions. Digital games sales are invoiced exclusively in 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 plays a specific role in the Nacon Group's value chain.

Similarly, Bigben Interactive's AudioVideo (subsequent to the October 2021 acquisition of Metronic) and Telco businesses also show a high level of integration with each other. With the rise of smart devices, the AudioVideo market is converging with the Telco market, they share many customers and the Bigben Interactive SA parent company in charge of AudioVideo 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 AudioVideo/Telco segment are marketed by all Group entities and therefore contribute to Bigben's overall AudioVideo/Telco cash flow.

The Group's AudioVideo/Telco segment has its own sales, marketing and finance functions.

The Group's AudioVideo/Telco distribution subsidiaries based outside France handle physical sales of all AudioVideo/Telco products. The Bigben HK Ltd subsidiary based in Hong Kong mainly handles the development and procurement of AudioVideo and Telco products from manufacturing partners.

As a result, each Bigben Interactive Group subsidiary plays a specific role in the AudioVideo/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–AudioVideo/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–AudioVideo/Telco segment** comprises the design and distribution of accessories for smartphones and tablets (Mobile business) and the design and distribution of AudioVideo products (headphones, speakers, TV receiver, powerline adapters, etc.) under the *Bigben*, *Lumin'Us, AromaSound, Metronic* and *Thomson* brand; it represents the Bigben Interactive Group's scope excluding the Nacon Group.

The information presented below is that now used by the Bigben Interactive Group's chief operating decision maker for internal reporting purposes and serving as the basis for insightful analysis of the Group's business and risks. The Group's chief operating decision maker within the meaning of IFRS 8 is a two-person team consisting of the Bigben Interactive 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 Interactive Group level by a Corporate Secretary, a Chief Financial Officer and Chief Logistics 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	2021/22			
	Gaming	Mobile	AudioVideo	Group
Total revenue	**151,384**	**92,530**	**31,797**	**275,711**
Bigben–Audio/Telco	369	91,155	28,275	**119,799**
Nacon–Gaming	151,015	1,375	3,522	**155,912**

in thousands of euros	2020/21			
	Gaming	Mobile	Audio	Group
Total revenue	**172,281**	**89,471**	**31,082**	**292,833**
Bigben–Audio/Telco	122	87,940	26,937	**114,999**
Nacon–Gaming	172,158	1,531	4,145	**177,834**

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**

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–AudioVideo/Telco segment still includes some non-AudioVideo/Mobile revenue.

7.1.2 Forecast developments and R&D activities

Implications of the Covid-19 (coronavirus) crisis

In 2022/23 so far, Nacon–Gaming has seen little pandemic-related impact on sales of its products.

Conversely, Bigben–AudioVideo/Telco sales have again been affected by the shortages of the leading products supported by its accessories (insufficient number of the new smartphones released, few TVs on the market, etc.), the drop in footfall at stores across Europe and the slower-than-expected 5G deployment.

As outlined in the declaration of non-financial performance in section 5.7.4., so as not to expose the health of its employees and third parties with whom they are in contact, the support services and development teams have made significant use of remote working since 2020, while the logistics warehouse adjusted its workload so that it can operate with a reduced staff whenever strict lockdowns are introduced, thereby keeping operations running while upholding the public health rules.

Information about the implications of the war in Ukraine, plus the related supply chain issues

The war in Ukraine has had very little impact on the Bigben Interactive group to date. It does not have any business relationships with suppliers or studios based in Ukraine or Russia, and Nacon generates less than 1% of its revenue in Russia.

Conversely, the shortage of semi-electronic components, a complicating factor since the beginning of the Covid-19 pandemic, has taken a turn for the worse with the outbreak of the war in Ukraine. It has blocked the silk road route, obliging importers of products from Asia to use maritime and airfreight shipping, which takes longer or costs more.

The Group was barely affected by the components shortage in 2021 and 2022 as it had sourced supplies in advance. Conversely, it was impacted by the stock outages affecting leading market players' products (Sony and Microsoft game consoles, Galaxy S22), which its Gaming and Mobile accessories are intended to support. By the end of 2021/22, it had failed to sell all the products it was planning to move. The Group has scant visibility on trends in purchases by the leading market players over the coming months.

Bigben Interactive does not anticipate any cash flow problems over the next few months as both the Gaming and the AudioVideo/Telco segments held substantial cash piles sufficient for their respective development plans at 31 March 2022.

As a result, the Group is in a position to maintain and develop its business activities in the 2022/23 financial year.

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

See section 10.1.

With the firm trends in the Gaming business, the Group currently anticipates 2022/23 revenue of €400 million and targets recurring operating income[14] of over €55 million.

[14] *Recurring operating margin = Recurring operating income as a proportion of revenue*

R&D activities

See sections 5.5 and 5.7.1.2 for more details about the Group's R&D activities.

In the 2020/21 and 2021/22 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 €58.0 million in 2021/22 and €48.5 million in 2020/21.

Finally, following the acquisition of development studios starting from 2018, the Group – via its French and Canadian studios in particular – has also benefited from the French video game tax credit (CIJV). Under the 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 tax credit of €2.5 million in 2021/22 (versus €2.4 million in 2020/21).

7.2 OPERATING INCOME

7.2.1 Recurring operating income

(in thousands of euros)	2021/22	2020/21	2019/20
Revenue	**275,711**	**292,833**	**263,498**
Purchases used	(166,475)	(171,001)	(154,573)
Gross profit	**109,236**	**121,833**	**108,925**
Other operating revenue	1,462	863	867
Other purchases and external expenses	(28,532)	(25,363)	(30,994)
Taxes other than income tax	(1,451)	(1,386)	(1,744)
Personnel costs	(28,496)	(26,848)	(22,991)
Other operating expenses	(1,925)	(1,603)	(1,565)
Gains or losses on disposals of non-current assets	15	104	0
EBITDA	**50,310**	**67,601**	**52,498**
Depreciation and amortisation of non-current assets	(29,325)	(31,391)	(28,812)
Recurring operating income	**20,985**	**36,210**	**23,686**

In 2021/22, Bigben Interactive's earnings declined, with recurring operating income down to €21.0 million (equal to 7.6% of revenue) from €36.2 million (12.4% of revenue) in the previous financial year. The Group's margin was pulled down by the revenue contraction and by a weaker gross margin (lower contribution from video games publishing activities).

However, there was a substantial performance gap between recurring operating margin in the two segments for the third year in a row, as shown by the table below, which compares the performance of the Nacon–Gaming segment with that of the Bigben–AudioVideo/Telco segment.

2021/22

in thousands of euros	Bigben–AudioVideo/Telco	Nacon–Gaming	Group total
Consolidated revenue	**119,799**	**155,912**	**275,711**
EBITDA	5,681	44,629	**50,310**
Recurring operating income	**1,982**	**19,003**	**20,985**

2020/21

in thousands of euros	Bigben–Audio/Telco	Nacon–Gaming	Group total
Consolidated revenue	**114,999**	**177,834**	**292,833**
EBITDA	7,299	60,302	**67,601**
Recurring operating income	**3,680**	**32,531**	**36,210**

2019/20

in thousands of euros	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**

Nacon–Gaming segment:

After an outstanding 2020/21 financial year, the Nacon–Gaming segment recorded total revenue of €155.9 million, down a hefty 12.3% because its schedule of video games releases was thinner than expected.

This revenue contraction coupled with an unfavourable shift in the business mix led to a relatively substantial decline in recurring operating income. It came to €19.0 million during the 2021/22 financial year (12.2% of revenue), as opposed to €32.5 million (18.3% of revenue) in the previous financial year. As a result, recurring operating income declined 41.6% by value.

The shift in the business mix away from the Video Games segment (34.9% of the Nacon–Gaming segment's 2021/22 revenue, as opposed to 38.8% of the segment's 2020/21 revenue) continued and automatically triggered another contraction in gross margin to 49.9% in the 2021/22 financial year, down from 52.6% in 2020/21. Nonetheless, gross profit slipped 16.7% lower to €77.8 million, from €93.5 million in the previous year.

In addition to the fall in gross profit:

- the uptick in external expenses (up 4.2% by value);
- the small decline in personnel costs (down 2.8% to €14.5 million, but still higher in relative terms at 9.3% of 2021/22 revenue vs. 8.4% of revenue in the previous year). Most of the additional staff hired in recent years were assigned to developing games, so the related personal expense was capitalised); and
- €25.6 million in depreciation and amortisation of non-current assets (16.4% of revenue versus 15.6% of 2020/21 revenue)

account for the relatively significant decline in the Nacon–Gaming segment's profitability during the 2021/22 financial year.

The Nacon–Gaming segment's EBITDA totalled €44.6 million in 2021/22, down 26.0% year-on-year. EBITDA margin was 28.6% of revenue, down 5.3 points year-on-year.

Bigben–AudioVideo/Telco segment:

The Group benefited from a small rebound in its Telco activities and from the first-time consolidation in 2021/22 of Metronic's activities within the Audio activities by comparison against performance in the previous year when the Bigben–AudioVideo/Telco segment was severely affected by the consequences of the Covid-19 pandemic. All in all, the segment's revenue rose 4.2% to €119.8 million, from €115.0 million in the previous year.

Despite the revenue growth, Bigben Interactive's recurring operating margin declined in this segment, with recurring operating income totalling €2.0 million (1.7% of 2021/22 revenue), as opposed to €3.7 million in the previous year (3.2% of 2020/21 revenue).

Amid the persistent pressure on the business, the Group remained focused on continuing to improve its gross margin (new products in the Mobile business, development of new distribution networks for the Audio products, first-time consolidation of Metronic). The gross margin moved up 1.6 points year-on-year to reach 26.2% of 2021/22 revenue on the back of another 2.3 point improvement in the previous year. Gross profit totalled €31.4 million in the 2021/22 financial year, as opposed to €28.3 million in the previous financial year, representing a significant increase of 10.8%.

That said, other than gross profit:

- the strong rise in external expenses (up €2.4 million, especially as a result of the higher cost of shipping goods held for resale)
- the clear increase in personal expense to €14.0 million in the 2021/22 financial year, up from €11.9 million in the previous financial year (reflecting the first-time consolidation of Metronic's employees for part of the year), and lastly
- €3.7 million in depreciation and amortisation of non-current assets (up €0.1 million on the previous financial year)

account for the downturn in the Bigben–AudioVideo/Telco segment's profitability in the 2021/22 financial year.

The Bigben–AudioVideo/Telco segment's EBITDA totalled €5.7 million in 2021/22, down 22.2% year-on-year. EBITDA margin was just 4.7% of revenue, down 1.6 points year-on-year.

Overall, the Group's recurring operating income (in its two segments combined) slumped 42.0% to €21.0 million, taking into account €29.3 million of depreciation and amortisation charges on non-current assets in 2021/22 (down 6.6%). The relatively small increase in depreciation and amortisation reflects the postponement of the release of certain key games into the current 2022/23 financial year. The Nacon–Gaming segment maintained its strategy of bold investment in this area. Its goal remains to increase the quality of the video games it develops (higher development costs and larger number of titles), which will eventually drive up the size and value of its catalogue.

7.2.2 Non-recurring operating items

(in thousands of euros)	2021/22	2020/21	2019/20
Recurring operating income	**20,985**	**36,210**	**23,686**
Bonus share and stock-option plans	(6,159)	(6,371)	(2,339)
Other non-recurring operating items	(1,492)		(522)
Income from associates - Similar activity			(1)
Operating income	**13,335**	**29,840**	**20,823**

In 2021/22, non-recurring items consisted mainly of the IFRS 2 expense arising from the recognition at fair value of the bonus shares granted to the Group's employees and corporate officers by Bigben Interactive. This expense amounted to €6.2 million because of new bonus share entitlements granted to the employees and corporate officers of newly acquired development studios.

Note also the recognition of a €1.5 million non-recurring operating item in the 2021/22 financial year, reflecting fees arising on special transactions (exceptional distribution in kind, etc.) and a €500 thousand provision for contingencies linked to disputes affecting the Nacon Group's financial statements at 31 March 2022.

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 adopted by the European Union for the financial years ended 31 March 2021 and 31 March 2022. Please read this analysis of the Group's earnings and financial position for the financial year ended 31 March 2022 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 all the 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 SHARE CAPITAL, LIQUIDITY AND FUNDING SOURCES

Key balance-sheet figures in the last three financial years

in thousands of euros	31 March 2022	31 March 2021	31 March 2020
Non-current assets	312,882	197,125	168,178
Current assets	304,417	339,009	272,531
TOTAL ASSETS	617,298	536,134	440,709
Total equity	299,703	301,971	282,364
Non-current liabilities	209,101	136,904	60,713
Current liabilities	108,495	97,258	97,632
Total equity and liabilities	617,298	536,134	440,709

Non-current assets:

in thousands of euros	31 March 2022	31 March 2021	31 March 2020
Goodwill	136,155	65,980	63,903
Right-of-use assets	12,940	9,743	4,904
Other intangible assets	140,758	103,347	81,332
Property, plant and equipment	17,775	12,801	13,179
Shares in associates	0	0	43
Other financial assets	2,383	1,649	1,447
Deferred tax assets	2,871	3,604	3,369
Non-current assets	**312,882**	**197,125**	**168,178**

Non-current assets increased by €115.8 million, a significant amount, between 31 March 2021 and 31 March 2022. Key to this increase were the various acquisitions completed during the period (Passtech Games, Crea-Ture Studios, Ishtar Games and Midgar Studio, as well as the Big Ant Studios and Metronic deals), leading to a rise in goodwill of around €70.2 million. Another factor was the expansion in the portfolio of games owned (catalogue and games under development, with intangible assets rising €37.4 million).

To recap, the deal for Daedalic Entertainment was completed after the close of the financial year.

The Group's non-current assets currently include around €136.2 million of goodwill relating to acquisitions:

- of Mobile accessories businesses in particular (acquisition of ModeLabs in 2011) and Video activities, paving the way for the expansion of the Audio activities (acquisition of Metronic in 2021), with goodwill in the Bigben–AudioVideo/Telco segment amounting to €39.4 million;

- of the recently acquired video game development studios, with goodwill in the Nacon–Gaming segment amounting to €96.7 million.

Other intangible assets of €140.8 million mainly correspond to higher 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.

Current assets:

in thousands of euros	31 March 2022	31 March 2021	31 March 2020
Inventories	81,045	65,784	66,054
Trade receivables	66,147	72,479	65,082
Other receivables	23,015	15,933	16,672
Current tax assets	7,764	6,979	6,578
Cash and cash equivalents	126,447	177,834	118,147
Current assets	**304,417**	**339,009**	**272,531**

The increase in current assets (excluding cash) needs to be assessed in the light of the contraction in the Group's business in the 2021/22 financial year. As a result, the level of trade receivables is consistent with the business downturn. Inventories and other receivables rose relatively sharply. The delayed release of several premium smartphones into April and May 2022 dampened the growth in accessories sales during the final quarter of the 2021/22 financial year (affecting the level of inventories) and the backdrop of supply chain bottlenecks drove an increase in the Group's downpayments on orders.

Cash and cash equivalents amounted to €126.4 million at 31 March 2022 as opposed to €177.8 million at 31 March 2021. To recap, Bigben Interactive reaped the benefit of its Nacon subsidiary's IPO and related capital increase, which boosted that company's cash position by €103.0 million after expenses at the close of the 2019/20 financial year. More recently, Bigben Interactive issued conditionally guaranteed senior bonds exchangeable into existing Nacon shares, which raised €87.3 million in February 2021.

Funding sources

In 2021/22, following on from the successful IPO of its Nacon subsidiary in the previous financial year and fundraising through the issues of senior bonds in 2020/21 as referred to above, Bigben Interactive raised a total of around €57.4 million in funding, mainly from:

- €54.9 million in new borrowings,

- €2.5 million of government support for the Nacon–Gaming segment via the video game tax credit (CIJV),

The contribution of the main funding sources (bank loans and CIJV tax credit) during the period presented is set out in the sections below, as well as the terms and conditions applicable to the bond issue by Bigben Interactive in the previous financial year.

Financing by bonds exchangeable into Nacon shares

To recap, Bigben Interactive raised €87.3 million by issuing on 19 February 2021 conditionally guaranteed senior bonds exchangeable into existing Nacon shares.

The main terms of that transaction were as follows:

- The Bonds, with a par value of €100,000, have a 5-year maturity. They pay interest at a rate of 1.125% p.a. and were issued at par;
- Unless exchanged, redeemed or repurchased and cancelled prior to their maturity, the Bonds will be redeemed at maturity at a price corresponding to 103% of their par value, subject to the Company's decision to deliver Nacon SA shares and, where appropriate, an additional amount in cash;
- the bonds are exchangeable into existing Nacon shares based on a unit exchange price of €9.60 set at the outset (representing a premium of 20% to the reference share price for Nacon shares, the price used in connection with the accelerated bookbuild carried out concomitantly by Bigben Interactive);
- In the event of an exchange, the Company shall have the option of paying an amount in cash, delivering the Nacon SA shares or a combination of both. The exchange price shall be subject to the customary adjustments in accordance with the terms and conditions of the Bonds.

Borrowings and net cash

The Group may borrow money in particular to fund the investment needs of the Nacon–Gaming segment (i.e. to develop its games and fund acquisitions).

To fund its working capital requirement, development costs and the acquisition of development studios (Kylotonn, Cyanide, Eko Software and Spiders), around €62 million in medium-term loans have been arranged, initially by Bigben Interactive and then subsequently transferred to Nacon (in October 2019 in connection with the spin-off), since the end of 2016.

Given the new loans arranged during the past two financial years and the repayments made over the same period, plus the €87.3 million bond issue in February 2021, the capital repayable by the Group at 31 March 2022 totalled €176.4 million, of which €27.7 million is due in the short term.

The €93.9 million of borrowings that were long-term at inception consist of repayments on loans from around 10 banks and other financial institutions, as provided for in the loan agreements. Those medium-term loans were taken out mainly either to finance studio acquisitions or to cover game development costs.

The Group's net cash at 31 March 2022 broke down as follows:

Key consolidated treasury figures from the last three financial years

in thousands of euros	31 March 2022	31 March 2021	31 March 2020
Cash and cash equivalents	126,447	177,834	118,147
Gross debt	180,143	145,625	74,703
Net cash/Net debt	**-53,696**	**32,210**	**43,443**
Gearing	**17.9%**	**-10.7%**	**-15.4%**
Net cash/Net debt	**53,696**	**(32,210)**	**(43,443)**
EBITDA	50,310	67,601	52,498
Net leverage (Net debt/EBITDA)	**1.1**	**-0.5**	**-0.8**

Financing through public support - CIJV tax credit

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 2021/22, the Group's studios therefore benefited from a €2.5 million CIJV tax credit.

8.2 CASH FLOW

in thousands of euros	2021/22	2020/21	2019/20
Net cash flow from operating activities			
Funds from operations	**51,648**	**66,655**	**52,045**
Change in WCR	**(12,109)**	**(6,254)**	**(21,506)**
NET CASH FLOW FROM OPERATING ACTIVITIES	**35,610**	**52,566**	**27,546**
Cash flow from investing activities			
NET CASH FLOW FROM INVESTING ACTIVITIES	**(94,336)**	**(54,083)**	**(43,444)**
NET CASH FLOW FROM FINANCING ACTIVITIES	**6,055**	**64,105**	**119,727**
Net change in cash and cash equivalents	**(51,962)**	**62,145**	**103,766**
Cash and cash equivalents at start of period	175,197	113,051	9,285
Cash and cash equivalents at end of period	**123,235**	**175,197**	**113,051**

8.2.1 Cash flow from operating activities

in thousands of euros	2021/22	2020/21	2019/20
Net cash flow from operating activities			
Net income for the period	**7,887**	**14,700**	**16,115**
Elimination of income and expenses that have no cash impact or are unrelated to operating activities			
• Income from associates			(1)
• Attributable to non-controlling interests	2,399	4,218	132
• Additions to depreciation, amortisation and impairment	29,325	31,392	28,812
• Change in provisions	(215)	395	(248)
• Net gain or loss on disposals	(15)	(92)	10
Share-based payment costs		0	
• Net financial income/expense	3,481	1,609	1,394
• Other non-cash income and expense items	3,645	6,245	2,339
• Income tax expense	5,140	8,187	3,492
Funds from operations	**51,648**	**66,655**	**52,045**
Inventories	(5,774)	177	(8,780)
Trade and other operating receivables	8,616	(7,276)	(8,636)
Other assets (excluding deferred tax assets)			
Operating liabilities	(14,950)	845	(4,090)
Other liabilities (excluding deferred tax liabilities)			
Change in WCR	**(12,109)**	**(6,254)**	**(21,506)**
Cash from operating activities	**39,540**	**60,401**	**30,539**
Income tax paid	(3,929)	(7,835)	(2,993)
NET CASH FLOW FROM OPERATING ACTIVITIES	**35,610**	**52,566**	**27,546**

As shown by the 2021/22 financial statements, net cash flow from operating activities after tax and interest paid was clearly lower at €35.6 million in 2021/22, down 32.3% from €52.6 million in 2020/21.

The main factors behind this trend were:

- a small decrease in funds from operations (down 22.5%), consistent with the decline in the Group's operating income. Bigben Interactive's funds from operations totalled a substantial €51.6 million in 2021/22,
- changes in the working capital requirement, which represent a negative contribution of €12.1 million in 2021/22 because of changes in items corresponding to operating assets: increase in inventories (up €5.8 million), downtrend in trade receivables reflecting the contraction in business volumes (down €8.6 million) and a significant reduction of €14.9 million in Operating liabilities.

8.2.2 Net cash flow from investing activities

in thousands of euros	2021/22	2020/21	2019/20
Cash flow from investing activities			
Purchases of intangible assets	(54,150)	(51,255)	(35,219)
Amortisation included in development costs		0	622
Purchases of property, plant and equipment	(1,824)	(1,377)	(1,253)
Disposals of property, plant and equipment and intangible assets	27	161	4
Purchases of non-current financial assets	(676)	(69)	(561)
Disposals of non-current financial assets	31	56	3
Dividends received		0	
Net cash inflow/(outflow) from disposals and acquisitions of subsidiaries	(33,744)	(1,598)	(7,040)
NET CASH FLOW FROM INVESTING ACTIVITIES	**(94,336)**	**(54,083)**	**(43,444)**

As shown by the financial statements for 2021/22, net cash flow from investing activities represented an outflow of €94.3 million, as opposed to an outflow of €54.1 million in 2020/21, in another demonstration of the Group's drive to expand its activities.

The main factors behind this trend were:

- the Nacon–Gaming segment's continuing ramp-up in its investments in publishing and development (capital expenditure of €58.0 million in 2021/22, almost 20% higher than the 2020/21 figure of €48.5 million),

- net spending on acquisitions/increased stakes in the share capital of Passtech Games, Crea-Ture Studios, Ishtar Games, Midgar Studio and Big Ant Studios, as well as the acquisition of Metronic in the AudioVideo segment. In total during the 2021/22 financial year, the Group committed €33.7 million to these deals, excluding any potential earn-out payments.

To recap, the deal for Daedalic Entertainment was completed after the close of the financial year.

8.2.3 Net cash flow from financing activities

in thousands of euros	2021/22	2020/21	2019/20
Cash flow from financing activities			
Capital increase		0	102,974
Dividends paid to the parent company's shareholders	(5,831)	0	(3,899)
Own shares (repurchased) and resold	(15,734)	(4,955)	46
Interest paid	(1,241)	(1,628)	(1,353)
Increase/(decrease) in lease liabilities	(3,639)	(3,717)	
Cash inflows from borrowings	54,856	99,997	35,454
Repayments of borrowings and debts	(19,132)	(25,592)	(13,495)
NET CASH FLOW FROM FINANCING ACTIVITIES	**6,055**	**64,105**	**119,727**

As shown by the financial statements for 2021/22, net cash flow from financing activities represented an inflow of €6.1 million, as opposed to €64.1 million in 2020/21 and €119.7 million in 2019/20 (in the absence of any major financing transactions during the financial year).

The main factors behind this trend were:

- new French state-guaranteed loans totalling €54.9 million during the financial year, as opposed to €19.1 million of repayments in the same period,

- the relatively substantial buyback of Bigben Interactive shares (€15.7 million). Bigben Interactive cancelled shares held in treasury in July 2021 and January 2022 accounting for respectively 2.57% (increased to 2.63% upon the second cancellation) and 0.97% of its share capital.

The other movements were considered less material at Group level.

8.3 INFORMATION ON THE COMPANY'S BORROWING TERMS AND FUNDING STRUCTURE

8.3.1 Funding structure

At 31 March 2022, the Group's funding structure was as follows:

- equity of €299.7 million, taking into account €66.3 million of non-controlling interests (minority shareholders of Nacon),

- net cash of €53.7 million, taking into account €126.4 million of available cash and equivalents and €180.1 million of debt (excluding IFRS 16 impact).

To recap, Nacon's successful capital increase at the time of its IPO on Euronext in the 2019/20 financial year contributed to these robust figures, since the Nacon subsidiary raised €103.0 million (after the deduction of IPO costs) through the March 2020 transaction.

More recently, during the 2020/21 financial year, Bigben Interactive had issued conditionally guaranteed senior bonds exchangeable into existing Nacon shares, which raised €87.3 million (€84.6 million net of issuance costs).

Even though Bigben Interactive did not raise any significant funds during the financial year under review, the Group remains in a position to continue pursuing its highly ambitious development strategy, both through organic growth (including the development of its video games activities) and through acquisitions.

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

With the success of its IPO in early 2020 and the €103.0 million in funds raised, Nacon had not considered it necessary to arrange additional borrowings during the 2020/21 financial year, as its investments (acquisition of Neopica and development of games) were funded using equity capital. With the series of studio acquisitions and further investments in its games portfolio during the 2021/22 financial year, Nacon arranged €54.7 million in bank loans during the financial year under review.

Meanwhile, Bigben Interactive arranged French state-guaranteed loans at the beginning of the 2020/21 financial year, then took advantage of its Nacon subsidiary's status as a listed company to harness a new type of funding in February 2021 with the issue of conditionally guaranteed senior bonds exchangeable into existing Nacon shares, which raised €87.3 million (€84.6 million net of issuance costs). During the 2021/22 financial year, Bigben Interactive used equity capital, including for the purpose of the October 2021 acquisition of Metronic.

Working capital requirement (WCR)

The Group uses short-term borrowings and factoring to cover 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

To recap, with the success of its early 2020 IPO and the concomitant fundraising transaction that raised €103.0 million (net of IPO expenses), as well as the medium-term bank loans agreed during the most recent financial year, the Nacon subsidiary currently takes the view that the financial resources at its disposal amply suffice for it to implement its strategic plan between now and 2023 (€82.1 million in gross cash at 31 March 2022).

Likewise, the Bigben–AudioVideo/Telco segment entities have greater financial resources at their disposal following Bigben Interactive's completion of its February 2021 issue of bonds that raised a net amount of €84.6 million.

Accordingly, the Group at large is in a position to execute its strategy, which should enable it to achieve 2022/23 revenue of between €400 million with recurring operating margin in excess of €55 million. The Group recently announced this guidance to investors in the release containing its full-year results for the year ended 31 March 2022 (see section 10 of this Universal Registration Document).

9. REGULATORY ENVIRONMENT

It should be noted that the Group 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 the regulations. In addition, as part of its social and environmental responsibility approach, Bigben Interactive has also 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 import 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. Its 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 steps to be taken 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)**

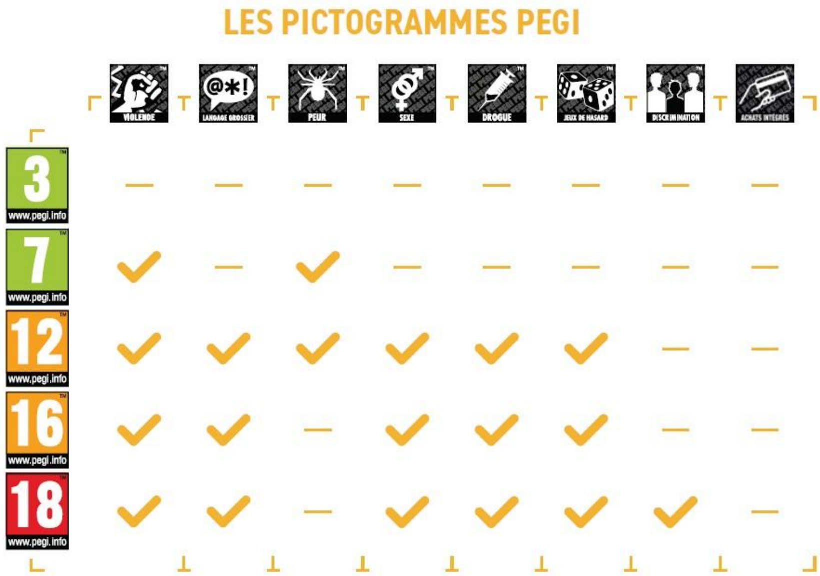
This directive requires electrical equipment to be designed so as to protect people, pets and property. No damage must be possible as a result of electrical contact or exposure to mechanical, chemical and health risks caused by noise, vibration or ergonomic factors. Bigben Interactive has its products tested for compliance with the LVD.

Bigben Interactive applies the CE mark to its products to indicate compliance with European health, safety and consumer protection directives and allow 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 is a means of denying young people access to and protecting them from content or behaviours that are unsuitable for people their age, based on effective control by their parents.



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 4G and 5G 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

The Group highlighted ambitious 2022/23 targets supported by the strong growth anticipated in the Gaming in the presentation of its 2021/22 results.

Considering these in greater detail, by segment:

Nacon–Gaming

After a transition year amid an unprecedented global economic backdrop, Nacon is set to reap the benefit during 2022/23 of the major investments it has made over the past few years. In the space of the past two years, Nacon has invested more than €100 million in developing its games and acquired nine studios. To date, 46 games are currently under development versus 33 at 31 March 2021. Initial returns on investment are anticipated during the current financial year, with numerous games coming up for release.

With the busy release schedule planned throughout the year (*Vampire: The Masquerade® – Swansong, The Lord of the Rings Gollum, Steelrising, Session Skate Sim* etc.), sales are expected to grow strongly, and they posted a clear increase in the first quarter. Nacon has, however, made the decision to delay the release of *Test Drive Unlimited Solar Crown* until the following financial year to enhance its quality. The plan remains for a release solely on PC, PlayStation® 5 and Xbox® Series X|S. This postponement will not undermine Nacon's full-year targets and should pave the way for growth to continue into the 2023/24 financial year.

For the time being, the Gaming Accessories business continues to bear the brunt of the global components shortage, but several new products are scheduled for release in the third quarter of 2022/23.

Bigben–AudioVideo/Telco

The main developments anticipated during 2022/23 in the Bigben–AudioVideo/Telco segment are expected to be:

- Growth in sales of the power and headphones range in line with the launch by manufacturers of new smartphone ranges without chargers or handsfree kits;

- A more rapid 5G roll-out supported by upgrades of the installed base of mobile, boosting Gaming Accessories sales;

- The first-time consolidation of Metronic over a full year and the positive impact of the synergies gradually being harnessed.

Taking these factors into account, the Group anticipates 2022/23 revenue of €400 million together with recurring operating income of over €55 million.

10.2 TRENDS, UNCERTAINTIES, CONSTRAINTS, COMMITMENTS OR EVENTS THAT MAY MATERIALLY AFFECT THE BIGBEN INTERACTIVE GROUP'S OUTLOOK

Please see section 7.1.2 concerning the implications of the Covid-19 (coronavirus) crisis and those arising from the war in Ukraine, plus the related supply chain issues.

11. EARNINGS FORECASTS AND ESTIMATES

The 2022/23 forecasts presented below are based on data, assumptions and estimates that the Group regarded as reasonable at the date of this Universal Registration Document.

Those data and assumptions may change or be adjusted as a result of uncertainties relating particularly to the economic, financial, accounting, competitive, regulatory or tax environment or as a result of other factors of which the Group was not aware at the date of this Universal Registration Document.

If certain risks described in section 3 "Risk factors" of this Universal Registration Document were to materialise, they could have an impact on the Group's activities, financial position, results or outlook, and therefore threaten these forecasts. The attainment of forecasts also assumes that the Group's strategy will be successful. As a result, the Group makes no representation and gives no warranty regarding the attainment of forecasts presented in this section.

The forecasts set out below, and the assumptions on which they are based, have been established in accordance with delegated regulation (EU) No. 2019/980 and ESMA recommendations relating to forecasts.

11.1 ASSUMPTIONS

The Group has made forecasts for 2022/23 in accordance with the accounting policies applied when preparing the Group's consolidated financial statements for the year ended 31 March 2022.

Those forecasts are based mainly on the following assumptions for the year ended 31 March 2023:

- no material change in the scope of consolidation relative to the scope of consolidation at 31 March 2022 other than effective completion of the acquisition of the Daedalic Entertainment development studio,
- market developments in line with the trends set out in section 5.2 of this Universal Registration Document, including
  - **for Nacon Gaming**: more rapid digitalisation of the market and the rise of eSports and cloud gaming;
  - **and for Bigben–AudioVideo/Telco**: roll-out of 5G, removal of chargers and handsfree kits from the new smartphones sold by Apple and Samsung, helping to drive additional sales, ramp-up in the new USB-C standard and power delivery;
  - and the limited impact of the Covid-19 pandemic and the invasion of Ukraine as indicated in sections 7.1.2 and 10.1,
- the tangible rebound in business volumes expected following a transition year in 2021/22:
  - **for Nacon Gaming**: the ongoing appeal of games published by Nacon, with a very busy release schedule lined up for the 2022/23 financial year, and of the Nacon® and RIG™ trademarks in accessories, along with their success in all geographic areas in which the Nacon Group operates;
  - **and for Bigben–AudioVideo/Telco**: further margin and profitability improvement, as well as the effective integration of Metronic within the Group.
- continuing execution of the Group's strategy, as described in section 5.4 of this Universal Registration Document and particularly:
  - **for Nacon Gaming**: further increases in development capex, to deliver more sophisticated games in the future to console clients and new platforms keen to satisfy their gamer end-customers,

- **and for Bigben Audio Telco:** the opening-up of new sales channels for the Group's products, and the enrichment of the *Just Green*® and *Force*® ranges of accessories for mobiles

- no material change in exchange rates relative to those at the date of this Universal Registration Document,

- no material change in regulatory or tax conditions relative to those existing on the date of this Universal Registration Document.

11.2 GROUP FORECASTS FOR THE YEAR ENDED 31 MARCH 2023

With the firm trends in the Gaming business, the Group anticipates 2022/23 revenue of €400 million and targets recurring operating income of over €55 million.

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 Universal 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 same 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 meeting, the Board of Directors formally noted Laurent Honoret's resignation from his role as Chief Operating Officer and decided to appoint Michel Bassot to replace him in the 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 roles outside the Company
Fabrice Lemesre	Chief Executive Officer	Date of first appointment: 4 March 2020. Term of office ends: Shareholders' General Meeting voting on the financial statements	
Michel Bassot	Chief Operating Officer	Date of first appointment: 4 March 2020. Term of office ends: none 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 gained managerial experience and expertise in the roles they previously held 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 Board of Directors has seven members. Of the seven Board members, two are regarded by the Company as independent directors pursuant to the criteria laid down in the Middlenext Governance Code.

The table below shows the composition of the Company's Board of Directors at the date of the Universal 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 reappointment 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 office	Chairman and director	Most recent reappointment: 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, Games.fr SAS . Chairman/CEO of Nacon SA[15] **Roles within non-French companies:** . Director, Nacon HK Ltd (Hong Kong) . Director, Nacon Pty Ltd (Australia) . Director, Big Ant Holdings Pty Ltd, Big Ant Studios Operations Pty Ltd, Big Ant Studios Pty Ltd, 1UP Distribution Pty Ltd, Big Ant Studios Licensing Pty Ltd, Magnus Formica Studios Melbourne Pty Ltd (Ringside Entertainment Pty Ltd, Magnus Formica Studios Pty Ltd, Eastside Corporation Pty Ltd, BAS Melbourne Pty Ltd . Manager, AF Invest SPRL **Former roles in the past five financial years** . Chairman, ModeLabs Group SAS . Chairman, World GSM SAS . 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)	Most recent reappointment: 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:** *- Roles held within the Bolloré group* . Head of Development . Chairman, Omnium Bolloré . Director, Bolloré SE, Bolloré Participations SE, Financière V, Omnium Bolloré, Société Industrielle et Financière de l'Artois and Compagnie de l'Odet. . Permanent representative of Plantations des Terres Rouges on the board of Compagnie du Cambodge . Member of the Supervisory Board, Sofibol *- Other roles and duties:* . Director, Gameloft SE . Director, Nacon

[15]On 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.

				Roles within non-French companies: - *Roles held within the Bolloré group* . Director, Bolloré Services Australia Pty Ltd - *Other roles and duties:* . 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 . Director, Blue Solutions. . Chairman and Director, Blue LA Inc.
Jacqueline de Vrieze Company's registered office	Director	Most recent reappointment: July 2021 Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2027	None	**Roles within French companies:** . CEO, Games.fr SAS . Director, Nacon SA **Roles within non-French companies:** None **Former roles in the past five financial years:** None
Angélique Gérard 57 bd Malesherbes 75008 Paris	Independent director	Date of first appointment: 30 July 2020 Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2023	None	**Roles within French companies:** . AFM (Association Familiale Mulliez) as a Qualified Person . Member of the Strategy Committee, Petale. **Roles within non-French companies:** . None **Former roles in the past five financial years:** . Independent director on Europcar Group's Supervisory Board . Director, Babilou Group
Sylvie Pannetier Company's registered office	Director	Most recent reappointment: July 2021 Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2027	Treasurer (employee) Member of the Audit Committee	**Roles within French companies:** Director, Nacon SA **Roles within non-French companies:** None **Former roles in the past five financial years:** None

Jean-Christophe Thiery Canal+ 50 rue Camille Desmoulins, 92863 Issy-les-Moulineaux Cedex 9	Director (representative of Nord Sumatra, main shareholder of Bigben Interactive)	Most recent reappointment: 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:** - *Within Groupe Canal+:* . Chairman and member of the Supervisory Board, Groupe Canal+ SA, . Manager of SNC SESI (Cnews). - *Within the Bolloré group:* . Chairman/CEO and member of the Management Committee, Bolloré Telecom . Chairman, Compagnie de Treboul . Chairman, Rivaud Loisirs Communication . Chairman, Bolloré Media Régie Chairman of the Board of Directors and director, Matin Plus . Member of the Strategy Committee, 2ème Regard. - *Other roles and duties:* . Director, Gameloft SE . Director, Bigben Interactive **Roles within non-French companies:** None **Former roles in the past five financial years** - *Within Groupe Canal+:* . Chairman and member of the Management Board, Groupe Canal+ SA, - Chairman and member of the Supervisory Board, Studio Canal SAS - Chairman of the Board of Directors and director, Société d'Edition de Canal+ SA - *Within the Bolloré group:* . Chairman/CEO and director, Bolloré Média Digital . Chairman, Bolloré Média Régie . Permanent representative of Société Industrielle et Financière de l'Artois on the Board of Directors of Rivaud Innovation
Jean-Marie de Chérade 19 avenue Sainte Foy 92200, Neuilly	Director Independent	Most recent reappointment: July 2021 Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2027	Member of the Audit Committee	**Roles within French companies:** None **Roles within non-French companies:** None **Former roles in the past five financial years:** None

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 to trading on a regulated market. At the date of the Universal 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 established and fulfilled the criteria under which a director qualifies 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 25 April 2022, the Board of Directors assessed the independence of the directors and took the view that the following should qualify as independent directors: Angélique Gérard and Jean-Marie de Cherade.

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 their responsibilities when appointed, and is encouraged to observe the conduct rules relating to their 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 Middlenext 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, who holds an electronic engineering diploma, founded Bigben Interactive in 1981 after completing his studies. He rapidly gained industrial and commercial expertise in watches and promotional electronic products. Starting in 1993, he moved into the budding video games sector. Bigben Interactive became 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 by 1999. He floated Bigben Interactive on the stock market and commenced its international expansion by establishing a presence in the Benelux countries, the United Kingdom, Germany, Hong Kong, Spain and Italy. After gradually expanding into video games software over the following decade, it acquired the mobile accessories design and distribution business of ModeLabs (France's leading vendor of mobile phone accessories) in 2011 and changed its name to Bigben Connected in May 2013. After 2018, he took the Bigben Group in another strategic direction through the acquisition of interests in eight 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). Sébastien Bolloré spends more than half his time in Australia, and advises the Bolloré group based on his knowledge of new media and technological developments.

He has served as 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 Alain Falc, the Chairman of the Board of Directors.

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 Chairwoman/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 was provisional and subject to ratification at the Ordinary Shareholders' General Meeting on 30 July 2020.

Sylvie Pannetier: Director

Holder of a DECF diploma in accounting and finance.

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.

He has been a director of Bigben Interactive SA since he was appointed in the Shareholders' General Meeting of 26 July 2012.

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 Universal 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 Middlenext 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.

Information provided to Board members

Board members concluded that they received sufficient information for them to fulfil their role. In accordance with recommendation 11 of the Middlenext 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 for agenda items to 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.

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 their 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 Middlenext 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 2020/21 financial year, the Board met 12 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)

Name	First name	Role	Attendance rate
Falc	**Alain**	**Chairman**	***100%***
Bolloré	**Sébastien**	**Director**	***100%***
De Chérade	**Jean-Marie**	**Director + member of the Audit Committee**	***100%***
Thiéry	**Jean-Christophe**	**Director**	***100%***
Pannetier	**Sylvie**	**Director + member of the Audit Committee**	***100%***
De Vrieze	**Jacqueline**	**Director**	***100%***
Gérard	**Angélique**	**Director**	***75%***
		TOTAL	***97%***

12.2 CONFLICTS OF INTEREST IN THE ADMINISTRATIVE AND MANAGEMENT BODIES

To the best of the Company's knowledge, there is no potential conflict of interest between the duties of members of the Board of Directors and executive management 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

Information on the remuneration of corporate officers is prepared in accordance with the AMF's Position-Recommendation DOC-2021-02 (Guide to compiling universal registration documents).

Since the Company's Gaming division was carved out through the spin-off to Nacon SA on 31 October 2019, the 2019/20 comparatives presented below are 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.

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	FY 2021/22	2020/21
Remuneration due in respect of the financial year (1)	€400,000	€400,000
Value of multi-year variable remuneration awarded during the financial year	€5,000	€2,000
Value of options awarded during the year		
Value of bonus shares awarded during the year	€0	€324,000
Value of the other long-term remuneration plans		
TOTAL	**€405,000**	**€726,000**

(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 €121,822 for 2021/22 and €120,997 for 2020/21. No remuneration paid by Bigben Interactive SA since the beginning of March 2020.

Fabrice Lemesre, Chief Executive Officer	FY 2021/22	2020/21
Remuneration due in respect of the financial year	€120,000	€121,000
Value of multi-year variable remuneration awarded during the financial year (1)	€25,000	€28,000
Value of options awarded during the year		
Value of bonus shares awarded during the year	€6,000	€494,000
Value of the other long-term remuneration plans		
TOTAL	**€151,000**	**€643,000**

(1) Fabrice Lemesre's variable remuneration corresponds to a bonus based on performance (attainment of a predetermined level of inventory and recurring operating income), as well as his share of incentive payments.

Michel Bassot, Chief Operating Officer	2021/22	2020/21
Remuneration due in respect of the financial year *(1)*	€188,000	€203,000
Value of multi-year variable remuneration awarded during the financial year *(1)*	€44,000	€53,000
Value of options awarded during the year		
Value of bonus shares awarded during the year	€12,000	€501,000
Value of the other long-term remuneration plans		
TOTAL	**€244,000**	**€757,000**

(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 €196 thousand for 2020/21 and €220 thousand for 2019/20.

Summary of remuneration paid to each executive corporate officer (table 2)

Alain Falc	FY 2021/22		FY 2020/21	
Chairman	Amounts due	Amounts paid	Amounts due	Amounts paid
fixed remuneration (1)	€400,000	€400,000	€400,000	€400,000
annual variable remuneration (1)	€5,000	€5,000	€2,000	€2,000
multi-year variable remuneration				
exceptional remuneration				
remuneration awarded for work as a director (2)	€40,000	€0	€31,000	€31,000
benefits in kind				
TOTAL	**€445,000**	**€405,000**	**€433,000**	**€402,000**

(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 €121,822 for 2021/22 and €120,997 for 2020/21.

(2) The remuneration for the 2021/22 financial year calculated on a 12-month basis up to the July 2022 Shareholders' General Meeting consists of €20,000 in remuneration for work as a director of Nacon and €20,000 in remuneration for work as a director of Bigben Interactive SA. In 2020/21, this remuneration calculated on a 12-month basis up to the July 2021 Shareholders' General Meeting consisted of €10,909 in remuneration for work as a director of Nacon and €20,000 in remuneration for work as a director of Bigben Interactive SA. Board members' remuneration is traditionally paid in the quarter following the Shareholders' General Meeting.

Fabrice Lemesre	FY 2021/22		FY 2020/21	
Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
fixed remuneration	€120,000	€120,000	€121,000	€121,000
annual variable remuneration (1)	€25,000	€1,000	€28,000	€6,000
multi-year variable remuneration				
exceptional remuneration				
remuneration awarded for work as a director				
benefits in kind (2)	€6,000	€6,000	€6,000	€6,000
TOTAL	**€151,000**	**€127,000**	**€155,000**	**€133,000**

(1) Fabrice Lemesre's variable remuneration corresponds to a bonus based on performance (attainment of a predetermined level of inventory and recurring operating income), as well as his share of incentive payments.

(2) Company car

Michel Bassot	FY 2021/22		FY 2020/21	
Chief Operating Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
fixed remuneration (1)	€188,000	€188,000	€203,000	€203,000
annual variable remuneration (2)	€44,000	€4,000	€53,000	€3,000
multi-year variable remuneration				
exceptional remuneration				
remuneration as director				
benefits in kind (3)	€11,000	€11,000	€11,000	€11,000
TOTAL	**€243,000**	**€203,000**	**€267,000**	**€217,000**

(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 2021/22 and €167 thousand for 2020/21.

(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), as well as payment of his share of profit sharing.

(3) Company car

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 2022 and 31 March 2021, 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)						
Alain Falc Chairman	No. of plan and date of award	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Nacon plan	No.: AGA2020 Date: 7 September 2020	50,000	€324,500	7 September 2021	7 September 2023	Recurring operating income of the Nacon Group in the year ended 31 March 2021 (1)
TOTAL		**50,000** Nacon shares	**€324,500**			

(1) *The target attainment rate for this performance criterion was predetermined and set in precise terms, but has not been made public for confidentiality reasons.*

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Fabrice Lemesre Chief Executive Officer	No. of plan and date of award	Number of shares awarded during the year	Value 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.: AGA2020 Date: 7 September 2020	520	€6,282	8 September 2021	8 September 2023	Recurring operating income of the Audio Telco segment and the Bigben Interactive Group in the year ended 31 March 2022 (1)
Bigben Interactive plan	No.: AGA2020 Date: 7 September 2020	17,650	€234,922	7 September 2021	7 September 2023	Recurring operating income of the Audio Telco segment and the Bigben Interactive Group in the year ended 31 March 2021 (1)
Nacon plan	No.: AGA2020 Date: 7 September 2020	40,000	€259,600	7 September 2021	7 September 2023	Recurring operating income of the Nacon Group in the year ended 31 March 2021 (1)
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 31 March 2020 (1)
TOTAL		**19,370** Bigben shares **40,000** Nacon shares	**€514,652**			

(1) The target attainment rate for this performance criterion was predetermined and set in precise terms, but has not been made public for confidentiality reasons.

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Michel Bassot Chief Operating Officer	No. of plan and date of award	Number of shares awarded during the year	Value 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.: AGA2021 Date: 8 September 2021	960	€11,597	8 September 2022	8 September 2024	Recurring operating income of the Audio Telco segment and the Bigben Interactive Group in the year ended 31 March 2022 (1)
Bigben Interactive plan	No.: AGA2020 Date: 7 September 2020	18,150	€241,577	7 September 2021	7 September 2023	Recurring operating income of the Audio Telco segment and the Bigben Interactive Group in the year ended 31 March 2021 (1)
Nacon plan	No.: AGA2020 Date: 7 September 2020	40,000	€259,600	7 September 2021	7 September 2023	Recurring operating income of the Nacon Group in the year ended 31 March 2021 (1)
Bigben Interactive plan	No.: AGA2019 Date: 4 September 2019	900 (2)	€10,386	4 September 2020	4 September 2022	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2020 (1)
TOTAL		**20,010** Bigben shares **40,000** Nacon shares	**€523,160**			

(1) The target attainment rate for this performance criterion was predetermined and set in precise terms, but has not been made public for confidentiality reasons.
(2) Of the 1,200 Bigben bonus shares initially awarded to Michel Bassot, only 900 vested on 4 Sept. 2020 in accordance with the performance criteria laid down in the AGA 2019 plan regulations.

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Sylvie Pannetier Director	No. of plan and date of award	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Nacon plan	No.: AGA2021 Date: 8 September 2021	720	€3,715	8 September 2022	8 September 2024	Recurring operating income of the Nacon Group in the year ended 31 March 2022 (1)
Bigben Interactive plan	No.: AGA2021 Date: 8 September 2021	80	€966	8 September 2022	8 September 2024	Recurring operating income of the Audio Telco segment and the Bigben Interactive Group in the year ended 31 March 2022 (1)
Nacon plan	No.: AGA2020 Date: 7 September 2020	5,840	€37,902	7 September 2021	7 September 2023	Recurring operating income of the Nacon Group in the year ended 31 March 2021 (1)
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 31 March 2020 (1)
TOTAL		**480** Bigben shares **6,560** Nacon shares	**€47,199**			

(1) The target attainment rate for this performance criterion was predetermined and set in precise terms, but has not been made public for confidentiality reasons.

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Jacqueline de Vrieze Director	No. of plan and date of award	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Nacon plan	No.: AGA2021 Date: 8 September 2021	840	€4,334	8 September 2022	8 September 2024	Recurring operating income of the Nacon Group in the year ended 31 March 2022 (1)
Nacon plan	No.: AGA2020 Date: 7 September 2020	50,960	€330,730	7 September 2021	7 September 2023	Recurring operating income of the Nacon Group in the year ended 31 March 2021 (1)
TOTAL		**51,800** Nacon shares	**€335,064**			

(1) *The target attainment rate for this performance criterion was predetermined and set in precise terms, but has not been made public for confidentiality reasons.*

Bonus shares no longer locked up (table 7)			
Fabrice Lemesre Chief Executive Officer	No. of plan and date of award	Number of shares reaching the end of their lock-up period in 2020/21	Vesting conditions
Bigben Interactive plan	No.: AGA2018 Date: 3 September 2018	1,500	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2019 (1) 100% of bonus shares vested
TOTAL		**1,500**	

(1) *The target attainment rate for this performance criterion was predetermined and set in precise terms, but has not been made public for confidentiality reasons.*

Bonus shares no longer locked up (table 7)			
Michel Bassot Chief Operating Officer	No. of plan and date of award	Number of shares reaching the end of their lock-up period in 2020/21	Vesting conditions
Bigben Interactive plan	No.: AGA2018 Date: 3 September 2018	1,500	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2019 (1) 100% of bonus shares vested
TOTAL		**1,500**	

(1) The target attainment rate for this performance criterion was predetermined and set in precise terms, but has not been made public for confidentiality reasons.

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 2020/21	Vesting conditions
Bigben Interactive plan	No.: AGA2018 Date: 3 September 2018	500	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2019 (1) 100% of bonus shares vested
TOTAL		**500**	

(1) The target attainment rate for this performance criterion was predetermined and set in precise terms, but has not been made public for confidentiality reasons.

PAST BONUS SHARE AWARDS (table 10)								
INFORMATION ON BONUS SHARE AWARDS								
Shareholders' General Meeting date	Plan no. AGA2016 SGM 22 July 2016	Plan no. AGA2017 SGM 21 July 2017	Plan no. AGA2018 SGM 20 July 2018	Plan no. AGA2019 SGM 19 July 2019	Plan no. AGA2020 SGM 30 July 2020	Plan no. AGA2020 Nacon SGM 30 July 2020	Plan no. AGA2021 SGM 30 July 2021	Plan no. AGA2021 Nacon SGM 30 July 2021
Shares	Bigben	Bigben	Bigben	Bigben	Bigben	Nacon	Bigben	Nacon
Date of Board meeting	31 August 2016	31 August 2017	3 September 2018	4 September 2019	7 September 2020	7 September 2020	8 September 2021	8 September 2021
Total number of bonus shares awarded								
Total number of shares awarded to corporate officers:	**7,000**	**4,700**	**3,500**	**2,800**	**35,800**	**186,800**	**1,560**	**1,560**
Alain Falc	-	-	-	-	-	50,000	-	-
Fabrice Lemesre	3,000	2,000	1,500	1,200	17,650	40,000	520	-
Michel Bassot	3,000	2,000	1,500	1,200	18,150	40,000	960	-
Sylvie Pannetier	1,000	700	500	400	-	5,840	80	720
Jacqueline de Vrieze	-	-	-	-	-	50,960	-	840
Vesting date (1)	31 August 2017	31 August 2018	3 September 2019	4 September 2020	7 September 2021	7 September 2021	8 September 2022	8 September 2022
End of the lock-up period	31 August 2019	31 August 2020	3 September 2021	4 September 2022	7 September 2023	7 September 2023	8 September 2024	8 September 2024
Number of shares awarded definitively at 31 March 2022	7,000	4,700	3,500	2,500	35,800	186,800	0	0
Cumulative number of shares cancelled or lapsed	0	0	0	300	0	0	0	0
Remaining shares awarded free of charge at end of year	7,000	4,700	3,500	2,500	35,800	186,800	1,560	1,560

(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 31 March 2020 => bonus shares vested
- AGA 2020 plan: Recurring operating income of the Bigben Interactive Group, the Audio Telco and the Nacon segments in the year ended 31 March 2021 => 100% of bonus shares vested
- AGA 2021 plan: Recurring operating income of the Bigben Interactive Group, the Audio Telco and the Nacon segments in the year ended 31 March 2022

(2) *The target attainment rate for the performance conditions was predetermined and set in precise terms, but has not been made public for confidentiality reasons.*

Summary of remuneration and other benefits awarded to executive corporate officers (table 11)

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 relating to a non-compete clause	
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Alain Falc Chairman of the Board of Directors Term of office extended for another six financial years in July 2018		X		X		X		X
Fabrice Lemesre Chief Executive Officer Term of office started on 4 March 2020 for six financial years		X		X		X		X
Michel Bassot Chief Operating Officer 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 administrative, 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 meeting of the Board and its committees attended and depending on each director's responsibilities, in accordance with recommendations 10 and 13 of the Middlenext Code.

Directors' remuneration

The Board of Directors complies with the recommendations of the Middlenext 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 30 July 2021 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 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 directors' remuneration (see 1> above) allotted to that director. That reduction also applies to supplementary remuneration relating to committee members (see 2>. above) proportional to their non-attendance at committee meetings.

With respect to 2020/21, the Company will pay Board members a gross amount of up to €87,500 as remuneration based on attendance, including €30,000 for Audit Committee members.

13.1.2.2 Remuneration of Board members in the last two financial years

	Table of remuneration for work as a director and other remuneration received by non-executive corporate officers (table 3)			
Non-executive corporate officers	Remuneration due in respect of the financial year 2021/22	Amounts paid in the 2021/22 financial year	Remuneration due in respect of the financial year 2020/21	Amounts paid in the 2020/21 financial year
Sébastien Bolloré - *Director*				
Remuneration (1)	€20,000	€20,000	€20,000	€15,833
Other remuneration	€0	€0	€0	€0
Jean-Marie de Chérade – *Independent director*				
Remuneration (1)	€15,000	€15,000	€15,000	€15,000
Other remuneration	€0	€0	€0	€0
Angélique Gérard - *Independent director - Coopted on 27 January 2020*				
Remuneration (1)	€7,500	€8,182	€8,182	€4,545
Other remuneration	€0	€0	€0	€0
Sylvie Pannetier - *Director*				
Remuneration (1)	€30,000	€30,000	€30,000	€23,750
Other remuneration (2) (3)	€68,486	€73,516	€73,516	€72,564
Jean-Christophe Thiery - *Director*				
Remuneration (1)	€20,000	€20,000	€20,000	€15,833
Other remuneration	€0	€0	€0	€0
Jacqueline de Vrieze - *Director*				
Remuneration (1)	€20,000	€17,273	€17,273	€15,833
Other remuneration (2)	€77,659	€64,700	€64,700	€60,000
Florence Lagrange - *Independent director who resigned on 27 January 2020*				
Remuneration (4)	€0	€0	€0	€11,288
Other remuneration	€0	€0	€0	€0
Richard Mamez - *Non-voting advisor (censeur), resigned on 27 January 2020*				
Remuneration (4)	€0	€0	€0	€14,205
Other remuneration	€0	€0	€0	€0

(1) For 2021/22: Remuneration as a director of Bigben Interactive SA and Nacon SA for the current year, from the 2021 to the 2022 Shareholders' General Meetings

For 2020/21: Remuneration as a director of Bigben Interactive SA and Nacon SA for the current year, from the 2020 to the 2021 Shareholders' General Meetings

(2) The other remuneration of the aforementioned directors includes their salaries and the provisions for pension liabilities set aside in respect of their employment within the Group.

(3) In addition to the remuneration paid by Nacon to Sylvie Pannetier, this amount includes remuneration paid by Bigben Connected SAS amounting to €16,770 for 2021/22 and €16,630 for 2020/21.

(4) Florence Lagrange and Richard Mamez resigned from their roles as Director and Non-Voting Advisor at Bigben Interactive respectively on 27 January 2020 and were appointed independent directors of Nacon SA.

This table shows remuneration paid during the 2021/22 and 2020/21 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 multiples

In accordance with Article L. 225-37-3 of the French Commercial Code, the following table shows the ratios between the remuneration of each of Bigben Interactive SA's corporate officers/executives and the average full-time salary of Bigben Interactive SA's employees.

The remuneration multiples for each of the three corporate officers/executives relative to the average full-time salary of Bigben Interactive SA's employees are as follows:

	2021/22 remuneration of Bigben Interactive SA's corporate officers **in €**	**Remuneration multiple** relative to the average full-time salary of Bigben Interactive SA's employees
Alain Falc	20,000	0.68
Fabrice Lemesre	145,000	4.92
Michel Bassot	36,000	1.22

Method used to calculate the remuneration ratios:

1. The assumptions used to calculate the average salary of Bigben Interactive SA's employees were as follows:

- The elements of remuneration used are salaries, bonuses and remuneration for work as a director (for Alain Falc) paid, but exclude any amount in respect of the bonus shares initially awarded to executive officers and employees to avoid skewing the figures;
- Scope used for "Company employees": all employees receiving a Bigben Interactive SA payslip (permanent employees, fixed-term employees, apprentices, work-study programme participants, etc.), but not temporary staff;
- Average headcount applied for 2021/22.
- The average salary is based on 2021/22, the most recent financial year.

2. For the purpose of calculating executive corporate officers' remuneration, all elements of remuneration paid or awarded during the financial year ended 31 March 2022 subject to a vote at the Shareholders' General Meeting, i.e.

- fixed remuneration paid in the financial year;
- annual variable remuneration awarded in respect of the financial year;
- any exceptional remuneration paid;
- any remuneration for work as directors.

	2021/22 remuneration of Bigben Interactive SA's employees **in €**
Total gross salaries (without bonus share awards)	2,476,037
Average headcount	84
Average annual salary	29,477

In addition to this remuneration, certain corporate officers were awarded bonus shares during the 2021/22 financial year, subject to presence and performance conditions, which can be valued as follows:

	Value of the bonus shares awarded in 2021/22 to Bigben Interactive SA's corporate officers **in €**
Alain Falc	**-**
Fabrice Lemesre	**6,282**
Michel Bassot	**11,597**

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.
- as an employee of Bigben Connected SAS, a subsidiary of the Bigben Interactive parent company, 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 work 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 remuneration received 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.

Pursuant to decisions made by the Board of Directors on 26 April 2021, Fabrice Lemesre will also receive variable remuneration of up to 33% of his gross annual fixed remuneration, i.e. up to €40,000, 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 production of the relevant supporting documentation.

Fabrice Lemesre does not receive any annual variable remuneration, and so his remuneration as Chief Executive Officer of the Company cannot exceed the amount indicated above.

Other remuneration and benefits

<u>Benefits in kind</u>

Leased company car (€464 per month).

<u>Severance pay</u>

There are no provisions under which the Chief Executive Officer will receive specific compensation in the event of his leaving the Company.

<u>Supplementary pension plan</u>

The Chief Executive Officer does not benefit from any supplementary pension plan.

<u>Remuneration of the Chief Operating Officer</u>

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 production of 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

<u>Benefits in kind</u>

Leased company car (€898 per month).

<u>Severance pay</u>

There are no provisions under which the COO will receive specific compensation in the event of his leaving the Company.

<u>Supplementary pension plan</u>

The COO does not benefit from any supplementary pension plan.

With the exception of the remuneration stated 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 Middlenext 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 Middlenext 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 Middlenext Code, for its corporate officers.

Bonus shares

The Company reserves itself the option of awarding bonus shares to its employees and executive corporate officers. The Company believes that such awards could take place in autumn 2022. 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 Middlenext 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 elements 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 set aside any provision to cover 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 Universal 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 best of the Company's knowledge, at the date of this Universal Registration Document, there are no service contracts that bind 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 best of the Company's knowledge, at the date of this Universal Registration Document, there are no service contracts that bind members of the Board of Directors or management team to the Company or to the Bigben Interactive Group.

14.3 BOARD OF DIRECTORS, BOARD 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 Universal 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 appointed members of the Company's body in charge of administration or supervision, excluding those carrying out managerial functions. At least one member of the committee must have specific skills in the financial, accounting or audit 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 Middlenext 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 Advisor to 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 is aligned 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 2021 to review the half-year financial statements at 30 September 2021 and in May 2022 to review the annual financial statements at 31 March 2022. 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 authority, 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 processing 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 formulated in line with the regulations. The Audit Committee also issues a recommendation to that body when any reappointment 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 shall ensure the independence of the statutory auditors and shall check that the scope of non-audit services 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 non-audit services 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 shall report 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 the COO shall not take part in Audit Committee meetings, while the Group's Corporate Secretary and/or CFO shall represent the Company and take part in them in that capacity. After providing all relevant information and details, they shall leave the meeting 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 Middlenext in September 2016, amended in September 2021 and validated as a reference code by the AMF (accessible on the www.middlenext.com website under "News"), since the principles it contains are compatible with the Company's organisation, size, resources and ownership structure.

The Middlenext 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.

Note that the 2021 Middlenext code includes three new recommendations, implementation of which is currently at the project stage within the Bigben Group.

The table below sets out Bigben Interactive's position with respect to all recommendations made by the Middlenext Code as of the Universal Registration Document's filing date:

Middlenext Code recommendations	Applied	Not applied
“Supervisory” power		
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: Training for Board members		*
R6: Organisation of Board and Committee meetings	X	
R7: Board committees	X	
R8: Establishment of a CSR Committee		**
R9: Internal rules for the Board	X	
R10: Selection of each director	X	
R11: Terms of office of Board members	X	
R12: Remuneration of directors	X	
R13: Assessment of the Board’s work	X	
R14: Relations with “shareholders”	X	
The “executive” body		
R15: Diversity and equality policy		***
R16: Definition and transparency of remuneration paid to executives and corporate officers	X	
R17: Succession planning for executives	X	
R18: Combination of an employment contract and role as corporate officer	X	
R19: Severance pay	X	
R20: Supplementary pension plans	X	
R21: Stock options and bonus share awards	X	
R22: Review of areas for attention	X	

* Middlenext recommendation no. 5: the Board of Directors has started taking the requisite steps to introduce a three-year training plan by the end of which each of the directors will have received 4 to 6 days of training p.a. The Company plans to implement this training plan beginning from the second half of 2022.

** Middlenext recommendation no. 8: the establishment of a CSR Committee was discussed by the Board of Directors, and the Company envisages introducing such a committee with two directors as its members. The Company’s employees have also been surveyed, as the Company aims to involve its employees effectively in its CSR programme. The CSR Committee is due to be set up by the end of 2022.

*** Middlenext recommendation no. 15: the Board of Directors is currently working on establishing an evaluation grid assessing diversity and equity within the Company. The results of the evaluation will be published in the Company’s Universal Registration Document in 2023.

14.4.2 Succession planning for the CEO

In accordance with recommendation 14 of the Middlenext Code, which advises the Board of Directors to consider the succession planning for existing executives on a regular basis, Bigben Interactive's Board of Directors discussed this matter in its 25 April 2022 meeting.

To recap, the Company overhauled its governance framework on 4 March 2020, with Alain Falc resigning from his position as Chief Executive Officer of the Company and retaining solely his responsibilities as 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. Fabrice Lemesre and Michel Bassot were 54 and 63 years old respectively at the date of publication of this document.

After a further review of this information on 25 April 2022, Bigben Interactive's Board of Directors took the view that the succession planning for the CEO was not an imminent concern because he had only recently been appointed to that role, although the Board is continuing to pay attention to the matter of succession planning concerning the executive team.

14.5 INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

At the date of the Universal 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:

- Chief Executive Officer:

He lays down 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 their own discretion, and the CEO may be called upon by the Board of Directors at any time to provide explanations and material information.

- Finance 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 arrangements to manage its risks, the Group has catalogued risks at the upstream level with management teams and at the downstream level with operational and functional teams.

The main risk factors, and the mitigation and action resources are set out in section 3 "Risk factors" of this Universal Registration Document.

The main areas considered are:
- risks related to the business,
- market risks and financial risks,
- legal, regulatory and tax risks,
- non-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.

14.5.1.2 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:
  - *Retroactive missions (reporting, etc.):*
    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 missions:*
    In connection with its day-to-day management, Bigben Interactive has rounded out the Head office and Group budgeting and reporting procedures by introducing "deal memo" type management records to keep track of exclusive distribution, publication and licensing agreements carrying financial and/or volume-based commitments.
    Costs are tracked for every project upstream, complementing the analysis of the sales potential downstream (estimate of the risk of customer returns based on cash outflows in the market, 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 non-French subsidiaries' cash positions, including by overseeing cash forecasts. It ensures that policies for managing exchange rate 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 providing 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.

- Group Finance Department
  - This department implements the financial aspects of Executive Management decisions, in accordance with the regulations, through various financial transactions (issues of securities giving access to the share capital, potential acquisitions, management incentives etc.).
  - As regards tax, supported by external advisors, it assists and advises Group companies, both French and non-French, when analysing the tax aspects of their projects. Working with the various in-house departments, it protects the Group's tax position by overseeing the prevention, identification and management of tax risks.

- The Corporate Secretary and Group Legal Department: supported by their external lawyers and advisors specialising in company law, contract law, litigation and intellectual property, it assists and advises Group entities regarding legal matters (acquisitions, contracts, leases, stockmarket regulation, corporate governance etc.), and co-ordinates 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.

14.5.1.3 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 Chief Executive Officer's control, 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.

- Separate 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 in line with 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 taken steps to ensure that the process for producing consolidated financial statements is streamlined and reliable. Accordingly, the consolidation department uses:

- digitalised 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,
- a transition matrix between the statutory financial statements of its subsidiaries and the consolidated financial statements, and
- 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 who 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 "closed periods" regarding trading in Bigben Interactive shares.

Other external communication

Executive Management is contactable by all 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

By legal entity	31 March 2022	31 March 2021	31 March 2020
Bigben Interactive SA	82	86	87
Bigben Connected	111	110	101
BBC Polska Sp zoo	2	0	0
Bigben HK Ltd	18	18	18
Bigben España	3	8	16
Metronic SAS	58	0	0
Lineas Omenex Metronic SL (Metronic España)	16	0	0
Metronic Italia Srl	14	0	0
Total Bigben–Audio/Telco	**304**	**222**	**222**
Nacon SA	132	121	104
Games.fr	7	6	7
Bigben Benelux	20	19	17
Nacon HK Ltd	14	12	11
Bigben Interactive GmbH	18	19	17
Nacon Gaming España SL	13	10	7
Bigben Interactive Italia	11	11	13
Cyanide	125	121	102
Cyanide Canada	54	43	40
Kylotonn	160	134	98
Eko Software	39	27	30
Spiders	75	59	37
RaceWard	47	37	27
Nacon Gaming Inc.	4	3	2
Nacon Pty Ltd.	2	2	0
Neopica Srl	11	7	0
BigAnt Studios Pty Ltd	55	0	0
Passtech Games SAS	14	0	0
Crea'ture Studios Inc.	6	0	0
Ishtar Games SAS	32	0	0
Midgar SAS	13	0	0
Total Nacon	**852**	**631**	**512**
Total Bigben Interactive	**1,156**	**853**	**734**

Source: Declaration of Non-Financial Performance/CSR reports of
31 March 2020, 31 March 2021 and 31 March 2022

In 2019/20, the Nacon Group's studio staff numbers increased strongly 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 Srl, which joined 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.

In 2020/21, studio staff numbers increased further due to the addition to the Nacon Group's headcount of staff at its new Neopica studio. As a result, headcount was 853 at 31 March 2021, plus 53 interns and temporary staff members.

In 2021/22, studio staff numbers increased further due to the addition to the Nacon Group's headcount of staff at its new Passtech Games, Big Ant Studios, Crea-Ture Studios, Ishtar Games, Midgar Studio studios and the addition to the AudioVideo/Telco segment of the staff numbers from the Metronic subsidiaries. As a result, headcount was 1,156 employees at 31 March 2022, plus 61 interns and temporary staff members.

Note that the acquisition of 100% of the German studio Daedalic Entertainment (around 80 employees) in April 2022 lifted the Nacon Group's headcount to over 900 (including more than 700 developers) and that of the Bigben Group to over 1,200 employees at the publication date of this Universal Registration Document.

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 have marginal equity interests in Nacon following the exceptional distribution made in Nacon shares (see chapter 2.1.4).

15.3 OWNERSHIP OF THE COMPANY'S SHARE CAPITAL BY EMPLOYEES

15.3.1 Employee share ownership

Capital owned by employees

In the past, the shares held by employees were managed collectively (via the Bigben Interactive Actionnariat corporate mutual fund), with a holding level of 19,449 shares at 31 March 2015, for example. 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, 143,760 bonus shares vested in August 2018, 198,585 bonus shares vested in September 2019 and 19,799 bonus shares vested in November 2019. The mandatory two-year lock-up periods ended on 31 August 2019, 31 August 2020, 3 September 2021 and 26 November 2021 respectively, and so the relevant employees are now free to sell those shares.

A further 251,155 bonus shares vested in the Group's employees in September 2020 and 113,675 in September 2021. Those shares are currently subject to the mandatory two-year lock-up period until 7 September 2022 and 8 September 2023 respectively, on which dates the relevant employees will be free to sell 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 to the best of the Company's knowledge, 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 2021/22 financial year, on 8 September 2021, the Board of Directors decided to award 36,180 shares to 207 beneficiaries. Those shares will vest after a 1-year period again provided that an ongoing presence condition and/or a performance condition related to achievement of a predetermined level of recurring operating income are met. 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 36,180 shares awarded, i.e. €72,360, 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 5,080.

Draft resolution on the "Capital increase reserved for members of the employee savings plan"

On 30 July 2021, 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 size of the award may not exceed 2% of the Company's existing share capital at the date of the decision to award the shares.

16. MAIN SHAREHOLDERS

16.1 OWNERSHIP OF THE SHARE CAPITAL AND VOTING RIGHTS

At the date of this Universal Registration Document, the Company's share capital totalled €38,399,466, divided into 18,699,733 shares[16] with par value of €2 each.

At 31 March 2022, the Company's share capital totalled €38,760,968, divided into 19,380,484 shares with par value of €2 each, of which the Bolloré group owned 20.6% (via Nord Sumatra) and AF Invest owned 13.4%, with the free float making up the rest.

Information that may be relevant in the event of a public offer

Information that may be relevant in the event of a public offer is stated below in accordance with the provisions of Article L. 225-100-3 of the French Commercial Code:

- The largest shareholder at 31 March 2022 is Vincent Bolloré, who holds 20.6% of the Company's share capital and 18.0% of its voting rights, via Nord Sumatra in particular;

- As regards the issuance and buyback of shares, in various resolutions, the Shareholders' General Meeting of July 2021 granted the Board of Directors power to increase the share capital, with preferential subscription rights maintained or withheld, up to 15% of the first issue and at the same price as that adopted for the first issue during the 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 the share capital and voting rights at 31 March 2022

Shareholder	Category	% of share capital	% of voting rights(1)
Alain Falc(2)	Chairman	13.45%	23.12%
Nord Sumatra (Bolloré)	Institutional investor	20.59%	18.02%
Free float	-	63.51%	58.86%
Treasury shares/Liquidity agreement(3)	-	2.45%	0.0%
Total		100.0%	100.0%

(1) gross voting rights
(2) directly and indirectly via AF Invest
(3) o/w 2.37% (458,602 shares) under the share buyback programme on 7 January 2022, and 0.08% (15,882 shares) under the liquidity agreement

At 31 March 2022, the Company's share capital consisted of 19,380,968 shares and 22,146,543 voting rights on a gross basis.

[16] At its meeting on 30 May 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021, decided to reduce the Company's share capital by cancelling 680,751 shares held in treasury, purchased between 7 January 2022 and 27 May 2022, and representing around 3.51% of the Company's share capital. Accordingly, the number of shares making up the Company's share capital stood at €38,399,466 divided into 18,699,733 shares at the publication date of the Universal Registration Document.

Changes in the ownership of the share capital and voting rights during the previous two financial years

Ownership of the share capital and voting rights at 31 March 2021

Shareholder	Category	% of share capital	% of voting rights[1]
Alain Falc[2]	Chairman	13.0%	22.6%
Nord Sumatra (Bolloré)	Institutional investor	19.8%	17.5%
Free float	-	65.8%	59.9%
Treasury shares/Liquidity agreement[3]	-	1.3%	0.0%
Total		100.0%	100.0%

(1) gross voting rights
(2) directly and indirectly via AF Invest
(3) o/w 1.25% (250,319 shares) under the share buyback programme on 2 March 2021, and 0.05% (9,650 shares) under the liquidity agreement

At 31 March 2021, the Company's share capital consisted of 19,969,658 shares and 22,662,590 voting rights on a gross basis.

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 share capital consisted of 19,718,503 shares and 22,390,443 voting rights on a gross basis.

16.2 VOTING RIGHTS OF THE MAIN SHAREHOLDERS

At 31 March 2022, the Bolloré group owned 20.6% of Bigben Interactive SA's capital and 18.0% of its gross voting rights, in particular via Nord Sumatra.

At 31 March 2022, the Company's Chairman/CEO Alain Falc held 13.4% of Bigben Interactive SA's share capital and 23.1% of its gross voting rights (directly and indirectly).

See section 19.2.2.1 regarding provisions applicable to double voting rights.

Ownership disclosure thresholds in crossed the last two financial years:

- **Bolloré group**

The investor grouping formed of Vincent Bolloré, the Nord-Sumatra Investissements "*société anonyme*" [public limited company], and Sébastien Bolloré also crossed below on 7 September 2020 the 20% threshold of the Company's share capital to hold 3,961,173 Bigben Interactive shares, and the same number of voting rights, or 19.84% of the share capital and 17.46% of the Company's voting rights at that date. The crossing of this threshold resulted in the increase in the total number of the Company's shares and voting rights (note AMF 220C3556)

The investor grouping formed of Vincent Bolloré, the Nord-Sumatra Investissements "*société anonyme*" [public limited company], and Sébastien Bolloré crossed above on 1 July 2021 the 20% threshold of the Company's share capital to hold 3,991,173 Bigben Interactive shares, and the same number of voting rights, or 20.51% of the share capital and 18.00% of the Company's voting rights. The crossing of this threshold was the result of a reduction in the company's share capital following the cancellation of shares held in treasury (AMF 221C1691 note).

- **Amundi**

In a letter received on 11 January 2022, Amundi[17] (91-93 boulevard Pasteur, 75015 Paris), a "société anonyme" [public limited company] acting on behalf of the fund that it manages, reported that it had crossed on 6 January 2022 above the 5% threshold of Bigben Interactive's share capital to hold 973,148 Bigben Interactive shares, representing the same number of voting rights, or 5.02% of the share capital and 4.39% of the Company's voting rights[18]. The crossing of this threshold was the result of a reduction in the total number of Bigben Interactive's shares.

In a letter received on 1 February 2022, Amundi (91-93 boulevard Pasteur, 75015 Paris), a "*société anonyme*" [public limited company] acting on behalf of the fund that it manages, reported that it had crossed on 28 January 2022 below the 5% threshold of Bigben Interactive's share capital to hold 967,844 Bigben Interactive shares, representing the same number of voting rights, or 4.99% of the share capital and 4.36% of the Company's voting rights[19]. The crossing of this threshold was the result of a sale of Bigben Interactive shares on the market.

- **Quaero**

Quaero Capital SA (Geneva), a Swiss-registered "*société anonyme*" [public limited company] reported to the Autorité des marchés financiers that it had crossed on 19 October 2020 below the 5% threshold of the Company's share capital to hold 997,882 Bigben Interactive shares, and the same number of voting rights, or 4.99% of the share capital and 4.40% of the Company's voting rights. The crossing of this threshold was the result of a sale of the Company's shares (AMF 220C4473 note).

16.3 CONTROL OF THE COMPANY

At 31 March 2022, the Bolloré group owned 20.6% of the Company's share capital and 18.0% of its voting rights on a gross basis via Nord Sumatra.

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[17] Amundi is a *société anonyme* 70%-owned by the Crédit Agricole group. Amundi Asset Management, BFT Investment Managers, CPR AM, Etoile Gestion et Lyxor International Asset Management SAS act completely independently of the Crédit Agricole group as laid down in the requirements stated in Article L. 233-9 of the French Commercial Code and L. 223-12 of the AMF's General Regulation.

[18] Based on the share capital consisting of 19,380,484 shares representing 22,181,013 voting rights, applying the second paragraph of Article 223-11 of the AMF's General Regulation.

[19] Based on the share capital consisting of 19,380,484 shares representing 22,181,013 voting rights, applying the second paragraph of Article 223-11 of the AMF's General Regulation.

The Chairman of the Board of Directors, Alain Falc, held 13.4% of the share capital and 23.1% of the gross voting rights (directly and indirectly).

To the best of 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 of control in the Company.

At the Bigben Interactive level, there is no agreement whose implementation could, at a later date, lead to a change of 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 share 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, 24 June 2022

KPMG Audit IS

Stéphanie Ortega
Partner

Roubaix, 24 June 2022

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 2022

1.1 BALANCE SHEET

1.1.1 ASSETS

ASSETS	Gross 31 March 2 022	Depreciation, amortisation and provisions 31 March 2022	Net 31 March 2022	Net 31 March 2021
	in thousands of euros	in thousands of euros	in thousands of euros	in thousands of euros
Non-current assets				
Intangible assets				
Concessions, patents	1,164	1,114	50	52
Advances and payments on account	357	-	357	200
	1,521	1,114	407	252
Property, plant and equipment				
Land	-	-	-	-
Buildings	5,162	3,611	1,551	1,690
Technical installations	151	119	32	26
Other property, plant and equipment	2,346	1,438	908	837
Property, plant and equipment in progress	338	-	338	259
	7,997	5,168	2,829	2,812
Non-current financial assets				
Equity securities	100,218	335	99,883	87,736
Receivables related to equity securities	-	-	-	-
Other long-term investment securities	-	-	-	-
Loans	-	-	-	-
Other non-current financial assets	62,792	-	62,792	60,499
	163,010	335	162,675	148,235
TOTAL	**172,528**	**6,617**	**165,911**	**151,299**
Current assets				
Inventories and work in progress	11,347	2,694	8,653	10,587
Advances and payments on account	228	-	228	65
Receivables				
Trade receivables	2,998	201	2,797	3,575
Other receivables	3,760	-	3,760	2,375
Marketable securities	236	5	231	192
Cash and cash equivalents	26,791	-	26,791	65,836
TOTAL	**45,360**	**2,900**	**42,460**	**82,630**
Prepaid expenses	111	-	111	66
Expenses to be amortised over several periods	-	-	-	-
Bond redemption premium	2,038	-	2,038	2,562
Exchange differences (assets)	-	-	-	-
TOTAL ASSETS	**220,037**	**9,517**	**210,520**	**236,557**

1.1.2 EQUITY AND LIABILITIES

EQUITY AND LIABILITIES	Net 31 March 2022	Net 31 March 2021
	in thousands of euros	in thousands of euros
Equity		
Share capital	38,761	39,939
Share premiums	39,666	51,157
Statutory reserve	3,944	3,944
Appropriated earnings	309	431
Other reserves	14,685	43,620
Net income for the period	11,320	-3,155
Regulated provisions	513	440
TOTAL EQUITY	**109,198**	**136,376**
Contingency and loss provisions	199	292
Liabilities		
Other bond borrowings	89,919	89,919
Borrowings and debt owed to financial institutions	284	2,504
Other borrowings and debt	108	108
Trade payables	1,273	1,376
Tax and employment-related liabilities	1,219	881
Liabilities relating to non-current assets	4,339	276
Other payables	3,992	4,810
Prepaid income		12
TOTAL LIABILITIES	101,134	99,886
Exchange differences (liabilities)	-11	3
TOTAL EQUITY & LIABILITIES	**210,520**	**236,557**

1.2 INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Net 2021/22 in thousands of euros	Net 2020/21 in thousands of euros
Operating revenue		
Sales of goods held for resale	11,169	12,806
Sales of services	4,882	5,040
Net revenue	**16,051**	**17,846**
Operating subsidies	22	0
Reversals of depreciation, amortisation, provisions and expense transfers	4,642	4,698
Other operating revenue	94	329
Total operating revenue	**20,809**	**22,873**
Operating expenses		
Purchases of goods held for resale	8,798	10,967
Changes in inventories of goods held for resale	1,494	412
Other purchases and external expenses	6,751	9,623
Taxes other than on income	254	388
Wages and salaries	2,653	2,499
Social security costs	1,036	1,160
Additions to depreciation, amortisation and provisions for non-current assets	314	301
Additions to provisions for current assets	2,790	2,407
Additions to contingency and loss provisions	101	127
Other operating expenses	359	136
	24,550	**28,020**
Operating income	**-3,741**	**-5,147**
Financial income		
Financial income from equity investments		838
Income from other non-current financial assets	31	7
Reversals of financial provisions	50	42
Foreign exchange gains	150	35
	231	**922**
Financial expenses		
Additions to financial provisions	539	107
Interest and financial expenses	1,014	235
Foreign exchange losses	186	286
	1,739	**628**
Net financial income/expense	**-1,508**	**294**
RECURRING PRE-TAX INCOME	**-5,249**	**-4,853**
Non-recurring income		
Relating to capital transactions	19,861	110
Reversal of provisions	89	89
	19,950	**199**
Non-recurring expenses		
Relating to operating transactions	23	
Relating to capital transactions	3,932	
Additions to provisions	162	162
	4,117	**162**
Net non-recurring income/(expense)	**15,833**	**37**
Income tax	736	1,661
NET INCOME	**11,320**	**-3,155**

2 NOTES TO THE STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

This document constitutes the notes to Bigben Interactive SA's statutory financial statements for the year ended 31 March 2022.

Those statements show total assets of €210,520 thousand and net income of €11,320 thousand.

The figures in the notes are stated in thousands of euros unless otherwise mentioned.

The information relating to the year ended 31 March 2020, presented in the 2019/20 registration document D.20-0656 filed with the AMF on 7 June 2020, is incorporated by reference.

2.1. KEY EVENTS IN THE FINANCIAL YEAR

2.1.1. COMMERCIAL DEVELOPMENT

In the 2021/22 financial year, only the Audio business remains in Bigben Interactive's statutory financial statements.

Owing to the continuing pandemic crisis and the component and shipping capacity shortage, which severely affected its distribution networks, Audio sales moved sharply lower during the 2021/22 financial year.

2.1.2. CHANGE IN SCOPE

- **Acquisition of 100% of Metronic**

Bigben Interactive SA acquired from the HF Company group all the share capital and voting rights of Metronic SAS for €12 million in cash on 15 October 2021. Two additional earn-out payments in cash may be triggered in 2023 and 2024 capped at an overall limit of €4.0 million subject to operating performance criteria.

Founded in 1987, Metronic, a well-known player in its sector, designs and distributes innovative products for broadcasting and receiving images in the home (TV and audio accessories, amplifiers, set-top boxes, connectivity solutions, headphones, speakers, etc.), as well as telephony and audio product accessories. The Metronic branded products are distributed via a wide array of channels, including through each country's leading national store chains.

Metronic has a presence at Tours in France, in Spain and in Italy and has around 90 employees. In the financial year ended 31 December 2020, it recorded EBITDA of €1.9 million on revenue of €24 million including its subsidiaries.

This deal has given the Bigben group's recently formed Audio**Video**/Telco segment a new avenue of growth with various sources of potential synergies including:

- Complementary product ranges and distribution networks
- Listings via channels not yet exploited by Bigben: BtoB markets, DIY superstores, etc.
- More rapid international development, especially in Italy and Spain via dedicated subsidiaries
- e-commerce sales

- **Formation of a Bigben Logistics SAS subsidiary**

On 28 March 2022, Bigben Interactive SA set up a Bigben Logistics SAS subsidiary and has held ever since 100% of its share capital and voting rights. The company was dormant at 31 March 2022.

Please refer to section 2.1.5 concerning the planned spin-off of Bigben Interactive SA's logistics division when these consolidated financial statements were published.

2.1.3. OWNERSHIP STRUCTURE

- **Bigben share buyback/treasury share cancellation programmes**

First Bigben share buyback programme - closed - shares cancelled

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 1 March 2021. Implementation of a share buyback programme began on 2 March 2021.

The Combined Shareholders' General Meeting of 30 July 2020 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,996,965 shares, with buybacks capped at a total amount of €10 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting of €28 per share, the Board decided that the unit purchase price of shares could not exceed at any time a multiple of 2.90x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 1 March 2021 were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2020 (Twenty-fifth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives were as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 2 March 2021 for an initial period expiring no later than 30 July 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given an initial mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2020, that is ending on 29 January 2022.

Between 2 March 2021 and 17 June 2021, 513,870 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €10 million (250,319 shares for an aggregate amount of €4,983,954 in the 2020/21 financial year).

On 1 July 2021, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2020 under its Twenty-fifth resolution, decided to reduce the Company's share capital by cancelling 513,870 shares held in treasury, representing around 2.57% of Bigben Interactive's share capital.

Second Bigben share buyback programme - closed - shares cancelled

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 8 September 2021. Implementation of a share buyback programme began on 9 September 2021.

The Combined Shareholders' General Meeting of 30 July 2021 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,945,578 shares, with buybacks capped at a total amount of €40 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting, the Board decided that the unit purchase price of shares may not exceed at any time a multiple of 3.0x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 8 September 2021 were identical to those of the first share buyback programme, which were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2021 (Twenty-ninth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives were as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 9 September 2021 for an initial period expiring no later than 31 December 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a second mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2021, that is ending on 29 December 2023.

Between 9 September 2021 and 31 December 2021, 188,979 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €2,897,485.

On 6 January 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021 under its Twenty-ninth resolution, decided to reduce the Company's share capital by cancelling 188,979 shares held in treasury.

At 6 January 2022, following the two reductions in the share capital on 1 July 2021 and 6 January 2022, the Company had cancelled around 3.59% of its share capital. As provided for in Article L. 22-10-62 of the French Commercial Code, the Company was in a position to cancel up to 1,241,987 more shares, or around 6.41% of its share capital by 30 June 2023.

Third Bigben share buyback programme – in progress

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 6 January 2022. Implementation of a share buyback programme began on 7 January 2022.

The Combined Shareholders' General Meeting of 30 July 2021 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,938,048 shares, with buybacks capped at a total amount of €40 million.

Without exceeding the maximum price set by the Combined Shareholders' General Meeting of 30 July 2021 at €35 per share, the Board of Directors decided to set the unit price for buying back shares at €19, it being specified that the buyback price could be raised to €25 per share provided that the ratios between the share price of Nacon shares (ISIN: FR0013482791) and that of the Company's shares are complied with. In any event, the unit buyback price for the Company's shares may not exceed €25 at any time.

Objective

The objectives of the buyback programme launched by the Board of Directors on 6 January 2022 were identical to those of the first two share buyback programmes, which were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2021 (Twenty-ninth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives are as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 7 January 2022 for an initial period expiring no later than 20 July 2022, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a third mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2021, that is ending on 29 January 2023.

Between 7 September 2022 and 31 March 2022, 458,602 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €7,371,872.

At its meeting on 30 May 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021, decided to reduce the Company's share capital by cancelling 680,751 shares held in treasury, purchased between 7 January 2022 and 27 May 2022, and representing 3.5% of the Company's share capital (see section 2.1.5). Accordingly, the number of shares making up the Company's share capital stood at €37,399,466 divided into 18,699,733 shares at the publication date of the Universal Registration Document.

- **Capital increase following the vesting of bonus shares awarded in 2020**

On 7 September 2020, Bigben Interactive SA's Board of Directors awarded 120,275 bonus shares to 220 beneficiaries, mainly employees and corporate officers of the Group's Audio/Telco entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and achievement of a predetermined level of recurring operating income.

The performance condition was met by all the Group entities fully or in part, and given the departures that took place prior to the acquisition date, 113,675 shares were awarded in the end to 189 beneficiaries (including 11 employees and corporate officers of Nacon entities, representing 28,100 shares).

As a result, on 8 September 2021, the Bigben Group issued 113,675 new shares through the capitalisation of reserves.

- **2021 bonus share award**

On 8 September 2021, Bigben Interactive SA's Board of Directors awarded 36,180 Bigben bonus shares mainly to employees and to corporate officers of the Group's Audio/Telco entities, representing a total of 207 beneficiaries. Those shares will vest after a 1-year period again provided that an ongoing presence condition and a performance condition related to achievement of a predetermined level of recurring operating income are met. 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 36,180 shares awarded, i.e. €72,360, was set up at the time of the award.

The Company's ownership structure at 31 March 2022 was as follows:

<u>Ownership of the share capital and voting rights at 31 March 2022</u>

Shareholder	Category	% of share capital	% of voting rights(1)
Alain Falc(2)	Chairman	13.45%	23.12%
Nord Sumatra (Bolloré)	Institutional investor	20.59%	18.02%
Free float	-	63.51%	58.86%
Treasury shares/Liquidity agreement(3)	-	2.45%	0.0%
Total		100.0%	100.0%

(1) gross voting rights
(2) directly and indirectly via AF Invest
(3) o/w 2.37% (458,602 shares) under the share buyback programme on 7 January 2022, and 0.08% (15,882 shares) under the liquidity agreement

At 31 March 2022, the Company's share capital consisted of 19,380,968 shares and 22,146,543 voting rights on a gross basis.

2.1.4. OTHER EVENTS

- **Covid-19 (coronavirus) pandemic**

Bigben Interactive SA has again been affected by the global public health crisis in the following ways:
- Disruption to the supply chains, especially in Asia/US, since the beginning of the financial year
- Closure of stores during the third lockdown in spring 2021 across the main countries in Europe, then drop in footfall owing to public health measures in summer 2021 (application of the "*passe sanitaire*" immunity passport)
- Measures have been taken to protect employees and third parties

The Company introduced a strict lockdown-easing plan once the various lockdowns were lifted, to protect the health of its staff members and third parties when they return to the Group's premises and allow activities to resume gradually in accordance with health guidelines.

From a business perspective, revenue was worst-affected in the 2021/22 financial year by the exceptional effects of the Covid-19 crisis through a contraction in consumption of Audio products, which was evident during the successive lockdowns.

No cash flow pressures were experienced because the Company completed in February 2021 a

€87.3 million placement of conditionally guaranteed senior bonds exchangeable into Nacon SA shares (€84.6 million raised after deducting the €2.7 million in issuance costs).

- **Changes in debt**

French state-guaranteed loans

Bigben Interactive SA arranged two €2.5 million "PGE" state-guaranteed loans during the 2020/21 financial year, with two banks in each instance. Those loans had a one-year term, although the Company was able to request the rescheduling of payments over a five-year period. Following the issue of exchangeable bonds, raising €87.3 million for Bigben Interactive SA on 19 February 2021, one of these two state-guaranteed loans was repaid early in March 2021. The other €2.5 million state-guaranteed loan was repaid in June 2021.

Bigben Interactive SA also repaid its finance leases in line with their repayment schedules.

- **Pledge of Nacon shares underlying the Bigben bonds exchangeable into Nacon shares**

In connection with an issue of bonds due 2026 exchangeable into existing ordinary Nacon SA shares (the "**Bonds**"), the Company made a commitment that holders of the Bonds shall benefit from a statement of pledge to be recorded over the existing Nacon SA shares (the "**Pledged Shares**") representing at all times 200% of the number of shares underlying the Bonds.

On 9 April 2021, the Company formed a share pledge agreement with BNP Paribas Securities Services (acting as paying agent and transfer agent), with the *masse* (body) of Bond holders being represented by Aether Financial Services and Aether Financial Services acting as representative of the *masse*.

On 9 April 2021, the Company transferred 18,187,500 Nacon SA shares (the "**Shares**"), to the pledged account, representing 200% of the number of shares underlying the Bonds at that date.

In accordance with the amended terms and conditions (the "**Terms and Conditions**"), the Company has undertaken to hold in the pledged securities account, until all the Bonds have been redeemed in full, a number of Shares equal to 200% of the number of shares underlying the Bonds (the "**Coverage Rate**"), it being specified that should the Company exercise its Share Cash Combination Election and/or Cash Election (as defined in the Terms and Conditions), the number of Shares exceeding the Coverage Rate given the number of Bonds in issue, shall be returned to the Company upon the instruction of the main transfer agent within five business days of the end of the calendar month based on a proportion to be set by the calculating agent.

The number of Pledged Shares shall be adjusted regularly up to the maturity date of the Bonds according to the number of Bonds in issue, the exercise by holders of their exchange right (and exercise by the Company of its right to deliver Shares and/or cash) and adjustments to the exchange price in accordance with the Terms and Conditions applicable to the Bonds.

Should the Company fail to honour the coverage rate of 200% stated hereinabove or the pledge agreed be voided, that would constitute default in accordance with the Terms and Conditions.

- **Cash management agreement between Bigben Interactive SA and Metronic SAS**

A cash management agreement dated 22 October 2021 between Bigben Interactive and Metronic SAS, enabling them to carry out cash management 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.

- **Exceptional distribution in kind of Nacon shares**

On 4 February 2022, Bigben Interactive completed an exceptional distribution in kind in the form of Nacon shares based on a ratio of one (1) Nacon share for every five (5) Bigben Interactive shares held.

At 3 February 2022, Bigben Interactive held 65,097,988[20] Nacon shares, representing, based on the number of shares and voting rights making up Nacon's share capital at 14 December 2021, 75.44% of the share capital and 71.32% of Nacon's voting rights. The shares making up Nacon's share capital are ordinary shares, all belonging to the same class, fully paid-up and admitted to trading on the regulated Euronext market in Paris under ISIN: FR0013482791.

A proposal was made to Bigben Interactive's shareholders at the Shareholders' General Meeting of 28 January 2022 (the "Shareholders' General Meeting") to vote on (i) an amendment to Article 48 (Appropriation and Allocation of earnings) of the Company's Articles of Association to clarify the arrangements for this type of distribution in kind of assets by the Company, and (ii) an exceptional distribution in kind of Nacon shares based on a ratio of one (1) Nacon share for five (5) BBI shares held, subject to an overall cap of €30,000,000 (the "**Distribution in Kind**").

The Shareholders' General Meeting approved the terms and conditions for this exceptional distribution in kind in the form of Nacon shares based on a ratio of one (1) Nacon share for every five (5) Bigben Interactive shares held.

Based on the opening share price of Nacon shares on 4 February 2022 on the Euronext regulated market in Paris, that is €5.15, and the number of Nacon shares distributed, or 3,853,322, the total size of the exceptional distribution in kind is €19,844,608.30:

Upon completion of the distribution in kind, Bigben Interactive held 61,244,666 Nacon shares, or 70.97% of the share capital and 66.85% of the voting rights (based on the number of shares and voting rights making up Nacon's share capital at 4 February 2022).

The date of record for this exceptional distribution in kind of Nacon shares was 2 February 2022, and it was carried out on 4 February 2022.

2.1.5. POST-BALANCE SHEET EVENTS

- **Further developments in the Covid-19 (coronavirus) crisis**

In the 2022/23 financial year, Bigben Interactive SA anticipates a sales recovery in its Audio business, which remains sensitive to the impacts of the pandemic crisis on its retail customers.

The Company plans to continue pursuing the policy it has introduced to mitigate the effects of the pandemic while still keeping its employees safe and healthy.

Bigben Interactive SA's order book suggests that sales of inventories will be satisfactory in the next few months.
Trade receivables at 31 March 2022 are being collected in accordance with agreed payment times.

Bigben Interactive SA does not anticipate any cash flow issues: it will cover its own working capital requirement in 2022/23 by using the €84.6 million in proceeds raised (less the €2.7 million in issuance expenses) from issuing bonds exchangeable for Nacon shares in February 2021.

As a result, the Company is in a position to maintain and develop its business activities in the 2022/23 financial year.

- **Planned spin-off of Bigben Interactive SA's logistics division into Bigben Logistics SAS**

The Board of Directors of Bigben Interactive (hereinafter the "**Company**") authorised at its meeting on 11 May 2022 the execution of a spin-off agreement subject to the demerger regime provided for in

[20] *including 3,555,937 shares lent to BNP Paribas for hedging purposes in connection with Bigben Interactive's bond issue (please refer to Note 2.2.4 to the consolidated financial statements in the Universal Registration Document filed by Bigben Interactive on 6 July 2021 with the Autorité des Marchés Financiers under no. D.21-0687).*

Articles L. 236-16 to L. 236-21 of the French Commercial Code, with Bigben Logistics (a subsidiary in which the Company owns 100% of the share capital and voting rights), stating that the Company shall transfer to Bigben Interactive all its logistics-related assets and liabilities (hereinafter the "**Spin-off**"). The draft spin-off agreement was executed on 11 May 2022.

The spin-off is taking place through an internal restructuring of the Bigben Interactive Group with the aim of optimising the operational and strategic organisation of its logistics activities. By undertaking the Spin-off, the Company is seeking to pool its logistics activities into a special-purpose entity, providing greater clarity concerning its results. This reorganisation will also make the logistics arm more independent by endowing it with its own resources to scale up its development and potentially to provide services to third parties.

On 10 May 2022, the Company's health, safety and working conditions committee and its social and economic committee issued favourable opinions on the Spin-off transaction.

The Spin-off procedure will be a simplified procedure as provided for in Article L. 236-22 of the French Commercial Code. Accordingly, the transaction will not need to be approved in advance by an extraordinary shareholders' meetings of the companies involved in the transaction unless so requested by minority shareholders of the Company accounting for at least 5% of the share capital within 20 days of the publication (on the Company's website) of the draft spin-off agreement. The Spin-off will not require a demerger or a contribution appraiser to be involved and no report on the transaction will be prepared for the Board of Directors.

The draft spin-off agreement was filed with the clerk of the Lille Métropole commercial court on behalf of Bigben Interactive and Bigben Logistics on 12 May 2022. In addition, pursuant to the provisions of Article L. 228-65(I) and L. 236-18, the Company convened a meeting of the holders of bonds exchangeable into Nacon shares by the Company on 19 February 2021 to issue its opinion on the draft Spin-off agreement.

The plan is for the Spin-off to go ahead at the latest by 30 July 2022 with effect for legal, accounting and tax purposes from 1 April 2022.

- **Cancellation of shares held in treasury**

At a meeting on 30 May 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021 pursuant to its Twenty-ninth resolution, decided to reduce the Company's share capital by cancelling 680,751 shares held in treasury, purchased between 7 January 2022 and 27 May 2022, and representing 3.5% of Bigben Interactive's share capital.

All 680,751 shares cancelled were bought back on the Euronext market in Paris, in line with the mandate to buy shares awarded by the Company to CIC Market Solutions, under a share buyback programme, as decided by the Board of Directors on 6 January 2022 acting under the authorisation given by the Combined Shareholders' General Meeting dated 30 July 2021 under its Seventeenth resolution and as announced by the Company on 6 January 2022.

Immediately after the cancellation of these shares, the number of shares making up Bigben Interactive's share capital stands at €37,399,466 divided into 18,699,733 shares carrying 21,465,092 gross voting rights[21].

2.2. Accounting policies and principles

Application of ANC regulation 2014-03 and subsequent regulations.

[21] *Note that the number of gross voting rights is calculated based on the monthly information concerning the total number of voting rights and shares making up the share capital at 30 May 2022.*

Generally accepted accounting conventions have been applied in accordance with the conservatism principle and the general rules for preparing and presenting the full-year 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 2021.

2.3. ADDITIONAL NOTES

2.3.1. ADDITIONAL NOTES TO THE BALANCE SHEET

Note 1 – Intangible assets

Changes in the year were as follows:

(in thousands of euros)	31 March 2021	Acquisitions	Disposals or transfers	31 March 2022
Software	1,084	-		**1,084**
Trademarks	80	-	-	**80**
Patents	0	-	-	**0**
Advances	200	157		**357**
Total	**1,364**	**157**	**0**	**1,521**

Changes in amortisation during the year were as follows:

(in thousands of euros)	31 March 2021	Additions	Reversals	31 March 2022
Software	1,079	2	-	**1,081**
Trademarks	33	-	-	**33**
Patents	0	-	-	**0**
Total	**1,112**	**2**	**0**	**1,114**

⇨ ***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 – impairment tests

Trademarks may be written down where indications of impairment are seen.

Note 2 - Property, plant and equipment

Changes in the year were as follows:

(in thousands of euros)	31 March 2021	Acquisitions	Transfers	Disposals	31 March 2022
Land	0	-	-	-	**0**
Buildings	5,034	-	-	-	**5,034**
Building improvements	128	-	-	-	**128**
Plant and equipment	135	16	-	-	**151**
Fixtures and fittings	1,534	66	149	-	**1,749**
Vehicles	20	-	-	-	**20**
Office furniture and equipment	558	19	-	-	**577**
Property, plant and equipment in progress	259	228	-149	-	**338**
Total	**7,668**	**329**	**0**	**0**	**7,997**

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 2021	Additions	Reversals	31 March 2022
Buildings	2,056	219	-	**2,275**
Building improvements	56	9	-	**65**
Plant and equipment	109	10	-	**119**
Fixtures and fittings	792	119	-	**911**
Vehicles	6	7	-	**13**
Office furniture and equipment	477	37	-	**514**
Total depreciation	**3,496**	**401**	**-**	**3,897**
Photovoltaic - impairment	1,360	-	-89	**1,271**
Total depreciation and impairment	**4,856**	**401**	**-89**	**5,168**

⇨ ***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

Property, plant and equipment may be written down where indications of impairment are seen.

Note 3 – Equity securities

Gross value of equity securities at 31 March 2022

Company	Gross value 31 March 2021	Increases	Decreases	Gross value 31 March 2022
Bigben Interactive (HK) Ltd	**269**	-	-	269
Bigben Connected SAS	**21,853**	-	-	21,853
Innovi – MDL Technology	**235**	-	-	235
Bigben Interactive España	**100**	-	-	100
Metronic		**16,000**		16,000
Sub-total - equity securities in the AudioVideo/Telco business	*22,457*	***16,000***	***0***	***38,457***
Nacon SA	**65,614**		**-3,854**	61,760
Sub-total - equity securities in the Gaming business	***65,614***	*0*	***-3,854***	***61,760***
Bigben Logistics		1		1
Sub-total - equity securities in the Logistics business	***0***	***1***	***0***	***1***
Total securities	**88,071**	**16,001**	**-3,854**	**100,218**

See notes 2.1.2 and 2.1.3 for movements resulting from changes in the Metronic and Nacon securities.

⇨ ***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 equity securities (see section 2.3.1 Additional notes to the balance sheet – Receivables related to associates)

- other non-current financial assets related to equity securities (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 the equity securities and non-current financial assets related to these equity securities based on management's overall assessment. This assessment is conducted on each of the Group's business segments: 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 net 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 had been 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	21,853		21,853
Innovi – MDL Technology	235	235	0
Bigben Interactive España	100	100	0
Metronic	16,000		16,000
Bigben Logistics	1		1
Nacon SA	61,760		61,760
Total securities	**100,218**	**335**	**99,883**

Note the ModeLabs Group SAS (MDLG) subsidiary, the former holding company of the ModeLabs Group acquired in 2011, was delisted in 2012 and has been dormant since.

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 merger by absorption took effect for legal purposes on 29 December 2017. ModeLabs Group SAS was wound up without any liquidation process retroactively with effect from 1 April 2017 for tax purposes.

The merger by absorption had various accounting effects in the 2017/18 financial year:

- Transfer of €21,853 thousand in Bigben Connected SAS shares
- Transfer of €234 thousand in Innovi shares fully provisioned
- Breakdown of the €55,218 thousand technical merger loss attributable to the transaction:

€99,252 thousand	value of the ModeLabs Group shares
-€21,500 thousand	provision for ModeLabs Group shares established in the 2014/15 financial year
- €22,535 thousand	Net equity transferred
€55,218 thousand	

In accordance with ANC regulation no. 2015-06 in force for periods beginning on or after 1 January 2016, technical merger losses are assigned, on a transaction by transaction basis, to the underlying assets on which there were unrealised capital gains. In this specific case, the underlying assets are non-current financial assets received when the merger by absorption took place. 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.

Note 4 – Receivables related to equity securities

There are no longer any receivables related to equity securities.

Note 5 – Other non-current financial assets

(in thousands of euros)	31 March 2022	31 March 2021
Long-term investment securities		0
Cash held as security for Bpifrance loans		0
Technical merger loss on the absorption of MDL Group	55,218	55,218
Deposits and guarantees	1	1
Cash held under the liquidity agreements	7,573	5,280
Total	**62,792**	**60,499**

Technical merger loss

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 and liabilities by Bigben Interactive, which affected figures in the 2017/18 financial year.

Liquidity agreement

After shareholders in the 28 July 2010 Shareholders' General Meeting authorised a share buyback programme, the Company contributed to the liquidity agreement formed with brokerage firm Oddo & Cie.

Another liquidity agreement was formed in 2018/19 with ODDO BHF SCA. This second agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 January 2019. It replaced and superseded from that date the previous liquidity agreement put in place with Oddo & Cie effective 1 December 2010. The signature of the second liquidity agreement followed on from the 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 €202 thousand.

Third Bigben share buyback programme – in progress

(See section 2.1.3. concerning the first two share buyback programmes now completed)

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 6 January 2022. Implementation of a share buyback programme began on 7 January 2022.

The Combined Shareholders' General Meeting of 30 July 2021 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,938,048 shares, with buybacks capped at a total amount of €40 million.

Without exceeding the maximum price set by the Combined Shareholders' General Meeting of 30 July 2021 at €35 per share, the Board of Directors decided to set the unit price for buying back shares at €19, it being specified that the buyback price could be raised to €25 per share provided that the ratios between the share price of Nacon shares (ISIN: FR0013482791) and that of the Company's shares are complied with. In any event, the unit buyback price for the Company's shares may not exceed €25 at any time.

Objective

The objectives of the buyback programme launched by the Board of Directors on 6 January 2022 were identical to those of the first two share buyback programmes, which were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2021 (Twenty-ninth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives are as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 7 January 2022 for an initial period expiring no later than 20 July 2022, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a third mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2021, that is ending on 29 January 2023.

Between 7 September 2022 and 31 March 2022, 458,602 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €7,371,872.

⇨ ***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.

Shares held in treasury are accounted for at acquisition cost and are impaired as appropriate to their market value.

Note 6 – Inventories and work in progress

(in thousands of euros)	31 March 2022	31 March 2021
Inventories (gross value)	11,347	12,841
Impairment	-2,694	-2,254
Inventories (net value)	**8,653**	**10,587**

⇨ ***Accounting policy – Inventories and work in progress***

Inventories consist of goods held for resale valued at their 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. Where appropriate, impairment is recognised.*
- *Management recognises additional impairment on an item-by-item basis.*
- *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 2022	31 March 2021
Trade receivables	2,861	3,707
Doubtful receivables	137	124
Provisions for contingencies and doubtful receivables	-201	-256
Net trade receivables	**2,797**	**3,575**

All receivables are due in less than one year.

Factored trade receivables amounted to €392 thousand at 31 March 2022 as opposed to €464 thousand at 31 March 2021.

Amounts receivable from subsidiaries totalled €1,946 thousand at 31 March 2022, including €1,612 thousand not yet due, reflecting a normal situation without any payment delays.

⇨ ***Accounting policy – Receivables***

Receivables are measured at their nominal value.

A provision is set aside for doubtful or disputed receivables or receivables that show a collection 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)	2021/22	2020/21
Credits and discounts receivable from suppliers		**29**
Other amounts receivable from suppliers	**228**	**65**
Various receivables	**75**	**177**
Loans to subsidiaries	**2,422**	**62**
Central government, tax, VAT receivables	**1,263**	**2,107**
Provisions for impairment	-	-
Sub-total Trade and other operating receivables	**3,988**	**2,440**
Receivables relating to divested non-current assets	-	-
Total other receivables	**3,988**	**2,440**

VAT

This includes a tax credit on charitable donations amounting to €437 thousand.

- Receivables: maturity schedule

	Gross amount	Less than 1 year	Between 1 and 5 years	Over 5 years
Receivables related to equity securities	-	-	-	-
Other non-current financial assets	62,792	7,574	-	55,218
Trade receivables	2,998	2,861	-	137
Employees	2	2	-	-
Social security and other organisations	9	9	-	-
Central government and other public bodies				
- VAT	197	197	-	-
- Other taxes and levies	1,065	1,065	-	-
Miscellaneous receivables	65	65	-	-
Group and shareholder current accounts (1)	2,422	2,422	-	-
Prepaid expenses	111	111		-
Total	**69,661**	**14,306**	**0**	**55,355**

(1) With Metronic and Nacon SA

Note 9 – Marketable securities

- Own shares

The Company held own shares at 31 March 2022:

- Indirectly via the shares held by the Company but assigned to the liquidity agreement
- Directly via shares held by the Company and repurchased under the “Bigben share buyback programme”.

- Own shares allocated to the liquidity agreement

(in thousands of euros)	31 March 2022	31 March 2021
Own shares (gross value)	236	194
Impairment	-5	-1
Own shares (net value)	231	193

The liquidity agreement with market-maker Oddo Corporate is in compliance with the AMAFI charter, and the Company has contributed to it since 1 December 2010.

Another liquidity agreement was formed in 2018/19 with ODDO BHF SCA. This second agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 January 2019. It replaced and superseded from that date the previous liquidity agreement put in place with Oddo & Cie effective 1 December 2010. The signature of the second liquidity agreement followed on from the 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, 15,882 shares were held with a gross value of €236 thousand at 31 March 2022, purchased at an average price of €14.89 per share. The average market price per share in March 2022 was €14.594, and the market price at the end of March 2020 was €14.90.

- Own shares allocated to the share buyback programme

See Note 5 and section 2.1.3.

Between 1 April 2021 and 31 March 2022, 911,132 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €15,285,403.

Note 10 - Prepaid expenses

(in thousands of euros)	2021/22	2020/21
General expenses and goods held for resale	94	50
Finance leases	17	10
Other expenses		6
Total	**111**	**66**

Note 11 – Equity

- Share capital

The share capital is made up of 19,380,484 shares with par value of €2 each. During the year, the movements reflected the following events:

- At 1 July 2021, the 513,870 shares held in treasury after the first share buyback were cancelled (see section 2.1.3).
- On 8 September 2021, 113,675 bonus shares under the 2020 bonus share plan vested in members of staff 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, 113,675 new shares were issued through the capitalisation of reserves on 8 September 2021.
- At 6 January 2022, 188,979 shares held in treasury after the second share buyback were cancelled (see section 2.1.3).

- Share and contribution premiums

The change in share and contribution premiums in 2021/22 reflected the two reductions in share capital resulting from the cancellation of Bigben shares. The difference between buyback value of the cancelled shares and their par value was charged to “premiums and reserves available for distribution”.

- Special appropriated earnings reserve

A special appropriated earnings reserve was set up for shares held in treasury under the liquidity agreement.

Since 2016, a special appropriated earnings reserve has also been set up to cover the issue of new shares through the capitalisation of reserves for the definitive vesting of these bonus shares with each initial grant under bonus share plans. Deductions are made from this special appropriated earnings reserve to reflect the actual number of shares vested and issued.

This reserve stood at €309 thousand at 31 March 2022 (versus €431 thousand at 31 March 2021).

- Reserves

The net loss of €3,154,774 in the financial year ended 31 March 2021 was appropriated as follows in the Combined Shareholders' General Meeting of 30 July 2021:

<u>**Appropriation of the net loss**</u>	
Loss for the financial year	**€-3,154,774**
Appropriation to the statutory reserve	€0
Appropriation to retained earnings	€-3,154,774
Dividend payment	€-5,830,292
Previous balance of retained earnings	€39,594,654
New balance of retained earnings	**€30,609,588**
Exceptional distribution in kind	€-19,844,608
New balance of retained earnings after the exceptional distribution in kind	**€10,764,980**

Note 12 – Change in equity

Equity at 31 March 2020	**139,458**
August 2019 bonus share plan	502
Use of appropriated earnings reserve	-502
Dividend payment	0
Net income for the 2020/21 financial year	-3,155
Regulated provisions	73
Equity at 31 March 2021	**136,376**
August 2020 bonus share plan	227
Use of appropriated earnings reserve	-227
Cancellation of treasury shares	-12,897
Dividend payment in cash	-5,830
Dividend payment in kind	-19,845
Net income for the 2021/22 financial year	11,320
Regulated provisions	73
Equity at 31 March 2022	**109,198**

Note 13 - Contingency and loss provisions

(in thousands of euros)	31 March 2021	Additions	Provisions used	31 March 2022
Provisions for foreign exchange losses	0	11		11
Provisions for unrealised losses on derivative instruments	48		-48	0
Provisions for industrial property disputes	0	-	-	0
Provisions for employment litigation	34		-15	19
Provisions for retirement benefits	97		-28	69
Provisions for defective product returns	113	100	-113	100
Total	**292**	**111**	**-204**	**199**

- Provisions for exchange-rate risks

Given movements in the EUR/USD exchange rate, exchange-rate derivatives did not show any unrealised losses requiring a provision to be set aside.

⇨ ***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 2022	31 March 2021
Discount rate	1.77%	0.86%
Turnover	7.0% to 8.0%	7.0% 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.

Other provisions:
Provisions are assessed by Management to cover the Company's existing 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 2022	within 1 year	from 1 to 5 years	over 5 years	31 March 2021
Other bond borrowings	89,919	-	89,919	-	89,919
Borrowings from financial institutions			-	-	2,500
Bank facilities	284	284		-	4
Factoring	-	-		-	-
Accrued interest not due on borrowings	108	108		-	108
Total	**90,311**	**392**	**89,919**	**0**	**92,531**

See section 2.1.4 for more information about the repayment of the final €2.5 million state-guaranteed loan.
Note the 19 February 2021 issue of €87.3 million in senior bonds due 2026 exchangeable into existing ordinary Nacon shares. These bonds carry a coupon payable annually of 1.125% and will be redeemed at 103% of their unit par value.

The Bonds are exchangeable from the issue date of the Bonds (inclusive) through to the 51st business day prior to the maturity date or, in the event of the early repayment at the Company's discretion, the 10th business day preceding the relevant redemption date.

In the event of an exchange, the Company shall have the option of paying an amount in cash, delivering the Nacon SA shares or a combination of both. The exchange price shall be subject to the customary adjustments in accordance with the terms and conditions of the Bonds (the "**Terms and Conditions**").

The Bonds may be redeemed prior to maturity at the Company's discretion or at the discretion of the bondholders subject to certain conditions. In particular, the Company shall have the option of repaying the full amount, but not just a portion, of the Bonds in issue at the Redemption Value plus any accrued interest not yet paid in accordance with the Terms and Conditions (i) from 11 March 2024 up to the maturity date (exclusive) if the arithmetic mean of the product of the average share price weighted by trading volumes of the Nacon SA shares on the Euronext Paris market and the share allotment ratio per Bond in force (to be calculated over a 20-trading day period to be chosen by the Company from among 40 consecutive stock market trading days ending on (and including) the trading day preceding publication of the notice of early repayment) exceeds €130,000, or (ii) if less than 15% of the total nominal amount of the Bonds initially issued (including any fungible Bonds) remain outstanding.

In the event of a change of control of the Company or of Nacon SA, the occurrence of a liquidity event or the delisting of the Nacon SA shares (as these terms are defined in the Terms and Conditions), all Bondholders shall have the option of requiring the Company to repay all or some of their Bonds at the Redemption Value plus any accrued interest not yet paid.

⇨ ***Accounting policy – Bonds exchangeable into shares***

Bank loans are recognised at their nominal value.
Bonds are recognised at their total value, including any redemption premiums.
Borrowing issuance costs are recognised as expenses.
Redemption premiums are accounted for in the relevant "Bond redemption premium" item for these bonds on the balance sheet and amortised over the life of the bonds.

Note 15 – Operating liabilities

All operating liabilities are due in less than one year and break down as follows:

(in thousands of euros)	2021/22	2020/21
Trade payables	1,273	1,376
Social security liabilities	545	682
Tax liabilities	674	199
Total	**2,492**	**2,257**

Note 16 – Miscellaneous liabilities

(in thousands of euros)	2021/22	2020/21
End-of-year discounts to be granted to customers	689	654
Customer accounts in credit	703	256
Advances from subsidiaries (1)	2,600	3,900
Liabilities relating to non-current assets (2)	4,339	276
Total	**8,331**	**5,086**

(1) with Bigben Connected
(2) of which €4 million earn-out payment for Metronic

Note 17 - Liabilities: maturity schedule

	Gross 31 March 2022	within 1 year	from 1 to 5 years	over 5 years
Other borrowings and debt	90,311	392	89,919	-
Trade payables	1,273	1,273	-	-
Employees	308	308	-	-
Social security and other organisations	237	237	-	-
Central government and other public bodies				
- Income tax	597	597	-	-
- VAT	18	18	-	-
- Other taxes and levies	59	59	-	-
Liabilities relating to non-current assets	4,339	4,339	-	-
Miscellaneous creditors	3,992	3,992	-	-
Prepaid income	0	0	-	-
Total	**101,134**	**11,215**	**89,919**	**-**

The €89.9 million bond issue was duly recorded under financial liabilities with a term of 5 years.

Note 18 – Items relating to several balance sheet and income statement items

Item	Related companies	Equity securities
Non-current assets		
Equity securities (including technical merger loss on the absorption of the MDL Group)	155,201	234
Receivables related to equity securities	-	-
Current assets		
Trade receivables	1,960	-
Other receivables	2,422	-
Liabilities		
Trade payables	462	-
Liabilities relating to non-current financial assets	-	-
Other payables	2,780	-
Net financial income/expense		
Financial income	9	-
Dividends received from subsidiaries	-	-
Financial expenses	15	
Tax consolidation		
Tax credit on charitable donations	289	-
CICE tax credit	-	-

Values shown in this table are gross figures, excluding any impairment.

Note 19 – Accrued expenses

(in thousands of euros)	2021/22	2020/21
Purchase invoices not yet received	343	496
Social security liabilities	386	526
Remuneration of Board members	56	52
Salary-based taxes	16	13
Tax liabilities	51	61
End-of-year discounts to be granted to customers	689	654
Interest on miscellaneous liabilities	108	112
Total	**1,649**	**1,914**

2.3.2. ADDITIONAL NOTES TO THE INCOME STATEMENT

Note 20 - Breakdown of revenue

- Breakdown of revenue by geographical zone

(in thousands of euros)	2021/22	2020/21
France	14,009	15,001
Exports and intra-EU deliveries	2,042	2,845
Total	**16,051**	**17,846**

⇨ ***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 price reductions that Bigben applies if sales in retailers' stores prove insufficient.*

Note 21 – Other operating income and reversals of provisions

(in thousands of euros)	2021/22	2020/21
Reversals of operating provisions		
- Inventories	2,254	1,936
- Current assets		1
- Contingency and loss provisions	307	274
Sub-total	**2,561**	**2,211**
Miscellaneous operating income		
- Expense transfers	2,081	2,486
- Other operating revenue	116	330
Sub-total	**2,197**	**2,816**
Total	**4,758**	**5,027**

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)	2021/22	2020/21
Deposits	60	107

Research and development costs include all fees paid for feasibility studies and patent, trademark and model applications relating to products developed by the Company. These costs are recognised as expenses.

Note 23 - Depreciation, amortisation and operating provisions

(in thousands of euros)	2021/22	2020/21
Intangible assets	2	44
Property, plant and equipment	312	257
Inventories	2,695	2,255
Other current assets	95	152
Contingency and loss provisions	101	127
Total	**3,205**	**2,835**

Note 24 – Net financial income/expense

(in thousands of euros)	2021/22	2020/21
Dividends received from subsidiaries		838
Foreign exchange gains/losses	-36	-251
Loans interest paid to subsidiaries	-15	-89
Loan interest received from subsidiaries		0
Interest received	9	0
Redemption premium amortisation (exch. bond)	-524	-57
Provisions for exchange rate risks	-11	18
Provisions for unrealised losses on derivative instruments	48	-48
Additions to or reversals from provisions for securities in subsidiaries	0	0
Provisions for own shares	-4	22
Interest paid	-975	-139
Total	**-1,508**	**294**

Note 25 - Net non-recurring income/(expense)

- Non-recurring income and expense

(in thousands of euros)	2021/22	2020/21
Non-recurring expense		
Losses on treasury shares	52	-
Carrying amount, non-current financial assets (1)	3,853	
Special depreciation and amortisation (2)	73	73
Additions for provisions for property, plant and equipment	89	89
Donations and gifts	0	0
Tax penalties	23	
Other non-recurring expenses	27	-
Total	**4,117**	**162**
Non-recurring income		
Disposal of non-current assets	17	3
Sale price - Non-current financial assets (1)	19,844	
Gains on own shares	0	87
Reversals of provisions for property, plant and equipment	89	89
Expense transfers	0	0
Other non-recurring income	0	20
Total	**19,950**	**199**

(1) The €16 million after-tax disposal gain on non-current financial assets consists of the capital gain on the February 2022 exceptional distribution in kind of Nacon shares (see 2.1.4)

(2) The Company has adjusted the tax treatment of the exercise of the real estate lease for the Lesquin building applied in 2015. Special depreciation for tax purposes was applied retroactively in the 2019/20 financial year for a period covering the 2015/16 to 2019/20 financial years, giving rise to a €366 thousand tax-regulated provision, which will be reviewed every year until the building is sold. The annual revaluation stands at €73 thousand.

- Non-recurring items by type

(in thousands of euros)	2021/22	2020/21
Gains or losses on disposals of own shares	-52	87
Capital gains on disposals of property, plant and equipment	17	3
Disposal gain Non-current financial assets (1)	15,991	
Donations and gifts		0
Tax penalties	-23	
Special depreciation and amortisation	-73	-73
Other	-27	20
Total	**15,833**	**37**

(1) The €16 million disposal gain on non-current financial assets consists of the capital gain on the February 2022 exceptional distribution in kind of Nacon shares (see 2.1.4).

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	-5,249	15,833		10,584
Tax at the standard rate of 28%		-	736	736
Income after tax	**-5,249**	**15,833**	**736**	**11,320**

The €736 thousand in the Miscellaneous column reflects the tax consolidation gains

Bigben Interactive's own taxable loss was €3,731,014.

- 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	**0**
Remuneration of Board members	**19**
Add-back of income from real estate lease	**239**
Impairment of non-current assets	**337**
Provisions for retirement benefit obligations	**18**
Taxable income not yet recognised	**0**
Total reductions	**614**
(at the standard tax rate of 28%)	
Future tax saving:	**0**
Tax loss carryforwards in the tax consolidation group	

- 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 responded in October 2020 to the tax authorities within the timeframe allowed within the context of the Covid-19 crisis, disputing most of the proposed reassessments. A settlement was agreed by Bigben Interactive SA with the tax authorities under which no additional corporate income tax was payable.

2.3.3. OTHER INFORMATION

Note 27 – Off-balance sheet commitments

- Guarantees given

Commitments given (in thousands of euros)	By	To	31 March 2022	31 March 2021	Purpose of the commitment
Bank guarantee	Bigben Interactive SA	HSBC Hong Kong	9,909	9,379	USD11,000 thousand bank guarantee - combined facility for Bigben Interactive HK and Nacon HK
Standalone guarantee (1)	Bigben Interactive SA	Huawei Technologies France SASU	1,300	1,300	Bigben Connected cross-guarantee
Guarantee (2)	Bigben Interactive SA	Bigben Connected	0	3,397	Bigben Connected cross-guarantee
Joint and several guarantee (3)	Bigben Interactive SA	Various financial institutions	5,663	9,879	Joint and several guarantee on loans transferred by spin-off
Joint and several guarantee (4)	Bigben Interactive SA	CIC	1,650	2,250	Joint and several guarantee provided to CIC on Nacon SA's loan (underlying loan from the EIB)
Joint and several guarantee (4)	Bigben Interactive SA	CIC	1,650	2,250	Joint and several guarantee provided to CIC on Nacon SA's loan (underlying loan from BFCM)
Bank guarantee (5)	Bigben Interactive SA	La Banque Postale (LBP)	2,860	3,853	Joint and several guarantee provided to LBP on Nacon SA's loan
Pledge (6)	Bigben Interactive SA	BNP Paribas Securities Services	18,187,500 Nacon SA shares	none	Pledge of securities account containing Nacon SA shares granted to bondholders

(1) Guarantee given by Bigben Interactive SA to Huawei for the supply of goods and/or services to Bigben Connected

(2) Note that the guarantee of the Lesquin building granted by Bigben Interactive SA on behalf of Bigben Connected pending resolution of a tax dispute was withdrawn in late 2021 following the ruling in the court of first instance.

(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.

(6) Pledge of securities account containing existing Nacon SA shares representing at all times 200% of the number of underlying Nacon shares linked to the bonds exchangeable into Nacon shares, for the benefit of bondholders.

- Import documentary credits

At 31 March 2022, no import documentary credits were outstanding.

- Exchange-rate risk management

At 31 March 2022, the Company did not hold any FX TARN 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 currently available spot and forward rates in return for uncertainty about the total amount of USD that may be accumulated. In the event of a large 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 and cause foreign exchange losses to be recognised on these 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 exchange-rate risk management, the Group has purchased complex derivative financial instruments.

- Interest-rate risk management

No interest-rate hedges are currently in place.

⇨ ***Accounting policy – Interest-rate risk management***

To manage interest-rate risk, the Company may use floating rate (Euribor) or fixed-rate financing, i.e. short-term bank facilities and Bigben Interactive's medium-term debt. 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 are in place now.

- 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 2022

(in thousands of euros)	Buildings	Plant, machinery and tools	Other	Total
LEASE VALUE	12,337	2,446	134	**14,917**
ORIGINAL VALUE	11,104	2,369	132	**13,605**
DEPRECIATION				
Previous total	4,774	1,121	71	5,966
Current year	544	246	26	816
Net value	5,786	1,002	35	6,823
LEASE PAYMENTS MADE				
Previous total	9,826	1,681	90	11,597
Current year	994	279	22	1,295
LEASE PAYMENTS TO BE MADE				
Less than 1 year	1,012	175	15	1,202
Between 1 and 5 years	505	311	7	823
Over 5 years				
Total	**1,517**	**486**	**22**	**2,025**
RESIDUAL VALUE	0	24	1	25
EXPENSES	994	270	24	1,288

Note 29 - Bonus shares

- Bonus share plan

See section 2.1.3. above:

- On 7 September 2020, the Board of Directors awarded 120,275 bonus shares chiefly to members of staff and to corporate officers of the Group's Audio/Telco entities, representing a total of 220 beneficiaries. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and achievement of a predetermined level of recurring operating income. The performance condition was met by all the Group entities fully or in part, and given the departures that took place prior to the acquisition date, 113,675 shares were awarded in the end to 189 beneficiaries (including 11 employees and corporate officers of Nacon entities, representing 28,100 shares). As a result, on 8 September 2021, the Bigben Group issued 113,675 new shares through the capitalisation of reserves.

- On 8 September 2021, Bigben Interactive SA's Board of Directors also awarded 36,180 bonus shares chiefly to members of staff and to corporate officers of the Group's Audio/Telco entities, representing a total of 207 beneficiaries. Those shares will vest after a 1-year period again provided that an ongoing presence condition and a performance condition related to achievement of a predetermined level of recurring operating income are met. The performance conditions of the 2021 bonus share plan were partially met by all the Group's Audio/Telco entities at 31 March 2022. The bonus shares will vest in the employees on 8 September 2022 subject to a presence condition. As a result, the 3,980 shares at 31 March 2022, based on the Bigben Group's workforce on the same date, represent the estimated number of shares that could vest on 8 September 2022 in Bigben Group beneficiaries.

Date of award (Board of Directors meeting)	31 August 2016	31 August 2017	3 September 2018	26 November 2018	4 September 2019	7 September 2020	8 September 2021
Date of the Shareholders' General Meeting	EGM 22 July 2016	EGM 21 July 2017	EGM 20 July 2018	EGM 20 July 2018	EGM 19 July 2019	EGM 30 July 2020	EGM 30 July 2021
Number of bonus shares initially awarded	155,700	153,260	230,201	19,799	272,533	120,275	36,180
Number of shares awarded definitively	140,800	143,760	198,585	19,799	251,155	113,675	n/a
Number of shares potentially capable of being awarded at 31 March 2022	-	n/a	n/a	n/a	n/a	n/a	3,980
Bonus share award date	31 August 2016	31 August 2017	3 September 2018	26 November 2018	4 September 2019	7 September 2020	8 September 2021
End of vesting period	31 August 2017	31 August 2018	3 September 2019	26 November 2019	4 September 2020	7 September 2021	8 September 2022
End of holding period	31 August 2019	31 August 2020	3 September 2021	26 November 2021	4 September 2022	7 September 2023	8 September 2024
Share price on the date the plan was announced	5.05	9.72	10.62	7.72	12.0	14.2	12.2
Share price on the acquisition date	9.79	10.52	11.8	14.9	14.14	15.34	n/a

At 31 March 2022, following the award of bonus shares in the 2021/22 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 36,180 awarded to Group employees, i.e. €72 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 €0 thousand.

Note 30 - Remuneration of executives and corporate officers

- Remuneration of the Executive Committee

Bigben Interactive SA's Executive Committee has five members. Total gross remuneration paid to all members of the Company's Executive Committee amounted to €375 thousand with respect to the 2021/22 financial year as opposed to €419 thousand in respect of 2020/21 . Retirement benefit obligations relating to Executive Committee members amounted to €38 thousand at 31 March 2022 as opposed to €39 thousand at 31 March 2021.

- Remuneration of corporate officers

The remuneration of Bigben Interactive SA's corporate officers in respect of their roles at Bigben Interactive SA alone is summarised below:

Remuneration awarded to members of governing bodies for serving as corporate officers

in thousands of euros	Short-term benefits	Provisions for retirement benefits(1)	Share-based payments	Termination benefits	Special supplementary pension plan
2020/21	185	0	495		
2021/22	181	0	6		

The CEO and COO are included in both the above table and in the above Executive Committee remuneration figures.

Note 31 - Related-party transactions

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:

- entered into with wholly-owned subsidiaries
- carried out on an arm's-length basis, or
- considered to be non-material

Since 4 April 2020, Bigben Interactive SA has only owned 76.67% of Nacon SA's share capital 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.

The main intra-group flows with Nacon and its subsidiaries 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 charged by outside service providers;

- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Bigben Interactive Belgium at a rate of 2.5% of gross revenue before any price reduction or discount, taking any returns into account. 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 charged by outside service providers;

- To a lesser extent, the supply of
    - Audio products by Bigben Interactive SA to certain Nacon SA subsidiaries[22] 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.);
    - Sales for those distribution subsidiaries at 31 March 2022: amounted to €4.9 million, or 3.1% of the Nacon Group's full-year revenue (figures at 31 March 2021: €5.7 million or 3.2% of Nacon Group's full-year revenue),

- Monthly cross-invoicing takes place for administrative services provided by Bigben Interactive SA and Nacon SA. The agreements state that charges must be identical to the cost borne by the company providing the service, plus a margin of 5%. For 2020/21, 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 has been formed between Bigben Interactive and Nacon, enabling them to carry out cash management 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

Members of salaried staff	2021/22	2020/21
Managers	15	16
Supervisory staff	10	9
Employees	59	62
Total	**84**	**87**

Bigben Interactive SA's average headcount was stable.

[22] 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, as it 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.

Note 33 – Tax consolidation agreement

The companies in the tax consolidation group are as follows:

Company	% held by the parent company (for tax purposes)	Date joined the Group	
Bigben Interactive SA	n/a	1 April 1999	Parent company
Bigben Connected SAS (previously known as ModeLabs SA)	100%	1 January 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.

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 following its absorption by Bigben Interactive in late 2017 through a merger by absorption.

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%.

On 31 March 2022, Nacon SA's entities formed a tax consolidation group.

At 31 March 2022, the Bigben Interactive consolidated tax group did not give rise to any tax loss carryforwards.

There are plans for Metronic SAS to join Bigben Interactive SA's tax consolidation group for the forthcoming 2022/23 tax year.

Table of subsidiaries and investments

	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	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	230	5,167	100%	269	269	-	9,909	30,628	823	-
Bigben Connected	2,977	45,058	100%	21,853	21,853	-	1,300	101,840	4,029	-
Bigben Interactive España	100	152	100%	100	0	-	-	447	19	-
Metronic SAS	163	6,227	100%	16,000	16,000	-	-	3,966	-26	
Nacon SA	86,291	106,452	70.97%	61,760	61,760	-	11,823	102,668	17,692	-
Associates (interest of between 25% and 50% held)										

18.1.2 Change of accounting reference date

See the full-year consolidated financial statements presented in section 18.1.6.

18.1.3 Accounting standards

See the full-year 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 full-year 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 2022

1.1 Statement of financial position

in thousands of euros	Notes	31 March 2022	31 March 2021
Goodwill	1	136,155	65,980
Right-of-use assets		12,940	9,743
Other intangible assets	2	140,758	103,347
Property, plant and equipment	3	17,775	12,801
Other financial assets	5	2,383	1,649
Deferred tax assets	6	2,871	3,604
Non-current assets		**312,882**	**197,125**
Inventories	7	81,045	65,784
Trade receivables	8	66,147	72,479
Other receivables	9	23,015	15,933
Current tax assets		7,764	6,979
Cash and cash equivalents	10	126,447	177,834
Current assets		**304,417**	**339,009**
TOTAL ASSETS		**617,298**	**536,134**
Share capital		38,761	39,939
Share premiums		31,948	43,439
Consolidated reserves		152,608	154,698
Net income for the period		7,887	14,700
Exchange differences		2,189	290
Equity attributable to equity holders of the parent		**233,392**	**253,066**
Non-controlling interest		66,311	48,905
Total equity	16	**299,703**	**301,971**
Long-term provisions	14	1,217	1,757
Long-term financial liabilities	12	149,155	123,033
Long-term lease liabilities	12	9,626	7,392
Long-term earn-out liabilities		41,832	0
Deferred tax liabilities	13	7,271	4,722
Non-current liabilities		**209,101**	**136,904**
Short-term provisions	14	1,049	577
Short-term financial liabilities	12	30,988	22,591
Short-term lease liabilities	12	3,272	2,362
Short-term earn-out liabilities		6,500	3,000
Trade payables		31,117	35,137
Other payables	15	31,652	25,999
Current tax liabilities		3,918	7,592
Current liabilities		**108,495**	**97,258**
Total equity and liabilities		**617,298**	**536,134**

1.2 Statement of profit or loss and other comprehensive income

(in thousands of euros)	Notes	2021/22	2020/21
Revenue	17	**275,711**	**292,833**
Purchases used	18	(166,475)	(171,001)
Gross profit		**109,236**	**121,833**
Other operating revenue	19	1,462	863
Other purchases and external expenses	20	(28,532)	(25,363)
Taxes other than income tax		(1,451)	(1,386)
Personnel costs		(28,496)	(26,848)
Other operating expenses		(1,925)	(1,603)
Gains or losses on disposals of non-current assets		15	104
EBITDA	2.3.1.	**50,310**	**67,601**
Depreciation and amortisation of non-current assets		(29,325)	(31,391)
Recurring operating income		**20,985**	**36,210**
Bonus share and stock-option plans	21	(6,159)	(6,371)
Other non-recurring operating items	22	(1,492)	
Income from associates - Similar activity	23	0	
Operating income		**13,335**	**29,840**
Financial income		8,125	3,448
Financial expenses		(6,033)	(6,183)
Net financial income/expense	24	**2,092**	**(2,735)**
Pre-tax income		**15,427**	**27,105**
Income tax	25	(5,140)	(8,187)
Income from associates			
Income after tax from continuing operations		**10,286**	**18,917**
Income from discontinued operations after tax			
Net income for the period		**10,286**	**18,917**
Gains and losses recognised in other comprehensive income		168	(105)
Exchange differences		2,808	(699)
Comprehensive income for the period		**13,261**	**18,114**
of which, attributable to non-controlling interests		2,399	4,218
of which attributable to equity holders of the parent		10,862	13,896
Net income for the period		**10,286**	**18,917**
of which, attributable to non-controlling interests		2,399	4,218
of which attributable to equity owners of the parent		7,887	14,700

Earnings per share

	Notes	2021/22	2020/21
Basic earnings per share (in euros)	26	€0.51	€0.97
Weighted average number of shares before capital increase		*20,080,149*	*19,601,658*
Net income for the period		*10,286,408*	*18,917,379*
Diluted earnings per share (in euros)	26	€0.51	€0.96
Average number of shares after dilution		*20,084,129*	*19,718,608*
Net income for the period		*10,286,408*	*18,917,379*

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 2020		**19,718,503**	**39,437**	**43,439**	**154,798**	**917**	**238,592**	**43,772**	**282,364**
Net income for the financial year ended 31 March 2021					14,700		**14,700**	4,218	18,918
Gains and losses recognised in equity						(627)	**(627)**	(72)	(699)
Actuarial gains and losses on provisions for retirement benefits					(90)		**(90)**	(15)	(105)
Comprehensive income					**14,610**	**(627)**	**13,983**	**4,131**	**18,114**
Liquidity agreement					(4,851)		**(4,851)**	(9)	(4,860)
Bonus share plan	26	251,155	502		4,689		**5,191**	1,180	6,371
Non-controlling interest					(49)		**(49)**	32	(17)
Other					201		**201**	(201)	0
Equity at 31 March 2021		**19,969,658**	**39,939**	**43,439**	**169,398**	**290**	**253,066**	**48,905**	**301,971**
Net income for the financial year ended 31 March 2022					7,887		**7,887**	2,399	10,286
Gains and losses recognised in equity						1,899	**1,899**	909	2,808
Actuarial gains and losses on provisions for retirement benefits					140		**140**	28	168
Comprehensive income					**8,027**	**1,899**	**9,926**	**3,336**	**13,261**
Dividends paid to the parent company's shareholders	27				(5,830)		**(5,830)**		(5,830)
Capital reduction		(702,849)	(1,406)	(11,492)			**(12,897)**		(12,897)
Liquidity agreement					(2,572)		**(2,572)**	(36)	(2,608)
Bonus share plan	26	113,675	227		3,543		**3,771**	1,162	4,932
Non-controlling interest					(11,743)		**(11,743)**	12,944	1,200
Other					(327)		**(327)**	1	(326)
Equity at 31 March 2022		**19,380,484**	**38,761**	**31,948**	**160,495**	**2,189**	**233,392**	**66,311**	**299,703**

1.4 Cash flow statement

in thousands of euros	Notes	2021/22	2020/21
Net cash flow from operating activities			
Net income for the period		**7,887**	**14,700**
Elimination of income and expenses that have no cash impact or are unrelated to operating activities			
• Attributable to non-controlling interests		2,399	4,218
• Additions to depreciation, amortisation and impairment		29,325	31,392
• Change in provisions		(215)	395
• Net gain or loss on disposals		(15)	(92)
• Net financial income/expense		3,481	1,609
• Other non-cash income and expense items		**3,645**	6,245
• Income tax expense		**5,140**	8,187
Funds from operations		**51,648**	**66,655**
Inventories		(5,774)	177
Trade and other operating receivables		8,616	(7,276)
Operating liabilities		(14,950)	845
Other liabilities (excluding deferred tax liabilities)			
Change in WCR		**(12,109)**	**(6,254)**
Cash from operating activities		**39,540**	**60,401**
Income tax paid		**(3,929)**	(7,835)
NET CASH FLOW FROM OPERATING ACTIVITIES		**35,610**	**52,566**
Cash flow from investing activities			
Purchases of intangible assets	2	(58,150)	(51,255)
Purchases of property, plant and equipment	3	(1,824)	(1,377)
Disposals of property, plant and equipment and intangible assets		27	161
Purchases of non-current financial assets	5	(676)	(69)
Disposals of non-current financial assets		31	56
Net cash inflow/(outflow) from disposals and acquisitions of subsidiaries		(33,744)	(1,598)
NET CASH FLOW FROM INVESTING ACTIVITIES		**(94,336)**	**(54,083)**
Cash flow from financing activities			
Dividends paid to the parent company's shareholders	27	(5,831)	0
Own shares (repurchased) and resold		(15,734)	(4,955)
Interest paid	24	(4,465)	(1,628)
Increase/(decrease) in lease liabilities		(3,639)	(3,717)
Cash inflows from borrowings		54,856	99,997
Repayments of borrowings and debts		(19,132)	(25,592)
NET CASH FLOW FROM FINANCING ACTIVITIES		**6,055**	**64,105**
Impact of changes in exchange rates		**708**	**(442)**
Net change in cash and cash equivalents		**(51,962)**	**62,145**
Cash and cash equivalents at start of period		175,197	113,051
Cash and cash equivalents at end of period	10	**123,235**	**175,197**

⇨ ***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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 BASIS OF PREPARATION

2.1.1 Introduction

- **Information on 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 2022. Bigben Interactive SA is listed in 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 and video products. Its strategy is to develop complementary expertise and product ranges 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 2022 and the related notes were finalised by the Board of Directors on 30 May 2022. They will be submitted to shareholders for approval in the 22 July 2022 Shareholders' General Meeting and may therefore be amended (IAS 10.17).

2.1.2 Scope of consolidation

List of consolidated companies

31 March 2022:

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 Sp zoo	Poland	100.00%	Full consolidation
Metronic SAS	France	100.00%	Full consolidation
Metronic Italia Srl	Italy	100.00%	Full consolidation
Lineas Omenex Metronic SL	Spain	100.00%	Full consolidation
Bigben Logistics SAS (1)	France	100.00%	Full consolidation
Nacon Gaming entities (2)			
Nacon SA	France	70.97%	Full consolidation
Bigben Belgium SA	Belgium	70.97%	Full consolidation
Bigben Nederland BV	Netherlands	70.97%	Full consolidation
Nacon HK Ltd	Hong Kong	70.97%	Full consolidation
Bigben Interactive GmbH	Germany	70.97%	Full consolidation
Nacon Gaming España SL	Spain	70.97%	Full consolidation
Bigben Italia Srl	Italy	70.97%	Full consolidation
Games.fr SAS	France	70.97%	Full consolidation
Kylotonn SAS	France	70.97%	Full consolidation
Cyanide SAS	France	70.97%	Full consolidation
Cyanide Amusement Inc.	Canada	70.97%	Full consolidation
Eko Software SAS	France	70.97%	Full consolidation
Spiders SAS	France	70.97%	Full consolidation
Nacon Studio Milan Srl (3)	Italy	70.97%	Full consolidation
Nacon Gaming Inc.	United States	70.97%	Full consolidation
Nacon Pty Ltd	Australia	70.97%	Full consolidation
Neopica Srl	Belgium	70.97%	Full consolidation
Passtech Games SAS	France	70.97%	Full consolidation
Big Ant Holding Pty Ltd	Australia	70.97%	Full consolidation
Big Ant Studios Pty Ltd	Australia	70.97%	Full consolidation
Big Ant Studios Operations Pty Ltd	Australia	70.97%	Full consolidation
Magnus Formica Studios Melbourne Pty Ltd	Australia	70.97%	Full consolidation
1Up Distribution Pty Ltd	Australia	70.97%	Full consolidation
Magnus Formica Studios Pty Ltd	Australia	70.97%	Full consolidation
Bas Melbourne Pty Ltd	Australia	70.97%	Full consolidation
Eastside Corporation Pty Ltd	Australia	70.97%	Full consolidation
Ringside Entertainment Pty Ltd	Australia	70.97%	Full consolidation
Big Ant Studios Licensing Pty Ltd	Australia	70.97%	Full consolidation
Crea-ture Studios Inc.	Canada	70.97%	Full consolidation
Ishtar Games SAS	France	70.97%	Full consolidation
Midgar SAS	France	70.97%	Full consolidation

(1) See section 2.2.2. Bigben Logistics SAS was dormant at 31 March 2022

(2) Following the issue by Nacon SA of new Nacon shares triggered by the following events:
- the final vesting of Nacon shares on 8 September 2021
- the distribution of an initial earn-out payment to Big Ant Pty Ltd on 29 September 2021,

the percentage ownership of Bigben Interactive SA in Nacon SA was reduced from 76.67% (ownership level at the time of Nacon SA's IPO on 4 March 2020) to 75.44% at 30 September 2021.
Following the exceptional distribution in kind of Nacon shares to Bigben Interactive SA shareholders on 4 February 2022 (see section 2.2.4), Bigben Interactive SA's percentage ownership of Nacon SA fell from 75.44% to 70.97%.

(3) Note the Lunar Great Wall Studios Srl (better known under its trade name "RaceWard") changed its name during the 2021/22 financial year and is now known as Nacon Studio Milan Srl

Change in scope

See Note 2.2.2.

Bigben–Audio/Telco entities

None.

Nacon Gaming entities

Passtech Games SAS joined the Nacon Group's scope of consolidation, and therefore that of the Bigben Group given the latter's stake in Nacon, on 1 April 2021, when it was acquired.

Big Ant Studios Holding Pty Ltd joined the Nacon Group's scope of consolidation, and therefore that of the Bigben Group given the latter's stake in Nacon, on 3 May 2021, when it was acquired.

Crea-ture Studios Inc. joined the Nacon Group's scope of consolidation, and therefore that of the Bigben Group given the latter's stake in Nacon, on 30 July 2021, when it was acquired.

Acquisition of the remainder of the share capital of Lunar Great Wall Studios Srl (RaceWard) on 29 September 2021,

Ishtar Games SAS joined the Nacon Group's scope of consolidation, and therefore that of the Bigben Group given the latter's stake in Nacon, on 7 October 2021, when it was acquired.

Midgar SAS joined the Nacon Group's scope of consolidation, and therefore that of the Bigben Group given the latter's stake in Nacon, on 7 February 2022, when it was acquired.

2.2 KEY EVENTS IN THE 2021/22 FINANCIAL YEAR

2.2.1 Commercial development

In an environment in 2021/22 disrupted by several external factors (component shortage, postponed launch of new games controllers or smartphones, etc.) that affected the Group's two segments, full-year consolidated revenue from continuing operations totalled €275.7 million, down 5.8% compared with 2020/21.

GAMING

In 2021/22, Nacon Gaming's full-year consolidated revenue totalled €155.9 million, down 12.3% compared with 2020/21.

- **Video games:**

Video Games revenue totalled €54.4 million (down 21.1%) owing to the decision to postpone the release of several games until 2022/23.

- **Gaming Accessories:**

Amid a console shortage, Gaming Accessories revenue came to €96.6 million (down 6.3%).
Business trends in the 2020/21 financial year were boosted by the exceptionally strong performance of the video games and accessories market during the initial lockdowns.

AudioVideo/Telco

A new Audio**Video**/Telco segment naturally took shape following the acquisition of Metronic on 15 October 2021 (see section 2.2.2).

During the 2021/22 financial year, the Bigben AudioVideo/Telco segment had to contend with supply chain pressures affecting smartphones globally, which had a major impact on its sales. Against this backdrop, the business showed its resilience by increasing its revenue to €119.8 million, or a 4.2% rise on 2020/21 thanks to the contribution from Metronic's TV accessories, while maximising its margins through a more favourable mix of AudioVideo/Telco products:

Despite the slow 5G roll-out and the delayed release of several premium smartphones originally scheduled to take place at the end of the financial year into April and May 2022, Mobile sales totalled €91.2 million (up 3.7% compared with

2020/21), with a very large contribution from the *Force Power*®, *Bigben*® and *Just Green*® ranges, which were boosted by the removal of original chargers and handsfree kits (wired headphones) from the majority of the new smartphone generation.

Audio revenues were €21.2 million (down 21.3% from 2020/21) as a result of the refocusing of sales on higher value-added products while sales of Metronic's TV accessories totalled €7.1 million.

2.2.2 Change in scope

Bigben–Audio/Telco entities

- **Acquisition of 100% of Metronic**

Bigben Interactive SA acquired from the HF Company group all the share capital and voting rights of Metronic SAS for €12 million in cash on 15 October 2021. Two additional earn-out payments in cash may be triggered in 2023 and 2024 capped at an overall limit of €4.0 million subject to operating performance criteria.

Founded in 1987, Metronic, a well-known player in its sector, designs and distributes innovative products for broadcasting and receiving images in the home (TV and audio accessories, amplifiers, set-top boxes, connectivity solutions, headphones, speakers, etc.), as well as telephony and audio product accessories. The Metronic branded products are distributed via a wide array of channels, including through each country's leading national store chains.

Metronic has a presence at Tours in France, in Spain and in Italy and has around 90 employees. In the financial year ended 31 December 2020, it recorded EBITDA of €1.9 million on revenue of €24 million including its subsidiaries.

This deal has given the Bigben group's recently formed Audio**Video**/Telco segment a new avenue of growth with various sources of potential synergies including:

- Complementary product ranges and distribution networks
- Listings via channels not yet exploited by Bigben: BtoB markets, DIY superstores, etc.
- More rapid international development, especially in Italy and Spain via dedicated subsidiaries
- e-commerce sales

Metronic SAS and both its subsidiaries have been consolidated in the financial statements of the Bigben Group since the second half of 2021/22. The acquisition of Metronic was not material for the Group, and so no detailed pro forma financial information is required.

- **Formation of a Bigben Logistics SAS subsidiary**

On 28 March 2022, Bigben Interactive SA set up a Bigben Logistics SAS subsidiary and has held ever since 100% of its share capital and voting rights. The company was dormant at 31 March 2022.

Please refer to section 2.1.5 concerning the planned spin-off of Bigben Interactive SA's logistics division when these consolidated financial statements were published.

Nacon Gaming entities

- **Acquisition of 100% of Passtech Games**

On 1 April 2021, Nacon acquired the entire share capital and voting rights of the Lyon-based development studio Passtech SAS, which specialises in rogue-like action games.

In addition to the consideration paid in cash, two earn-out payments may be made during the three years following the acquisition based on qualitative and revenue criteria linked to two video games projects. €2.0 million of earn-out payments have been included in the purchase price calculation.

Passtech Games SAS has been consolidated from the acquisition date in the Group's financial statements.
See Note 1 on accounting for goodwill and earn-out payments related to this acquisition.

- **Acquisition of 100% of Big Ant Holding Pty Ltd**

On 3 May 2021, Nacon acquired the entire share capital and all the voting rights of Big Ant Holding Pty Ltd development studio based in Melbourne (Australia), which is renowned for its rugby, tennis and cricket sports franchises, not to mention the Australian Football League (AFL).

The transaction price was €18 million. Eight earn-out payments to be calculated, as appropriate, based on criteria linked to the Big Ant Group's net revenue, revenue generated by the back catalogue and cricket games out to 2024 and on qualitative criteria generated by the tennis and rugby games developed by Big Ant, may be made 50% in cash and 50% in Nacon shares. €14.0 million of earn-out payments have been included in the purchase price calculation. The first earn-out payment was made on 29 September 2021 in line with agreed arrangements.

Big Ant Holding Pty Ltd has been consolidated from the acquisition date in the Group's financial statements.
See Note 1 on accounting for goodwill and earn-out payments related to this acquisition.

- **Acquisition by Nacon of 100% of Crea-ture Studios Inc.**

On 30 July 2021, Nacon acquired the entire share capital and all the voting rights of Montreal-based development studio Crea-ture Studios Inc., which specialises in developing skateboarding games.

In addition to the consideration paid in cash, two earn-out payments may be triggered in September 2023 and 2024 by the attainment of targets based on qualitative criteria and revenue generated by the video game project currently being developed by the studio. Likewise, a third earn-out payment calculated based on qualitative criteria linked to a video game project that has not yet reached the development phase may be payable. €9.5 million of earn-out payments have been included in the purchase price calculation.

Crea-ture Studios Inc. has been consolidated from the acquisition date in the Group's financial statements.
See Note 1 on accounting for goodwill and earn-out payments related to this acquisition.

- **Capital increase by Nacon SA following the acquisition of Big Ant Holdings Pty Ltd**

An initial earn-out payment corresponding to the 2020/21 net income recorded by Big Ant Studios Pty Ltd was paid to the sellers on 29 September 2021. 50% of this earn-out payment was invested in Nacon SA shares via a €1,662 thousand capital increase.

On 29 September 2021, a capital increase with preferential subscription rights withheld took place, with 337,208 shares valued at €4,930, in line with the average closing price of Nacon shares on the Euronext Paris market during the 20 trading sessions prior to the transaction. The issue increased Nacon SA's share capital from €85,954,202 to €86,291,410.

- **Acquisition by Nacon of the remainder of the share capital of Lunar Great Wall Studios Srl (RaceWard)**

After buying on 27 July 2019 a 43.15% stake in the share capital of Lunar Great Wall Studios, better known under its business name of RaceWard Studio, Nacon completed the acquisition on 19 October 2020 of an additional 10% interest from Marco Ponte, the studio's founding manager.

On 29 September 2021, Nacon entered into another agreement with the video games studio's shareholders and bought the remainder of the share capital, raising its interest to 100%.

Under IFRS 3, this acquisition of an additional stake in the share capital of a business that was already fully consolidated was treated as a transaction between the equity attributable to equity holders of the parent and non-controlling interests in equity and did not result in the recognition of any additional goodwill. The non-controlling interests acquired were thus reclassified as equity attributable to equity holders of the parent and the cost of acquiring the shares was set off against equity attributable to equity holders of the parent. The difference between the purchase price of the shares and the additional proportion of equity acquired was thus recognised in equity, and the consolidated values of the relevant subsidiary's assets and liabilities, including the goodwill, were left unchanged.

- **Acquisition by Nacon of 100% of Ishtar Games SAS**

On 7 October 2021, Nacon acquired the entire share capital and all the voting rights of development studio Ishtar Games, which specialises in creating and marketing “indie” video games.

In addition to the consideration paid in cash, earn-out payments may be made between 1 April 2022 and 30 April 2025 according to the revenue generated by The Last Spell video game and qualitative and revenue criteria linked to a forthcoming project to be developed by the studio. €9.15 million of earn-out payments have been included in the purchase price calculation.

- **Acquisition by Nacon of 100% of Midgar SAS**

On 7 February 2022, Nacon acquired the entire share capital and all the voting rights of Midgar Studios SAS, a development studio specialised in J-RPGs.

In addition to the consideration paid in cash, two earn-out payments may be made in September 2023 and 2027 based on the revenue generated by the Edge-series video games developed by the studio. €10.0 million of earn-out payments have been included in the purchase price calculation.

2.2.3 Ownership structure

Bigben share buyback/treasury share cancellation programmes

First Bigben share buyback programme - closed - shares cancelled

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 1 March 2021. Implementation of a share buyback programme began on 2 March 2021.

The Combined Shareholders' General Meeting of 30 July 2020 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,996,965 shares, with buybacks capped at a total amount of €10 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting of €28 per share, the Board decided that the unit purchase price of shares could not exceed at any time a multiple of 2.90x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 1 March 2021 were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2020 (Twenty-fifth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives were as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 2 March 2021 for an initial period expiring no later than 30 July 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given an initial mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2020, that is ending on 29 January 2022.

Between 2 March 2021 and 17 June 2021, 513,870 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €10 million (250,319 shares for an aggregate amount of €4,983,954 in the 2020/21 financial year).

On 1 July 2021, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2020 under its Twenty-fifth resolution, decided to reduce the Company's share capital by cancelling 513,870 shares held in treasury, representing around 2.57% of Bigben Interactive's share capital.

Second Bigben share buyback programme - closed - shares cancelled

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 8 September 2021. Implementation of a share buyback programme began on 9 September 2021.

The Combined Shareholders' General Meeting of 30 July 2021 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,945,578 shares, with buybacks capped at a total amount of €40 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting of €35, the Board decided that the unit purchase price of shares may not exceed at any time a multiple of 3.0x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 8 September 2021 were identical to those of the first share buyback programme, which were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2021 (Twenty-ninth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives were as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 9 September 2021 for an initial period expiring no later than 31 December 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a second mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2021, that is ending on 29 December 2023.

Between 9 September 2021 and 31 December 2021, 188,979 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €2,897,485.

On 6 January 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021 under its Twenty-ninth resolution, decided to reduce the Company's share capital by cancelling 188,979 shares held in treasury.

At 6 January 2022, following the two reductions in the share capital on 1 July 2021 and 6 January 2022, the Company had cancelled around 3.59% of its share capital. As provided for in Article L. 22-10-62 of the French Commercial Code, the Company was in a position to cancel up to 1,241,987 more shares, or around 6.41% of its share capital by 30 June 2023.

<u>*Third Bigben share buyback programme – in progress*</u>

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 6 January 2022. Implementation of a share buyback programme began on 7 January 2022.

The Combined Shareholders' General Meeting of 30 July 2021 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,938,048 shares, with buybacks capped at a total amount of €40 million.

Without exceeding the maximum price set by the Combined Shareholders' General Meeting of 30 July 2021 at €35 per share, the Board of Directors decided to set the unit price for buying back shares at €19, it being specified that the buyback price could be raised to €25 per share provided that the ratios between the share price of Nacon shares (ISIN: FR0013482791) and that of the Company's shares are complied with. In any event, the unit buyback price for the Company's shares may not exceed €25 at any time.

Objective

The objectives of the buyback programme launched by the Board of Directors on 6 January 2022 were identical to those of the first two share buyback programmes, which were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2021 (Twenty-ninth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives are as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 7 January 2022 for an initial period expiring no later than 20 July 2022, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a third mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2021, that is ending on 29 January 2023.

Between 7 September 2022 and 31 March 2022, 458,602 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €7,371,872.

At its meeting on 30 May 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021, decided to reduce the Company's share capital by cancelling 680,751 shares held in treasury, purchased between 7 January 2022 and 27 May 2022, and representing 3.5% of the Company's share capital (see section 2.1.5). Accordingly, the number of shares making up the Company's share capital stood at €37,399,466 divided into 18,699,733 shares at the publication date of the Universal Registration Document.

Capital increase following the vesting of bonus shares awarded in 2020

On 7 September 2020, Bigben Interactive SA's Board of Directors awarded 120,275 bonus shares to 2020 beneficiaries, mainly employees and corporate officers of the Group's Audio/Telco entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and achievement of a predetermined level of recurring operating income.

The performance condition was met by all the Group entities fully or in part, and given the departures that took place prior to the acquisition date, 113,675 Bigben shares were awarded in the end to 189 beneficiaries (including 11 employees and corporate officers of Nacon entities, representing 28,100 shares).
As a result, on 8 September 2021, the Bigben Group issued 113,675 new shares through the capitalisation of reserves.

On 7 September 2020, Nacon SA's Board of Directors awarded 1,068,983 bonus shares to certain members of staff and corporate officers of Nacon Group entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income.

Since all the Group's entities met their performance condition, 1,045,283 2020 bonus shares vested with 455 beneficiaries in 2021.

2021 bonus share award

Bigben bonus shares

On 8 September 2021, Bigben Interactive SA's Board of Directors awarded 36,180 Bigben bonus shares mainly to employees and to corporate officers of the Group's Audio/Telco entities, representing a total of 207 beneficiaries. Those shares will vest after a 1-year period again provided that an ongoing presence condition and a performance condition related to achievement of a predetermined level of recurring operating income are met. 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 36,180 shares awarded, i.e. €72,360, was set up at the time of the award.

Nacon bonus shares

Nacon's Board of Directors awarded 1,045,252 Nacon bonus shares to certain key managers of the recently acquired studios and to their members of staff at meetings on 31 May 2021, 8 September 2021 and 29 November 2021.

The shares will vest after a 1- or 3-year period provided that an ongoing presence condition and, in certain cases, a performance condition.

Based on the number of Nacon bonus shares vested, an issue of new Nacon shares will take place through the capitalisation of reserves, and a special appropriated earnings account equal to the total par value of the 1,045,252 Nacon shares awarded, i.e. €1,045,252, was set up at the time of the award.

The Company's ownership structure at 31 March 2022 was as follows:

Ownership of the share capital and voting rights at 31 March 2022

Shareholder	Category	% of share capital	% of voting rights(1)
Alain Falc(2)	Chairman	13.45%	23.12%
Nord Sumatra (Bolloré)	Institutional investor	20.59%	18.02%
Free float	-	63.51%	58.86%
Treasury shares/Liquidity agreement(3)	-	2.45%	0.0%
Total		100.0%	100.0%

(1) gross voting rights
(2) directly and indirectly via AF Invest
(3) o/w 2.37% (458,602 shares) under the share buyback programme on 7 January 2022, and 0.08% (15,882 shares) under the liquidity agreement

At 31 March 2022, the Company's share capital consisted of 19,380,968 shares and 22,146,543 voting rights on a gross basis.

2.2.4 Other events

- **Covid-19 (coronavirus) pandemic**

Bigben Interactive SA has again been affected by the global public health crisis in the following ways:

- Disruption to the supply chains, especially in Asia/US, since the beginning of the financial year
- Closure of stores during the third lockdown in spring 2021 across the main countries in Europe, then drop in footfall owing to public health measures in summer 2021 (application of the "*passe sanitaire*" immunity passport)
- Measures have been taken to protect employees and third parties

The Company introduced a strict lockdown-easing plan once the various lockdowns were lifted, to protect the health of its staff members and third parties when they return to the Group's premises and allow activities to resume gradually in accordance with health guidelines.

From a business perspective, revenue was worst affected in 2021/22 by the exceptional effects of the Covid-19 crisis, but to contrasting extents between these two segments:

Nacon–Gaming

- The supply chain disruption caused by the global pandemic crisis caused delivery delays, leading to an impact on 2021/22 sales.
- To address the threat of a components shortage, Nacon brought forward its orders to avoid stock outages and to secure its Gaming Accessories revenue. That pushed up inventories over the financial year.

- The Group was also impacted by stock outages of its customers' products (PS5), which some of its Gaming Accessories support.
- The division's revenue declined 12.3% to €155.9 million.

Bigben–AudioVideo/Telco

- Consumption of Audio/Telco products clearly declined until the end of summer 2021.
- Again as a result of the slow 5G deployment, sales of the recently introduced new distribution channels, the new ranges of Mobile Force® Justgreen®, the success of charging equipment sales (benefiting from the fact that the latest generation of premium smartphones is delivered without any charger or handsfree kit) and the positive contribution made by Metronic's new Television accessories in the second half of 2021/22 helped to boost distribution of physical products and thus lifted AudioVideo/Telco segment revenue in the 2021/22 financial year to €119.8 million, representing an increase of 4.2% on the previous year.

Bigben's total revenue thus declined by 5.8%, and the Group's overall profitability also moved lower as a result of the downturn in Nacon Gaming's business.

No cash flow pressures were experienced because:
- the Gaming segment still had a large cash position with which to fund its development following Nacon's recent IPO in March 2020, through which it had raised €103 million (after deducting IPO expenses).
- while the Audio/Telco segment reaped the benefit of a €87.3 million placement of conditionally guaranteed senior bonds exchangeable into Nacon shares completed in February 2021 (€84.6 million raised after deducting the €2.7 million in issuance costs).

Impact of the war in Ukraine

The war in Ukraine has had little impact on the Bigben Group to date. It does not have any business relationships with suppliers or studios based in Ukraine or Russia, and Nacon generates less than 1% of its revenue in Russia.

Conversely, the supply chain disruption, a factor since the beginning of the Covid-19 pandemic, has taken a turn for the worse with the outbreak of the war in Ukraine. It has blocked the silk road route, causing delays and giving rise to additional costs.

The Group was barely affected by the components shortage in 2021 and 2022 as it had sourced supplies in advance. Conversely, it was impacted by the stock outages of its customers' products (Sony and Microsoft game consoles, delays to launches of premium smartphones), which some of its accessories aim to support. By the end of the year, it had failed to sell all the products it was planning to move.

Changes in debt

French state-guaranteed loans

Bigben Interactive SA arranged two €2.5 million "PGE" state-guaranteed loans during the 2020/21 financial year, with two banks in each instance. Those loans had a one-year term, although the Company was able to request the rescheduling of payments over a five-year period. Following the issue of exchangeable bonds, raising €87.3 million for Bigben Interactive SA on 19 February 2021, one of these two state-guaranteed loans was repaid early in March 2021. The other state-guaranteed loan was repaid in June 2021.

Bigben Interactive SA also repaid its finance leases in line with their repayment schedules.

Loans arranged by Nacon

In 2021/22, Nacon took out €52.5 million of new medium-term loans and made repayments on medium-term bank loans in line with their repayment schedules.

- **Pledge of Nacon shares underlying the Bigben bonds exchangeable into Nacon shares**

In connection with an issue of bonds due 2026 exchangeable into existing ordinary Nacon SA shares (the "**Bonds**"), the Company made a commitment that holders of the Bonds shall benefit from a statement of pledge to be recorded over the existing Nacon SA shares (the "**Pledged Shares**") representing at all times 200% of the number of shares underlying the Bonds.

On 9 April 2021, the Company formed a share pledge agreement with BNP Paribas Securities Services (acting as paying agent and transfer agent), with the *masse* (body) of Bond holders being represented by Aether Financial Services and Aether Financial Services acting as representative of the *masse*.

On 9 April 2021, the Company transferred 18,187,500 Nacon SA shares (the "**Shares**"), to the pledged account, representing 200% of the number of shares underlying the Bonds at that date.

In accordance with the amended terms and conditions (the "**Terms and Conditions**"), the Company has undertaken to hold in the pledged securities account, until all the Bonds have been redeemed in full, a number of Shares equal to 200% of the number of shares underlying the Bonds (the "**Coverage Rate**"), it being specified that should the Company exercise its Share Cash Combination Election and/or Cash Election (as defined in the Terms and Conditions), the number of Shares exceeding the Coverage Rate given the number of Bonds in issue, shall be returned to the Company upon the instruction of the main transfer agent within five business days of the end of the calendar month based on a proportion to be set by the calculating agent.

The number of Pledged Shares shall be adjusted regularly up to the maturity date of the Bonds according to the number of Bonds in issue, the exercise by holders of their exchange right (and exercise by the Company of its right to deliver Shares and/or cash) and adjustments to the exchange price in accordance with the Terms and Conditions applicable to the Bonds.

Should the Company fail to honour the coverage rate of 200% stated hereinabove or the pledge agreed be voided, that would constitute default in accordance with the Terms and Conditions.

- **Cash management agreement between Bigben Interactive SA and Metronic SAS**

A cash management agreement dated 22 October 2021 between Bigben Interactive and Metronic SAS, enabling them to carry out cash management 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.

- **Exceptional distribution in kind of Nacon shares**

On 4 February 2022, Bigben Interactive completed an exceptional distribution in kind in the form of Nacon shares based on a ratio of one (1) Nacon share for every five (5) Bigben Interactive shares held.

At 3 February 2022, Bigben Interactive held 65,097,988[23] Nacon shares, representing, based on the number of shares and voting rights making up Nacon's share capital at 14 December 2021, 75.44% of the share capital and 71.32% of Nacon's voting rights. The shares making up Nacon's share capital are ordinary shares, all belonging to the same class, fully paid-up and admitted to trading on the regulated Euronext market in Paris under ISIN: FR0013482791.

A proposal was made to Bigben Interactive's shareholders at the Shareholders' General Meeting of 28 January 2022 (the "Shareholders' General Meeting") to vote on (i) an amendment to Article 48 (Appropriation and Allocation of earnings) of the Company's Articles of Association to clarify the arrangements for this type of distribution in kind of assets by the Company, and (ii) an exceptional distribution in kind of Nacon shares based on a ratio of one (1) Nacon share for five (5) BBI shares held, subject to an overall cap of €30,000,000 (the "**Distribution in Kind**").

The Shareholders' General Meeting approved the terms and conditions for this exceptional distribution in kind in the form of Nacon shares based on a ratio of one (1) Nacon share for every five (5) Bigben Interactive shares held.

Based on the opening share price of Nacon shares on 4 February 2022 on the Euronext regulated market in Paris, that is €5.15, and the number of Nacon shares distributed, or 3,853,322, the total size of the exceptional distribution in kind is €19,844,608.30:

Upon completion of the distribution in kind, Bigben Interactive held 61,244,666 Nacon shares, or 70.97% of the share capital and 66.85% of the voting rights (based on the number of shares and voting rights making up Nacon's share capital at 4 February 2022).

The date of record for this exceptional distribution in kind of Nacon shares was 2 February 2022, and it was carried out

[23] *including 3,555,937 shares lent to BNP Paribas for hedging purposes in connection with Bigben Interactive's bond issue (please refer to Note 2.2.4 to the consolidated financial statements in the Universal Registration Document filed by Bigben Interactive on 6 July 2021 with the Autorité des Marchés Financiers under no. D.21-0687).*

on 4 February 2022.

2.2.5 Events after the 31 March 2022 balance-sheet date

► Further developments in the Covid-19 (coronavirus) crisis

The Group plans to continue pursuing the policy it has introduced to mitigate the effects of the pandemic.

The Group's order book suggests that sales of inventories will be satisfactory in the next few months.

Trade receivables at 31 March 2022 are being collected in accordance with agreed payment times.

The Group is not expecting any cash flow problems. The Gaming segment still has a large cash position with which to fund its development following the Nacon 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 2022/23 by using the €84.6 million raised (after deducting €2.7 million in issuance costs) from the February 2021 issue of bonds exchangeable into Nacon shares.

As a result, the Group is in a position to maintain and develop its business activities in the 2022/23 financial year.

► Changes in debt

None.

► Change in scope

- **Acquisition of full ownership of Daedalic Entertainment Inc.**

On 1 April 2022, Nacon acquired 100% of the share capital of Daedalic Entertainment, a leading video games publisher and development studio for €53 million.

The acquisition will enable Nacon to acquire several key intellectual property items and benefit from Daedalic Entertainment's tremendous expertise.

To date, this deal is the largest acquisition ever completed by Nacon and is aligned with its strategy of expanding in the video games industry.

Founded in 2007 and based in Hamburg, Daedalic Entertainment has developed and published more than 90 games and is one of Germany's top and longest-serving independent video games companies. It has a talented and prize-winning team of 87 staff and is renowned as a world-class independent publisher.

Carten Fichtelmann, its founder and CEO, and Stephan Harms, COO, will continue to run the company with a high level of autonomy.

- **Planned spin-off of Bigben Interactive SA's logistics division into Bigben Logistics SAS**

The Board of Directors of Bigben Interactive (hereinafter the "**Company**") authorised at its meeting on 11 May 2022 the execution of a spin-off agreement subject to the demerger regime provided for in Articles L. 236-16 to L. 236-21 of the French Commercial Code, with Bigben Logistics (a subsidiary in which the Company owns 100% of the share capital and voting rights), stating that the Company shall transfer to Bigben Interactive all its logistics-related assets and liabilities (hereinafter the "**Spin-off**"). The draft spin-off agreement was executed on 11 May 2022.

The spin-off is taking place through an internal restructuring of the Bigben Interactive Group with the aim of optimising the operational and strategic organisation of its logistics activities. By undertaking the Spin-off, the Company is seeking to pool its logistics activities into a special-purpose entity, providing greater clarity concerning its results. This reorganisation will also make the logistics arm more independent by equipping it with its own resources to scale up its development and potentially to provide services to third parties.

On 10 May 2022, the Company's health, safety and working conditions committee and its social and economic committee issued favourable opinions on the Spin-off transaction.

The Spin-off procedure will be a simplified procedure as provided for in Article L. 236-22 of the French Commercial Code. Accordingly, the transaction will not need to be approved in advance by an extraordinary shareholders' meetings of the companies involved in the transaction unless so requested by minority shareholders of the Company accounting for at least 5% of the share capital within 20 days of the publication (on the Company's website) of the draft spin-off agreement. The Spin-off will not require a demerger or a contribution appraiser to be involved and no report on the transaction will be prepared for the Board of Directors.

The draft spin-off agreement was filed with the clerk of the Lille Métropole commercial court on behalf of Bigben Interactive and Bigben Logistics on 12 May 2022.In addition, pursuant to the provisions of Article L. 228-65(I) and L. 236-18, the Company convened a meeting of the holders of bonds exchangeable into Nacon shares by the Company on 19 February 2021 to issue its opinion on the draft Spin-off agreement.

The plan is for the Spin-off to go ahead at the latest by 30 July 2022 with effect for legal, accounting and tax purposes from 1 April 2022.

- **Cancellation of the shares held in treasury**

At a meeting on 30 May 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021 pursuant to its Twenty-ninth resolution, decided to reduce the Company's share capital by cancelling 680,751 shares held in treasury, purchased between 7 January 2022 and 27 May 2022, and representing 3.5% of Bigben Interactive's share capital.

All 680,751 shares cancelled were bought back on the Euronext market in Paris, in accordance with the mandate to buy shares awarded by the Company to CIC Market Solutions, under a share buyback programme, as decided by the Board of Directors on 6 January 2022 acting under the authorisation given by the Combined Shareholders' General Meeting dated 30 July 2021 under its Seventeenth resolution and as announced by the Company on 6 January 2022.

Immediately after the cancellation of these shares, the number of shares making up Bigben Interactive's share capital stands at €37,399,466 divided into 18,699,733 shares carrying 21,465,092 gross voting rights[24].

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") have been prepared in accordance with IFRSs as endorsed by the European Union and applicable to the financial year ended 31 March 2022, compared with the consolidated financial statements for the financial year ended 31 March 2021 prepared according to the same accounting standards. The standards are available on the European Commission website.

New standards, amendments and interpretations in force and applicable to accounting periods covered by the consolidated financial statements are detailed below.

[24] *Note that the number of gross voting rights is calculated based on the monthly information concerning the total number of voting rights and shares making up the share capital at 30 May 2022.*

Standards and interpretations newly applicable to the financial year ending 31 March 2022

New IFRS texts	EU adoption date (periods starting on or after)
Amendments to IFRS 4 – Extension of the Temporary Exemption From Applying IFRS 9	1 January 2021
Amendments to IFRS 9, IAS 39, IFRS 7 – Interest Rate Benchmark Reform – Phase 2	1 January 2021
IFRIC IAS 19: Attributing Benefits to Years of Service	1 January 2021

The application of other standards did not have any material impact on the group's financial statements.

New texts adopted early in accounting periods starting on or after 1 April 2022

New IFRS texts	EU adoption date (periods starting on or after)
Amendments to IFRS 3 – References to the conceptual framework	1 January 2022*
Amendments to IFRS 13 – Cost of Fulfilling a Contract (excluding transition provisions if not adopted by the European Union)	1 January 2022*
Annual Improvements to IFRS Standards 2018–2020 (solely for amendments related to IFRS 9 and IFRS 16)	1 January 2022*
Amendments to IFRS 16 – Rent Concessions beyond 30 June 2021	1 January 2022*

*subject to the adoption by the European Union

The Group has not opted for early adoption of other standards and amendments that may be adopted early or that will be mandatory in the 2022/23 or 2023/24 financial years.

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 for 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 users of its financial statements because it gives them an operating income/loss metric 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.

Use of the "gross profit" financial indicator

The Group calculates gross profit as the difference between revenue and purchases used in relation to retail sales (retail Video Games, Gaming and Mobile Accessories, Audio products).

See also Note 18 – Purchases used.

Use of the "Recurring operating income before amortisation of customer relationships" indicator

Recurring operating income before amortisation of customer relationships is defined as recurring operating income before amortisation of customer relationships, which correspond to the customer relationships recognised on the allocation of the purchase price of subsidiaries.

Recurring operating income before amortisation of customer relationships is not an indicator defined by IFRSs and does not have a standard definition.

Calculation of recurring operating income before amortisation of customer relationships

(in thousands of euros)	2021/22	2020/21
Recurring operating income	**20,985**	**36,210**
Amortisation of customer relationships	1,134	1,115
Recurring operating income before amortisation of customer relationships	**22,118**	**37,325**
Recurring operating margin before amortisation of customer relationships (% of revenue)	***8.0%***	***12.7%***

The amortisation at 31 March 2022 reflects the gross amount of €22,300 thousand in Mobile Accessories customer relationships recognised on the acquisition of the ModeLabs group at 1 September 2011. This customer relationship has since been amortised on a straight-line basis over 20 years.

The Group considers recurring operating income before amortisation of customer relationships as a non-IFRS performance indicator. The Group believes that this indicator is useful for users of its financial statements because it gives them an operating income/loss metric from the Group's recurring commercial activities, more directly correlated with cash flows and allowing investors to identify more effectively trends in its financial performance.

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 shown in the 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 2020/21 and 2021/22, 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 4 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 recorded on platforms and the related extension of games' lifespans, the development costs of new games released in the market from 1 April 2020 by Bigben Interactive via its Nacon SA subsidiary are currently amortised using the diminishing balance method over a period of four years.

- **Basis of measurement**

The financial statements are presented on an historical cost basis, except for certain financial assets and liabilities held at fair value, such as derivatives and financial instruments held for trading.

- **Comparability of financial statements**

The accounting methods presented above have been applied consistently to all the periods shown in the consolidated financial statements.

2.3.3 Consolidation principles

The consolidation principles below are "generic" consolidation principles 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 the full-year financial statements for the financial year ended 31 March 2022, and adjusted as the case may be to harmonise them with the Group's accounting policies.

- **Loss of control**

When control is lost, the Group deconsolidates the subsidiary's assets and liabilities, any non-controlling interest and other components of equity related to the subsidiary. Any gains or losses resulting from the loss of control are recognised in income. If the Group retains an interest in the former subsidiary, it is stated at its fair value at the date of loss of control. Subsequently, the interest is accounted for as an associate under the equity method or as a financial asset depending on the degree 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 control starts until the date control ends.

- **Associates**

Associates are entities in which the Bigben Interactive has significant influence over financial and operational policies, without having control. Significant influence is presumed to exist 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 non-French companies' financial statements into euros**

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 euros 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

Revenue

Bigben Interactive, a leading player in digital convergence, sells a large range of products and accessories tailored to the needs of its main markets:

Given the highly integrated organisation of the Gaming business, a large proportion of costs are shared between the Video Games and Accessories businesses. The Video Games and Gaming 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 Nacon Group studios are or will be marketed by all Group entities and therefore contribute to Nacon's overall cash flow.

Nacon SA has its own sales, marketing and finance functions.

Digital games sales are invoiced exclusively in France.

The Group's distribution subsidiaries based outside France handle physical sales of all gaming products. The Nacon HK Ltd subsidiary based in Hong Kong mainly handles the development and procurement of accessories from manufacturing partners.

As a result, each Nacon Group subsidiary plays a specific role in the Nacon Group's value chain.

Likewise, Bigben Interactive's Audio, Video and Telco activities are highly integrated with each other.

Bigben Interactive acquired Metronic on 15 October 2021. It designs and distributes innovative products for broadcasting and receiving images in the home (TV and audio accessories, amplifiers, set-top boxes, connectivity solutions, headphones, speakers, etc.), as well as telephony and audio product accessories.

This deal has given the Bigben group's former Audio/Telco segment a new avenue of growth with various sources of potential synergies including:
- Complementary product ranges and distribution networks
- Listings via channels not yet exploited by Bigben: BtoB markets, DIY superstores, etc.
- More rapid international development, especially in Italy and Spain via dedicated subsidiaries
- E-commerce sales
- Logistics synergies (future pooling of purchasing and sourcing)

With the rise of smart devices and ubiquitous smartphones in our lives, the Audio and Video markets are converging with the Telco market and share many customers. The Bigben Interactive SA parent company in charge of Audio, its Bigben Connected subsidiary in charge of Telco and its Metronic subsidiary in charge of Video 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 AudioVideo/Telco segment are marketed by all Group entities and therefore contribute to Bigben's overall AudioVideo/Telco cash flow.

The Bigben Group's AudioVideo/Telco segment has its own sales, marketing and finance functions.

The Group's AudioVideo/Telco distribution subsidiaries based outside France handle physical sales of all AudioVideo/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 and should shortly also fulfil the sourcing requirements of Metronic products from Asia.

As a result, each Bigben Group subsidiary plays a specific role in the AudioVideo/Telco segment's value chain.

Based on this information, a decision was made during the 2021/22 financial year in view of the trend towards market integration to add Metronic's Video business to the existing Cash-Generating Unit (CGU), now known as the AudioVideo/Telco CGU and generating independent cash flows.

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 Bigben–AudioVideo/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–AudioVideo/Telco segment** comprises the design and distribution of accessories for smartphones and tablets under the *Force*® and *Just Green*® brands (Mobile business) and the design and distribution of Audio products (headphones, speakers etc.) under the *Bigben*®, *Lumin'Us*®*, AromaSound*® and *Thomson* (Audio) brands and Video products (TV and audio accessories, amplifiers, set-top boxes, connectivity solutions, headphones, speakers) under the *Metronic*® and *Moov*® 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 segment

The Group's reporting is mainly organised by business segment.

in thousands of euros	2021/22			
	Gaming	Mobile	AudioVideo	**Group**
Total revenue	**151,384**	**92,530**	**31,797**	**275,711**
Bigben–AudioVideo/Telco	369	91,155	28,275	**119,799**
Nacon–Gaming	151,015	1,375	3,522	**155,912**

in thousands of euros	2020/21			
	Gaming	Mobile	Audio	**Group**
Total revenue	**172,281**	**89,471**	**31,082**	**292,833**
Bigben–Audio/Telco	122	87,940	26,937	**114,999**
Nacon–Gaming	172,158	1,531	4,145	**177,834**

Given the way in which the distribution subsidiaries were carved out in the 31 October 2019 spin-off from Bigben Interactive to Nacon, the Nacon–Gaming segment still includes a very small amount of non-Gaming revenue and the AudioVideo/Telco segment still includes some non-Audio/Mobile/Accessories revenue.

Breakdown of revenue by business

The business activities of the Company and the Group are predicated on four areas:

- Mobile covers all accessories for smartphones
- Audio targets consumer products, with the current emphasis on developing original models, and for Mobile accessories
- TV accessories include all television-related products
- Gaming covers both
    - Accessories for consoles
    - Development and sale of video games in physical form (boxes) and for download;

in thousands of euros		12-month total		Contribution	
		2021/22	2020/21	2021/22	2020/21
Revenue		**275,711**	**292,833**	**100%**	**100%**
of which	*Gaming*	151,384	172,281	55%	59%
	Mobile	92,530	89,471	34%	31%
	AudioVideo	31,797	31,082	12%	10.6%

Revenue by geographical region

in thousands of euros		12-month total		Contribution	
		2021/22	2020/21	2021/22	2020/21
Revenue		**275,711**	**292,833**	**100.0%**	**100.0%**
of which	*France*	126,403	133,557	45.8%	45.6%
	Europe	83,124	91,419	30.1%	31.2%
	Rest of the world	66,184	67,858	24.0%	23.2%

This geographical breakdown is based on the location on customer invoices.

Revenue and earnings by business segment

	Group total	Nacon–Gaming	Bigben–AudioVideo/Telco	Group total	Nacon–Gaming	Bigben–Audio/Telco
(in thousands of euros)	2021/22	2021/22	2021/22	2020/21	2020/21	2020/21
Revenue	**275,711**	**155,912**	**119,799**	**292,833**	**177,834**	**114,999**
Purchases used	(166,475)	(78,077)	(88,399)	(171,001)	(84,342)	(86,659)
Gross profit	**109,236**	**77,835**	**31,401**	**121,833**	**93,493**	**28,340**
Gross margin (% of revenue)	***39.6%***	***49.9%***	***26.2%***	***41.6%***	***52.6%***	***24.6%***
Other operating revenue	1,462	1,512	(49)	863	1,189	(326)
Other purchases and external expenses	(28,532)	(18,803)	(9,728)	(25,363)	(18,047)	(7,315)
Taxes other than income tax	(1,451)	(550)	(901)	(1,386)	(438)	(948)
Personnel costs	(28,496)	(14,530)	(13,966)	(26,848)	(14,954)	(11,894)
Other operating expenses	(1,925)	(832)	(1,093)	(1,603)	(1,035)	(567)
Gains or losses on disposals of non-current assets	15	(2)	17	104	95	9
EBITDA	**50,310**	**44,629**	**5,681**	**67,601**	**60,302**	**7,299**
EBITDA margin (% of revenue)	***18.2%***	***28.6%***	***4.7%***	***23.1%***	***33.9%***	***6.3%***
Depreciation and amortisation of non-current assets	(29,325)	(25,626)	(3,699)	(31,391)	(27,771)	(3,619)
Recurring operating income	**20,985**	**19,003**	**1,982**	**36,210**	**32,531**	**3,680**
Recurring operating margin (% of revenue)	***7.6%***	***12.2%***	***1.7%***	***12.4%***	***18.3%***	***3.2%***
Bonus share and stock-option plans	(6,159)	(4,862)	(1,296)	(6,371)	(5,057)	(1,314)
Other non-recurring operating items	(1,492)	(794)	(697)	0		0
Income from associates	0		0	0		0
Operating income	**13,335**	**13,347**	**(12)**	**29,840**	**27,474**	**2,366**
Financial income	8,125	2,197	5,929	3,448	2,108	1,340
Financial expenses	(6,033)	(2,145)	(3,889)	(6,183)	(3,615)	(2,569)
Net financial income/expense	**2,092**	**52**	**2,040**	**(2,735)**	**(1,506)**	**(1,229)**
Pre-tax income	**15,427**	**13,399**	**2,028**	**27,105**	**25,967**	**1,137**
Income tax	(5,140)	(3,425)	(1,715)	(8,187)	(7,721)	(467)
Net income for the period	**10,286**	**9,973**	**313**	**18,917**	**18,246**	**671**

Recurring operating income before amortisation of customer relationships:

(in thousands of euros)						
Recurring operating income	**20,985**	**19,003**	**1,982**	**36,210**	**32,531**	**3,680**
Amortisation of customer relationships	1,134	0	1,134	1,115	0	1,115
Recurring operating income before amortisation of customer relationships	**22,118**	**19,003**	**3,115**	**37,325**	**32,531**	**4,795**
Recurring operating margin before amortisation of customer relationships (% of revenue)	***8.0%***	***12.2%***	***2.6%***	***12.7%***	***18.3%***	***4.2%***

2.4 ADDITIONAL NOTES

2.4.1 Additional notes to the balance sheet

- **Note 1 – Goodwill**

in thousands of euros	Total Bigben–AudioVideo/Telco	Total Nacon–Gaming	TOTAL
Goodwill arising from transactions in the financial year ended 31 March 2021	**34,831**	**31,150**	**65,980**
Business combinations	4,582	63,821	**68,403**
Exchange differences	0	1,772	**1,772**
Impairment loss	0	0	**0**
Discontinued operations	0	0	**0**
Goodwill arising from transactions in the financial year ended 31 March 2022	**39,412**	**96,742**	**136,155**

⇨ ***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 Unit (CGUs) or group of 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 2021/22 financial year:

The Group carried out the following transaction in 2021/22:

Audio/Telco

- on 15 October 2021, it acquired 100% of the shares and voting rights of Metronic SAS.

Nacon

- on 1 April 2021, it acquired 100% of the shares and voting rights of Passtech Games SAS
- on 3 May 2021, it acquired 100% of the shares and voting rights of Big Ant Holding Pty Ltd
- on 30 July 2021, it acquired 100% of the shares and voting rights of Crea-ture Studios Inc.
- on 29 September 2021, it acquired the remainder of the shares and voting rights of Lunar Great Wall Studios Srl
- on 7 October 2021, it acquired 100% of the shares and voting rights of Ishtar Games SAS
- on 7 February 2022, it acquired 100% of the shares and voting rights of Midgar Studios SAS.

These total revenue and net income contributions made by these acquisitions in 2021/22 were as follows:

Contribution from the acquired entities in thousands of euros	Acquired entities	Group total
Revenue	15,963	**275,711**
Net income	750	**10,286**

Audio/Telco

Metronic SAS

Bigben Interactive SA acquired on 15 October 2021 the entire share capital and all the voting rights of Metronic SAS, a European leader in image processing, with a strong position in connected audio-video.

In addition to the consideration paid in cash, two earn-out payments may be made during the three years following the acquisition based on pre-agreed profitability criteria. €4.0 million of earn-out payments have been included in the purchase price calculation. The estimated fair value at the acquisition date is based on the Bigben Group's best estimates regarding the fulfilment of the conditions triggering those earn-out payments, and chiefly take into account the Big Ant Group's historical profitability statistics, assuming sales trends in future years will be similar.

Since the earn-out payments that may be made by the Bigben Group could result in a variable amount of cash being settled, 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.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise how business combinations are accounted for. The provisional measurement of the assets acquired and liabilities assumed is as follows:

	In thousands of euros
Intangible assets	846
Property, plant and equipment	5,044
Non-current financial assets	107
Inventories and work in progress	9,324
Receivables	7,951
Cash and cash equivalents and miscellaneous	316
Provisions for contingencies	-131
Debt	-1,108
Deferred tax liabilities	-1,322
Miscellaneous liabilities	-9,609
Total identifiable net assets acquired	**11,418**
Goodwill	4,582
Fair value of the consideration transferred	16,000

Intangible assets include customer relationships.

Nacon

Passtech Games SAS

On 1 April 2021, Nacon acquired the entire share capital and voting rights of the Lyon-based development studio Passtech SAS, which specialises in rogue-like action games.

In addition to the consideration paid in cash, two earn-out payments may be made during the three years following the acquisition based on qualitative and revenue criteria linked to two video games projects. €2.0 million of earn-out payments have been included in the purchase price calculation. The estimated fair value at the acquisition date is based on the Nacon Group's best estimates regarding the fulfilment of the conditions triggering those earn-out payments, and chiefly take into account historical sales figures and the Metacritic score for its most recent game *Curse of the Dead Gods*, on the assumption that the next game developed will achieve the same degree of success.

Since the earn-out payments that may be made by the Nacon Group could result in a variable amount of cash being settled, 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.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise how business combinations are accounted for. The provisional measurement of the assets acquired and liabilities assumed is as follows:

	In thousands of euros
Intangible assets	54
Property, plant and equipment	13
Non-current financial assets	5
Deferred tax assets	23
Trade and other operating receivables	281
Cash and cash equivalents	107
Prepaid expenses	7
Provisions for contingencies	-3
Debt	-54
Operating liabilities	-132
Total identifiable net assets acquired	**300**
Goodwill	2,700
Fair value of the consideration transferred	3,000

Big Ant Holding Pty Ltd

On 3 May 2021, Nacon acquired the entire share capital and all the voting rights of Big Ant Holding Pty Ltd development studio based in Melbourne (Australia), which is renowned for its rugby, tennis and cricket sports franchises, not to mention the Australian Football League (AFL).

The transaction price was €18 million. Eight earn-out payments to be calculated, as appropriate, based on criteria linked to the Big Ant Group's net revenue, revenue generated by the back catalogue and cricket games out to 2024 and on qualitative criteria generated by the tennis and rugby games developed by Big Ant, may be made, with each earn-out payment 50% in cash and 50% in Nacon shares. €14.0 million of earn-out payments have been included in the purchase price calculation. 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 triggering those earn-out payments, and chiefly take into account the Big Ant Group's historical sales figures.

Since the earn-out payments that may be made by the Nacon Group could result in a variable amount of cash being settled, 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.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise how business combinations are accounted for. The provisional measurement of the assets acquired and liabilities assumed is as follows:

	In thousands of euros
Intangible assets	1,897
Property, plant and equipment	79
Non-current financial assets	48
Trade and other operating receivables	423
Cash and cash equivalents	4,571
Debt	-903
Deferred tax liabilities	-293
Operating liabilities	-2,210
Total identifiable net assets acquired	**3,612**
Goodwill	28,707
Fair value of the consideration transferred	32,319

Crea-ture Studios Inc.

On 30 July 2021, Nacon acquired the entire share capital and all the voting rights of Montreal-based development studio Crea-ture Studios Inc., which specialises in developing skateboarding games.

In addition to the consideration paid in cash, two earn-out payments may be triggered in September 2023 and 2024 by the attainment of targets based on qualitative criteria and revenue generated by the Session video game currently being developed by the studio. Likewise, a third earn-out payment calculated based on qualitative criteria linked to a video game project that has not yet reached the development phase may be payable. €9.5 million of earn-out payments have been included in the purchase price calculation. 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 triggering those earn-out payments.

Since the earn-out payments that may be made by the Nacon Group could result in a variable amount of cash being settled, 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.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise how business combinations are accounted for. The provisional measurement of the assets acquired and liabilities assumed is as follows:

	In thousands of euros
Intangible assets	919
Property, plant and equipment	9
Receivables	187
Cash and cash equivalents and miscellaneous	110
Provisions for deferred taxes	-239
Miscellaneous liabilities	-63
Total identifiable net assets acquired	**923**
Goodwill	9,927
Fair value of the consideration transferred	10,850

Lunar Great Wall Studios Srl (RaceWard Studio)

After buying on 27 July 2019 a 43.15% stake in the share capital of Lunar Great Wall Studios, better known under its business name of RaceWard Studio, Nacon completed the acquisition on 19 October 2020 of an additional 10% interest from Marco Ponte, the studio's founding manager.

On 29 September 2021, Nacon entered into another agreement with the video games studio's shareholders and bought the remainder of the share capital, raising its interest to 100%.

Under IFRS 3, this acquisition of an additional stake in the share capital of a business that was already fully consolidated was treated as a transaction between the equity attributable to equity holders of the parent and non-controlling interests in equity and did not result in the recognition of any additional goodwill. The non-controlling interests acquired were thus reclassified as equity attributable to equity holders of the parent and the cost of acquiring the shares was set off against equity attributable to equity holders of the parent. The difference between the purchase price of the shares and the additional proportion of equity acquired was thus recognised in equity, and the consolidated values of the relevant subsidiary's assets and liabilities, including the goodwill, were left unchanged.

Ishtar Games SAS

On 7 October 2021, Nacon acquired the entire share capital and all the voting rights of development studio Ishtar Games, which specialises in creating and marketing "indie" video games.

In addition to the consideration paid in cash, earn-out payments may be made between 1 April 2022 and 30 April 2025 based on revenue generated by The Last Spell video game and qualitative and revenue criteria linked to a forthcoming project to be developed by the studio. €9.15 million of earn-out payments have been included in the purchase price calculation. 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 triggering those earn-out payments.

Since the earn-out payments that may be made by the Nacon Group could result in a variable amount of cash being settled, 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.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise how business combinations are accounted for. The provisional measurement of the assets acquired and liabilities assumed is as follows:

	In thousands of euros
Intangible assets	863
Property, plant and equipment	15
Non-current financial assets	8
Deferred tax assets	7
Trade and other operating receivables	287
Cash and cash equivalents	259
Prepaid expenses	21
Provisions for contingencies	-6
Debt	-608
Operating liabilities	-268
Prepaid income	-209
Total identifiable net assets acquired	**369**
Goodwill	10,631
Fair value of the consideration transferred	11,000

Midgar Studios SAS

On 7 February 2022, Nacon acquired the entire share capital and all the voting rights of Midgar Studios SAS, a development studio specialised in J-RPGs.

In addition to the consideration paid in cash, two earn-out payments may be made in September 2023 and 2027 based on the revenue generated by the Edge-series video games developed by the studio. €10.0 million of earn-out payments have been included in the purchase price calculation. 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 triggering those earn-out payments.

Since the earn-out payments that may be made by the Nacon Group could result in a variable amount of cash being settled, 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.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise how business combinations are accounted for. The provisional measurement of the assets acquired and liabilities assumed is as follows:

	In thousands of euros
Other intangible assets	699
Property, plant and equipment	11
Non-current financial assets	6
Deferred tax assets	90
Trade and other operating receivables	360
Cash and cash equivalents	96
Prepaid expenses	9
Provisions for contingencies	-9
Debt	-381
Deferred tax liabilities	-21
Operating liabilities	-215
Total identifiable net assets acquired	**644**
Goodwill	11,856
Fair value of the consideration transferred	12,500

Transactions that took place in 2020/21 and that may affect the current period

- on 19 October 2020, it acquired 100% of Neopica Srl's shares and voting rights

Neopica Srl

On 19 October 2020, Nacon acquired all the share capital and voting rights of development studio Neopica Srl for cash. Earn-out payments based on the quality and commercial potential of the next two games under development may be paid to the sellers within 12 months of these games being released. Those payments are capped and contingent on achievement of a certain quality level and volume of future games sales.

Neopica Srl has been consolidated from the acquisition date in the Group's financial statements.

The acquisition of Neopica was not material for the Nacon Group, and so no detailed pro forma financial information was required.

€0.6 million of earn-out payments are included in the purchase price calculation. 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 these chiefly take into account Neopica's historical sales figures as at the acquisition date and the Metacritic score for its most recent *Overpass* and *Hunting Simulator 2* games, which came out respectively in February 2020 and June 2020, on the assumption that the next few games developed by Spiders will achieve 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 being settled, 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.

Allocation of the purchase price of Neopica Srl

In accordance with IFRS 3 rules, €2.1 million of goodwill was therefore recognised under “Intangible assets” on the balance sheet at 31 March 2021. At 31 March 2022, the determination of goodwill was definitive, with no changes compared with the preliminary allocation at 31 March 2021.

	In thousands of euros
Property, plant and equipment	20
Deferred tax assets	91
Receivables	73
Cash and cash equivalents and miscellaneous	441
Prepaid expenses	4
Miscellaneous liabilities	-106
Total identifiable net assets acquired	**523**
Goodwill	2,077
Fair value of the consideration transferred	2,600

Reconciliation of acquisition-related disbursements with cash flows in the year ended 31 March 2022:

Disbursements relating to acquisitions of subsidiaries net of net cash acquired	2021/22	2020/21
Acquisition of Big Ant Holding Pty Ltd	19,981	2,000
Acquisition of Passtech Games SAS	1,000	39
Acquisition of Crea-ture Inc.	1,350	
Lunar Great Wall Studios Srl acquisition	500	
Acquisition of Ishtar Games SAS	1,850	
Acquisition of Midgar Studio SAS	2,500	
Acquisition of Metronic SAS	11,704	
Net cash acquired	-5,142	-441
Disbursements relating to acquisitions of subsidiaries net of net cash acquired	**33,744**	**1,598**

Goodwill impairment tests

The Group carries out impairment testing on both its CGUs annually on the closing date (31 March) and whenever evidence of a loss of value is identified.

At 31 March 2022, no impairment had been recognised.

Impairment test on the Nacon–Gaming CGU

Assumptions:

WACC	11.76%
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*	**€283,418,000**

Reduction in EBITDA in year N+3 that would result in the CGU's recoverable amount being equal to its carrying amount:	**EBITDA**	**-34.00%**
Reduction in EBITDA margin in year N+3 that would result in the CGU's recoverable amount being equal to its carrying amount:	**EBITDA margin**	**-14.2 points**
Reduction in the perpetual growth rate that would result in the CGU's recoverable amount being equal to its carrying amount:	**Perpetual growth rate (%)**	**-14.0 points**
Increase in the discount rate (WACC) that would result in the CGU's recoverable amount being equal to its carrying amount:	**WACC**	**+8.0 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	8.71%
Perpetual growth rate	2.0%

The WACC and the perpetual growth rate take into account the characteristics of the AudioVideo/Telco business segment in which the Bigben–AudioVideo/Telco CGU operates (technological advances).

Sensitivity test:

Carrying amount of the CGU	**€119,339 thousand**

Reduction in EBITDA in year N+3 that would result in the CGU's recoverable amount being equal to its carrying amount:	**EBITDA**	**-9.0%**
Reduction in EBITDA margin in year N+3 that would result in the CGU's recoverable amount being equal to its carrying amount:	**EBITDA margin**	**-0.9 points**
Reduction in the perpetual growth rate that would result in the CGU's recoverable amount being equal to its carrying amount:	**Perpetual growth rate (%)**	**-1.2 points**
Increase in the discount rate (WACC) that would result in the CGU's recoverable amount being equal to its carrying amount:	**WACC**	**+2.7 points**

⇨ ***Accounting policy - Impairment of non-current assets***

According to IAS 36 "Impairment of assets", an impairment loss is taken to income where recoverable amount falls below the net carrying amount.

The recoverable amount of non-current assets is the greater of fair value less costs to sell and value in use. The net carrying amount of property, plant and equipment and intangible assets is 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 the 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 organisation of the Audio/Telco business, a large proportion of costs are shared between the Telco and Audio businesses. The Audio and Telco customers may be the same. Audio and Telco products are partly developed and supplied by Bigben HK Ltd. As a result, the Group does not calculate recurring operating income by business line.

The products developed by the Bigben Interactive and Bigben Connected entities are marketed by all Group entities and thus 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 the acquisition of ModeLabs has been allocated to that CGU.

For the Nacon–Gaming CGU
Given the highly integrated organisation of the Gaming business, a large proportion of costs are shared between the Video Games and the 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 Kylotonn, Cyanide and EKO studios acquired 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 has been allocated to that sole CGU.

The value in use of the CGUs 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.

▸ Note 2 – Other intangible assets

in thousands of euros	31 March 2022	31 March 2021
Gross value	**273,796**	**204,830**
Amortisation	(120,098)	(91,361)
Impairment		(379)
Net value	**153,698**	**113,090**

Gross value	Software, concessions and patents	Trademarks	Business assets	Leasehold rights	Customer relationships	Game development costs	Downpayments on intangible assets	Other intangible assets	**TOTAL**
31 March 2020	**3,478**	**10,004**	**2**	**7,253**	**22,300**	**117,110**	**0**	**1,145**	**161,292**
Acquisition	276	773		7,943		48,482	300	136	**57,910**
Change in scope	12								**12**
Application of IFRS 16						(12,562)			**(12,562)**
Disposals				(1,822)					**(1,822)**
Exchange differences									**0**
31 March 2021	**3,766**	**10,777**	**2**	**13,374**	**22,300**	**153,030**	**300**	**1,281**	**204,831**
Acquisition	1,269	3		4,965		57,964	296	71	**64,568**
Change in scope	444	14	385	1,367	371	3,624		127	**6,332**
Transfers									**0**
Disposals	(81)			(1,854)					**(1,935)**
Exchange differences									**0**
31 March 2022	**5,399**	**10,794**	**386**	**17,852**	**22,671**	**214,618**	**596**	**1,480**	**273,796**

Depreciation	Software, concessions and patents	Trademarks	Business assets	Leasehold rights	Customer relationships	Game development costs	Downpayments on intangible assets	Other intangible assets	**TOTAL**
31 March 2020	**(3,052)**	**(261)**	**0**	**(2,350)**	**(9,570)**	**(58,980)**	**0**	**(843)**	**(75,056)**
Additions	(200)			(2,453)	(1,115)	(26,515)		(121)	**(30,404)**
Change in scope	(12)								**(12)**
Application of IFRS 16						12,562			**12,562**
Disposals				1,170					**1,170**
Exchange differences									**0**
31 March 2021	**(3,264)**	**(261)**	**0**	**(3,633)**	**(10,685)**	**(72,934)**	**0**	**(964)**	**(91,740)**
Additions	(422)			(2,545)	(1,132)	(24,145)		(142)	**(28,387)**
Change in scope	(402)		(385)			(403)		(127)	**(1,317)**
Transfers									**0**
Disposals	80			1,266					**1,346**
Exchange differences									**0**
31 March 2022	**(4,008)**	**(261)**	**(385)**	**(4,912)**	**(11,817)**	**(97,481)**	**0**	**(1,234)**	**(120,098)**
Net value	**1,391**	**10,533**	**2**	**12,940**	**10,854**	**117,136**	**596**	**246**	**153,698**

At 31 March 2022, 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 and the acquisition of RIG™ assets from Poly 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 indicators 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 recognised.

Game development costs are amortised over the games' expected lifetimes (currently between 1 and 4 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 provides 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 changes from year to year.

Note 3 - Property, plant and equipment

in thousands of euros	mar.2022	mar.2021
Gross value	**41,360**	**32,799**
Depreciation	(23,585)	(19,999)
Impairment		
Net value	**17,775**	**12,801**

⇨ 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 2020	**1,430**	**19,147**	**4,910**	**786**	**5,790**	**32,063**
Acquisition		1	77	151	1,764	**1,993**
Change in scope			111			**111**
Transfers					(496)	**(496)**
Disposals				(678)	(88)	**(766)**
Exchange differences			(82)		(23)	**(105)**
31 March 2021	**1,430**	**19,148**	**5,016**	**259**	**6,947**	**32,800**
Acquisition		0	635	86	1,001	**1,722**
Change in scope		5,239	1,105		770	**7,113**
Transfers						**0**
Disposals					(393)	**(393)**
Exchange differences			85		34	**118**
31 March 2022	**1,430**	**24,387**	**6,841**	**345**	**8,358**	**41,360**

Depreciation	Land	Buildings	Technical installations	Downpayments on property, plant and equipment	Other property, plant and equipment	TOTAL
31 March 2020	**0**	**(10,204)**	**(4,359)**	**0**	**(4,320)**	**(18,884)**
Additions		(916)	(253)		(572)	**(1,740)**
Change in scope			(91)			**(91)**
Transfers					496	**496**
Reversals		89			28	**116**
Exchange differences			82		22	**104**
31 March 2021	**0**	**(11,031)**	**(4,622)**	**0**	**(4,346)**	**(19,999)**
Additions		(920)	(332)		(756)	**(2,008)**
Change in scope		(261)	(946)		(735)	**(1,942)**
Transfers						**0**
Reversals		89			376	**465**
Exchange differences			(73)		(28)	**(101)**
31 March 2022	**0**	**(12,123)**	**(5,972)**	**0**	**(5,489)**	**(23,585)**
Net value	**1,430**	**12,264**	**869**	**345**	**2,869**	**17,775**

Lease-financed non-current assets:

in thousands of euros	Land	Buildings	Plant	TOTAL
Gross value	1,385	13,028	3,223	**17,636**
Depreciation		(7,252)	(3,173)	(10,425)
Net value	1,385	5,776	50	**7,211**

The properties (land and buildings) at the Lesquin and Lauwin-Planque sites have been lease-financed. The cost of the land and buildings was €14,413 thousand and depreciation has totalled €7,252 thousand, giving a net carrying amount of €7,161 thousand at 31 March 2022. For the logistics system, computerised lift trucks and shelving, the cost price was €3,223 thousand and depreciation has totalled €3,173 thousand, giving a net carrying amount of €50 thousand at 31 March 2022.

Accounting depreciation of the photovoltaic installation started on 1 October 2014.

Note 4 – Shares in associates

Since Bigben Interactive USA was wound up on 17 August 2020, no companies have been accounted for using the equity method in the financial statements.

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 2020	**0**	**1,283**	**37**	**126**	**1,446**
Acquisition		50		171	**221**
Disposals			(12)		**(12)**
Exchange differences		(6)			**(6)**
31 March 2021	**0**	**1,327**	**25**	**297**	**1,649**
Acquisition		676	1	0	**677**
Change in scope		172		1	**173**
Disposals		(31)		(95)	**(126)**
Exchange differences		10			**10**
31 March 2022	**0**	**2,154**	**26**	**203**	**2,383**

⇨ ***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 trade and other 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 2022	31 March 2021
Deferred tax assets relating to tax loss carryforwards	1,155	846
Deferred tax assets relating to temporary differences	1,716	2,759
DEFERRED TAX ASSETS	**2,871**	**3,604**

- Details by unit

in thousands of euros	1 April 2021	Change in scope	Recognised	Used	31 March 2022
Nacon SA	0		574		574
Cyanide SAS	629			(123)	507
Lunar Great Wall Studios Srl	156			(105)	51
Midgar SAS	0	99		(99)	0
Passtech SAS	0	22		(22)	0
Neopica Srl	60			(60)	0
Ishtar SAS	0		23	0	23
TOTAL TAX LOSS CARRYFORWARDS	**846**	**121**	**597**	**(409)**	**1,155**

Given the short- and medium-term taxable income of the entities concerned, all tax losses (which can be carried forward indefinitely) have been recognised.

Deferred tax assets relating to temporary differences derive chiefly from amortisation of video game development costs.

See also Note 1 concerning deferred tax assets related to the acquisitions of companies acquired during the 2021/22 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.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amount of assets and liabilities and their tax base. 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 enacted or substantively enacted 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

	Gaming	Mobile	AudioVideo	31 March 2022	31 March 2021
Gross value	**45,105**	**44,220**	**18,138**	**107,463**	**88,704**
of which physical inventories	40,153	43,701	18,138	**101,992**	84,986
of which goods in transit	4,952	519	0	**5,471**	3,717
Impairment loss	(12,224)	(11,855)	(2,339)	(26,418)	(22,920)
Net value	**32,881**	**32,365**	**15,799**	**81,045**	**65,784**

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 the Group 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 2022	31 March 2021
Trade receivables and notes	67,705	73,684
Impairment losses for doubtful receivables	(1,558)	(1,205)
TOTAL TRADE RECEIVABLES	**66,147**	**72,479**

The temporary increase or decrease in receivables at the end of the financial year was caused by the level of sales towards the end of year linked to product releases.

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 2022 were included in the "Trade receivables and notes" item. They amounted to €12.4 million (versus €10.8 million at 31 March 2021). 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.

- <u>Client concentration:</u>

The Group's largest client accounted for 6.9% of its consolidated revenue in 2021/22 (8.9% in 2020/21).

- <u>Trade receivables:</u>

in thousands of euros	31 March 2022	
Trade receivables not due	**54,386**	**82%**
Trade receivables due	**11,761**	**18%**
Less than 30 days	7,847	67%
30 to 60 days	748	6%
60 to 90 days	1,264	11%
90 to 120 days	503	4%
Over 120 days	1,314	11%
Doubtful receivables	85	1%
Trade receivables and notes	**66,147**	

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.

⇨ ***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 2019, 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 2022	31 March 2021
Central and local government (excluding income tax)(1)	10,196	5,737
Personnel	193	304
Credits receivable from suppliers	2,882	3,333
Prepaid expenses	3,935	2,279
Advances and downpayments on orders	5,000	3,895
Shareholder loans	183	
Miscellaneous receivables	625	385
TOTAL	**23,015**	**15,933**

(1) Bigben Connected tax inspection

Bigben Connected SAS was subject to an inspection by the tax authorities covering the period from 1 January 2011 to 31 March 2013. A reassessment proposal was received on 28 December 2015. Bigben Connected responded to the tax authorities on 26 February 2016, within the permitted timeframe, disputing most of the proposed reassessments.

Some of the reassessments have since been partially or fully abandoned 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 case was heard by the Lille Administrative Court following the rejection of the claim by the DVNI on 31 July 2018. During the 2020/21 financial year, the Company outlined its position to the tax authorities in written submissions. After the Lille Administrative Court dismissed its arguments in a ruling on 28 October 2021, the Company paid €5.5 million to the tax authorities in late 2021, including late-payment interest and pressed ahead with its claim to assert its rights by challenging this ruling through submissions to the Douai Administrative Appeal Court in December 2021. In parallel to this €5.5 million cash outflow, the Company recorded a tax receivable in an identical amount in the second half of the 2021/22 financial year. A provision was set aside against this tax receivable at 31 March 2022 to reflect the maximum risk of non-payment based on management's best estimate, in line with the applicable accounting rules.

Based on the evidence in the case file and the advice given by the Company's advisors and recent judgements in similar cases at European level, management is nonetheless confident it will eventually be able to resolve this tax dispute without any financial loss for the Group.

Reconciliation of changes in trade and other operating receivables with cash flows in the year ended 31 March 2022:

	2021/22	2020/21
Change in trade and other operating receivables on the balance sheet	1,534	7,060
Changes related to entries into the scope	-10,150	216
Net cash flows – Trade and other operating receivables	**-8,616**	7,276

Note 10 – Net cash and cash equivalents

in thousands of euros	31 March 2022	31 March 2021
Bank facilities	(3,212)	(2,637)
Marketable securities	600	600
Cash and cash equivalents	125,847	177,234
Net cash and cash equivalents	**123,235**	**175,197**

Cash at 31 March 2022 mainly consists of

- €63 million held by Nacon SA
- €27 million at Bigben Interactive SA from the proceeds raised from the February 2021 issue of Bigben bonds exchangeable into shares of its Nacon SA subsidiary.
    - €15 million has been invested in a progressive-rate term account for 18 months. The deposit matures on 19 August 2022.
    - If some or all of the money is withdrawn early, the interest rate is reduced to that applicable in the prior period.

⇨ ***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, 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	1 April 2021	Additions	Uses	Reversals	OCI - Actuarial gains and losses and impact of IAS 19* amendments	Change in scope	31 March 2022
Provisions for retirement benefit obligations and similar	1,412	0		(202)	(141)	148	1,217
TOTAL	**1,412**	**0**	**0**	**(202)**	**(141)**	**148**	**1,217**

in thousands of euros	1 April 2020	Additions	Uses	Reversals	OCI - Actuarial gains and losses	Change in scope	31 March 2021
Provisions for retirement benefit obligations and similar	962	375		(25)	100		1,412
TOTAL	**962**	**375**	**0**	**(25)**	**100**	**0**	**1,412**

*The impact of applying the amendment to IAS 19 was negative €94 thousand.

Only French companies set aside provisions to cover employee benefits and related obligations.
Only the group's French companies run defined-benefit pension plans.

The following assumptions are used to measure obligations arising at these companies in France:

Assumptions used	31 March 2022	31 March 2021
Discount rate	1.77%	0.86%
Turnover	7% to 13%	7% to 8.3%
Mortality rates	TF & TH 00.02	TF & TH 00.02
Rate of salary increase		

Managers	*1 to 3%*	*2.0%*
Supervisory staff	*1 to 3%*	*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", under 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 salary increases and staff turnover.*

Those measurements are made every year for the main plans.

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 – Financial liabilities by category

Long-term and short-term financial liabilities

in thousands of euros	TOTAL	Maturity date Less than 1 year	Maturity date Between 1 and 5 years	Maturity date Over 5 years
Total financial liabilities at 31 March 2022	**180,143**	**30,988**	**145,812**	**3,343**
Bank loans that were long-term at inception	93,891	27,735	62,813	3,343
Bonds exchangeable into shares	79,455		79,455	
Derivative component of bond borrowings	3,044		3,044	
Finance lease liabilities	1,486	985	501	
Bank facilities	3,212	3,212		
Interest paid	(945)	(945)		
Total financial liabilities at 31 March 2021	**145,625**	**22,591**	**122,783**	**250**
Bank loans that were long-term at inception	55,438	18,888	36,300	250
Bonds exchangeable into shares	77,019		77,019	
Derivative component of bond borrowings	7,979		7,979	
Finance lease liabilities	2,513	1,027	1,486	
Bank facilities	2,637	2,637		
Interest paid	39	39		

⇨ ***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.

The bonds exchangeable into Nacon shares have a conventional financial liability component and a derivative instrument component insofar as the exchange option does not necessarily provide for the redemption of the instrument for a fixed number of equity instruments.
The financial liability component reflects the financial liability arising from the contractual obligation to deliver cash without the exchange option. This component reflects the par value of the bonds issued minus the fair value at inception of the derivatives component. The financial liability is then recognised at amortised cost.
In this situation, the derivatives component is an instrument measured at fair value through profit or loss.
Transaction fees are allocated on a pro rata basis to each component. The portion of fees allotted to the financial liability component is recognised under the effective interest rate method.
The portion of fees allotted to the derivatives component is recognised immediately under financial expenses in the income statement.

▶ Bank loans

Nacon

The borrowings arranged by Bigben Interactive prior to 1 October 2019 and relating to the development of its Gaming business were transferred to Nacon as part of the 31 October 2019 spin-off, with retroactive effect from 1 October 2019.

Medium-term bank loans totalling €35.0 million were arranged between 1 April 2019 and 31 March 2020, 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. For just one of those loans, the Bigben Group undertook to meet an annual financial covenant based on a leverage ratio.

At 31 March 2022, the financial ratios concerned (interest cover and net leverage ratio) were met (see Note 29).

In 2021/22, Nacon arranged €52.5 million in new five-year loans. One of the borrowings with a €7.5 million nominal carries a 2-year repayment holiday. These new loans are not subject to any covenants and carry interest rates of less than 1%.

Bigben–Audio/Telco

French state-guaranteed loans

In May and June 2020, the Bigben Group arranged two new state-guaranteed loans totalling €15 million from three banks to cover the Audio/Telco's working capital requirement, which was affected by the Covid-19 pandemic. Following the issue of exchangeable bonds, raising €87.3 million for Bigben Interactive SA in the previous year, €12.5 million of these two state-guaranteed loans were repaid early in March 2021. That left only €2.5 million to be repaid in June 2021.

- Issue of Bigben bonds exchangeable into shares of its Nacon SA subsidiary

On 19 February 2021, the Company issued €87.3 million in senior bonds (ISIN: FR0014001WC2) due 2026, conditionally guaranteed and exchangeable into existing ordinary Nacon shares (the "**Bonds**").

These bonds carry a coupon payable annually of 1.125% and will be redeemed at 103% of their unit par value, representing a yield to maturity of 1.7024%.

The Bonds are exchangeable from the issue date of the Bonds (inclusive) through to the 51st business day prior to the maturity date or, in the event of the early repayment at the Company's discretion, the 10th business day preceding the relevant redemption date.

In the event of an exchange, the Company shall have the option of paying an amount in cash, delivering the Nacon SA shares or a combination of both. The exchange price shall be subject to the customary adjustments in accordance with the terms and conditions of the Bonds (the "**Terms and Conditions**").

The Bonds may be redeemed prior to maturity at the Company's discretion or at the discretion of the bondholders subject to certain conditions. In particular, the Company shall have the option of repaying the full amount, but not just a portion, of the Bonds in issue at the Redemption Value plus any accrued interest not yet paid in accordance with the Terms and Conditions (i) from 11 March 2024 up to the maturity date (exclusive) if the arithmetic mean of the product of the average share price weighted by trading volumes of the Nacon SA shares on the Euronext Paris market and the share allotment ratio per Bond in force (to be calculated over a 20-trading day period to be chosen by the Company from among 40 consecutive stock market trading days ending on (and including) the trading day preceding publication of the notice of early repayment) exceeds €130,000, or (ii) if less than 15% of the total nominal amount of the Bonds initially issued (including any fungible Bonds) remain outstanding.

In the event of a change of control of the Company or of Nacon SA, the occurrence of a liquidity event or the delisting of the Nacon SA shares (as these terms are defined in the Terms and Conditions), all Bondholders shall have the option of requiring the Company to repay all or some of their Bonds at the Redemption Value plus any accrued interest not yet paid.

- Finance lease liabilities

These are borrowings recognised in relation to lease financing. 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 characteristics of these leases, Bigben Interactive owns the site for IFRS purposes.

Reconciliation of changes in liabilities with cash flow from financing activities

	Liabilities			Equity		
	Bank overdrafts	Other borrowings	Liabilities linked to finance leases	Share capital/Share premiums	Reserves	Total
Total at 31 March 2021	**2,637**	**146,537**	**6,204**	**83,379**	**169,688**	**408,445**
Changes related to cash flow from financing activities						
Capital increase					0	0
Cash inflows from borrowings		54,856				54,856
Repayment of borrowings		(18,105)	(1,027)			(19,132)
Change in lease liabilities (IFRS 16)			(3,639)			(3,639)
Dividends paid to the parent company's shareholders					(5,830)	(5,830)
Own shares repurchased and resold					(15,734)	(15,734)
Interest paid		(4,465)				(4,465)
Total changes related to cash flow from financing activities		**32,287**	**(4,666)**	**0**	**(21,564)**	**6,056**
Changes linked to gaining or losing control of subsidiaries		201				201
Impact of changes in exchange rates					1,899	1,899
Changes in fair value						0
Other changes						0
Related to liabilities						0
Changes in bank overdrafts	575					575
New finance leases						0
Change in lease liabilities (IFRS 16)			4,803			4,803
Accrued interest		4,463				4,463
Total other changes related to liabilities	**575**	**4,664**	**4,803**	**0**	**1,899**	**11,941**
Total other changes related to equity				**(12,670)**	**12,661**	**(9)**
Balance at 31 March 2022	**3,212**	**183,489**	**6,340**	**70,708**	**162,684**	**426,433**

- ***Lease liabilities***

Current and non-current lease liabilities

These are lease liabilities arising from application of IFRS 16.

in thousands of euros	31 March 2021	Change	31 March 2022
Lease liabilities	**9,754**	**3,143**	**12,898**
of which current portion	*2,362*	*910*	*3,272*
of which non-current portion	*7,392*	*2,234*	*9,626*

Note 13 – Deferred tax liabilities

Deferred tax liabilities chiefly comprise temporary differences arising on trademarks and customer relationships recognised as a result of acquisitions.

Deferred tax liabilities correspond mainly to the balance at 31 March 2022 of deferred tax recognised on "Mobile Accessories" customer relationships in relation to the ModeLabs acquisition.

The increase in non-current deferred taxes reflects the tax treatment of the bonds.

See also Note 1 concerning deferred tax liabilities related to the acquisitions of development studios.

⇨ ***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 base. 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 enacted or substantively enacted 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

in thousands of euros	1 April 2021	Change in scope	Additions	Reversals		Exchange differences	Other	31 March 2022
				used	unused			
Non-current	**1,757**	**148**			**(688)**			**1,217**
Provisions for contingencies	**345**				(345)			
- workforce-related								
- tax-related	*345*				*(345)*			
Provisions for losses - other								
Provisions for pension liabilities	**1,412**	148			(344)			**1,217**
Current	**577**		**500**	**(28)**				**1,049**
Provisions for contingencies	**577**							**1,049**
- commercial	***(0)***		*500*					***500***
- workforce-related	***47***			*(28)*				***19***
- other	***530***							***530***
Provisions for losses - other								
TOTAL	**2,334**	**148**	**500**	**(28)**	**(688)**			**2,266**

	1 April 2020	Change in scope	Additions	Reversals		Exchange differences	Other	31 March 2021
				used	unused			
Non-current	**1,307**		**375**		**75**			**1,757**
Provisions for contingencies	**345**							**345**
- workforce-related								
- tax-related	*345*							*345*
Provisions for losses - other								
Provisions for pension liabilities	**962**		375		75			**1,412**
Current	**564**		**13**					**577**
Provisions for contingencies	**564**							**577**
- commercial	***(0)***							***(0)***
- workforce-related	***34***		*13*					***47***
- other	***530***							***530***
Provisions for losses - other								
TOTAL	**1,870**		**388**		**75**			**2,334**

- 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 very protracted proceedings, the probability and potential amount of any outflow of resources cannot be estimated.

However, in 2015, a French court ordered Nacon to pay €530 thousand on the ground of unfair competition. A provision for that amount was set aside at 31 March 2015.

No additional provisions were set aside in the Group's financial statements at 31 March 2022 and at 31 March 2021.

- Other proceedings

The Nacon Group has also commenced other proceedings against some of its suppliers and competitors, which may be resolved in its favour:

- 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 argued in its defence filed in April 2018 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.
- Nacon SA is in dispute with a licensing company concerning the latter's unjustified decision to block the release of a video game. Nacon took legal action to have the licensing company's decision to block the release declared improper and unfounded and to have it ordered to pay compensation to remedy the loss incurred by Nacon SA and its studio.
- 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.

A €500 thousand contingency provision was set aside in the Group's financial statements at 31 March 2022.

- Bigben Interactive 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 transferred to Nacon SA on 1 October 2019. A reassessment proposal was received on 2 March 2020. Bigben Interactive SA responded in

October 2020 to the tax authorities within the timeframe allowed within the context of the Covid-19 crisis, disputing most of the proposed reassessments. A settlement was agreed in April 2021 by Bigben Interactive SA with the tax authorities under which no additional corporate income tax was payable.

⇨ ***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 constructive 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 2022	31 March 2021
Central and local government (excluding income tax)	4,707	4,921
Employees and social security agencies	7,524	7,283
Client discounts and trade payables	15,916	10,774
Derivative financial instruments	4	312
Liabilities relating to non-current assets	340	280
Current accounts in credit	444	0
Prepaid income	1,461	1,430
Miscellaneous creditors	1,257	1,000
TOTAL	**31,652**	**25,999**

Fair value of derivative financial instruments: see Notes 33 and 34.

Reconciliation of changes in operating liabilities with cash flows in the year ended 31 March 2022:

	2021/22	2020/21
Change in operating liabilities on the balance sheet	-2,042	-1,036
Change in liabilities related to acquisitions of subsidiaries	-3,500	600
Changes related to entries into the scope	-9,409	1,280
Net cash flows – operating liabilities	**-14,950**	**845**

Note 16 – Equity

Number of shares

Number of shares at 31 March 2020	**19,718,503**
Payment of dividends in shares	
Capital increase	
Bonus shares issued	251,155
Number of shares at 31 March 2021	**19,969,658**
Payment of dividends in shares	
Capital increase	
Reduction in share capital (cancellation of shares held in treasury)	(702,849)
Bonus shares issued	113,675
Number of shares at 31 March 2022	**19,380,484**

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.

Own shares

Liquidity agreement

Another liquidity agreement was formed in 2018/19 with ODDO BHF SCA. This second agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 January 2019. It replaced and superseded from that date the previous liquidity agreement put in place with Oddo & Cie effective 1 December 2010. The signature of the second liquidity agreement followed on from the 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.

Bigben share buyback/treasury share cancellation programmes

First Bigben share buyback programme - closed - shares cancelled

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 1 March 2021. Implementation of a share buyback programme began on 2 March 2021.

The Combined Shareholders' General Meeting of 30 July 2020 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,996,965 shares, with buybacks capped at a total amount of €10 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting of €28 per share, the Board decided that the unit purchase price of shares could not exceed at any time a multiple of 2.90x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 1 March 2021 were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2020 (Twenty-fifth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives were as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 2 March 2021 for an initial period expiring no later than 30 July 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given an initial mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2020, that is ending on 29 January 2022.

Between 2 March 2021 and 17 June 2021, 513,870 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €10 million (250,319 shares for an aggregate amount of €4,983,954 in the 2020/21 financial year).

On 1 July 2021, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2020 under its Twenty-fifth resolution, decided to reduce the Company's share capital by cancelling 513,870 shares held in treasury, representing around 2.57% of Bigben Interactive's share capital.

Second Bigben share buyback programme - closed - shares cancelled

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 8 September 2021. Implementation of a share buyback programme began on 9 September 2021.

The Combined Shareholders' General Meeting of 30 July 2021 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,945,578 shares, with buybacks capped at a total amount of €40 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting, the Board decided that the unit purchase price of shares may not exceed at any time a multiple of 3.0x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 8 September 2021 were identical to those of the first share buyback programme, which were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2021 (Twenty-ninth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives were as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 9 September 2021 for an initial period expiring no later than 31 December 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a second mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2021, that is ending on 29 December 2023.

Between 9 September 2021 and 31 December 2021, 188,979 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €2,897,485.

On 6 January 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021 under its Twenty-ninth resolution, decided to reduce the Company's share capital by cancelling 188,979 shares held in treasury.

At 6 January 2022, following the two reductions in the share capital on 1 July 2021 and 6 January 2022, the Company had cancelled around 3.59% of its share capital. As provided for in Article L. 22-10-62 of the French Commercial Code, the Company was in a position to cancel up to 1,241,987 more shares, or around 6.41% of its share capital by 30 June 2023.

Third Bigben share buyback programme – in progress

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 6 January 2022. Implementation of a share buyback programme began on 7 January 2022.

The Combined Shareholders' General Meeting of 30 July 2021 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,938,048 shares, with buybacks capped at a total amount of €40 million.

Without exceeding the maximum price set by the Combined Shareholders' General Meeting of 30 July 2021 at €35 per share, the Board of Directors decided to set the unit price for buying back shares at €19, it being specified that the buyback price could be raised to €25 per share provided that the ratios between the share price of Nacon shares (ISIN: FR0013482791) and that of the Company's shares are complied with. In any event, the unit buyback price for the Company's shares may not exceed €25 at any time.

Objective

The objectives of the buyback programme launched by the Board of Directors on 6 January 2022 were identical to those of the first two share buyback programmes, which were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2021 (Twenty-ninth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives are as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 7 January 2022 for an initial period expiring no later than 20 July 2022, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a third mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2021, that is ending on 29 January 2023.

Between 7 September 2022 and 31 March 2022, 458,602 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €7,371,872.

The following tables show the purchases and sales under these two agreements:

Period	Balance at start of period	Purchases	Cancellation	Sales	Balance at end of period
31 Mar. 2020 - 31 Mar. 2021	**21,528**	403,901		165,460	**259,969**
31 Mar. 2021 - 31 Mar. 2022	**259,969**	1,131,553	702,849	214,189	**474,484**

Period	Purchases	Sales
31 Mar. 2020 - 31 Mar. 2021	18.1728	15.2724
31 Mar. 2021 - 31 Mar. 2022	16.7050	16.4452

- Special appropriated earnings reserve

A special appropriated earnings reserve was set up for shares held in treasury under the liquidity agreement.

Since 2016, a special appropriated earnings reserve has also been set up to cover the issue of new shares through the capitalisation of reserves for the definitive vesting of these bonus shares with each initial grant under bonus share plans. Deductions are made from this special appropriated earnings reserve to reflect the actual number of shares vested and issued.
This reserve stood at €309 thousand at 31 March 2022 (versus €431 thousand at 31 March 2021).

2.4.2 Additional notes to the income statement

- **Note 17 – Revenue**

- Revenue by product category

in thousands of euros		12-month total		Contribution	
		2021/22	2020/21	2021/22	2020/21
Revenue		**275,711**	**292,833**	**100%**	**100%**
of which	*Gaming*	151,384	172,281	55%	59%
	Mobile	92,530	89,471	34%	31%
	Audio	31,797	31,082	12%	11%

In 2021/22, Gaming revenue comprised €96.8 million from Gaming Accessories and €54.5 million from Video Games (physical and digital). In 2020/21, Gaming Accessories revenue totalled €103.2 million and Video Games revenue €69.0 million.

- Revenue by business segments

in thousands of euros	2021/22			
	Gaming	Mobile	AudioVideo	Group
Total revenue	**151,384**	**92,530**	**31,797**	**275,711**
Bigben–Audio/Telco	369	91,155	28,275	**119,799**
Nacon–Gaming	151,015	1,375	3,522	**155,912**

in thousands of euros	2020/21			
	Gaming	Mobile	Audio	Group
Total revenue	**172,281**	**89,471**	**31,082**	**292,833**
Bigben–Audio/Telco	122	87,940	26,937	**114,999**
Nacon–Gaming	172,158	1,531	4,145	**177,834**

relative contribution per segment	2021/22			
	Gaming	Mobile	AudioVideo	Group
Total revenue	**55%**	**34%**	**12%**	**100%**
Bigben–Audio/Telco	0%	99%	89%	**43%**
Nacon–Gaming	100%	1%	11%	**57%**

relative contribution per segment	2020/21			
	Gaming	Mobile	Audio	Group
Total revenue	**59%**	**31%**	**11%**	**100%**
Bigben–Audio/Telco	0%	98%	87%	**39%**
Nacon–Gaming	100%	2%	13%	**61%**

Given the way in which the distribution subsidiaries were carved out in the 31 October 2019 spin-off from Bigben Interactive to Nacon effective 1 October 2019, the Nacon–Gaming segment still includes a very small amount of non-Gaming revenue and the AudiovID2O/Telco segment still includes some non-Audio/Mobile revenue.

- Breakdown of revenue by geographical zone

in thousands of euros		12-month total		Contribution	
		2021/22	2020/21	2021/22	2020/21
Revenue		**275,711**	**292,833**	**100.0%**	**100.0%**
of which	*France*	126,402	133,557	45.8%	45.6%
	Export	149,308	159,276	54.2%	54.4%

Export revenue by geographical zone	149,308	159,277	100.0%	100.0%
Europe	83,124	90,978	55.7%	57.1%
North America	46,963	50,749	31.5%	31.9%
Asia	18,777	17,169	12.6%	10.8%
Africa	444	381	0.3%	0.2%

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 of Audio/Telco products: Revenue generated by sales of physical video games, 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 from 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. At the end of the period, the Company estimates the royalty revenue not yet invoiced 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 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 used

in thousands of euros	2021/22	2020/21
Goods held for resale	(181,736)	(170,731)
Change in inventories of goods held for resale	18,759	1,685
Change in impairment	(3,498)	(1,955)
TOTAL	**(166,475)**	**(171,001)**

in thousands of euros	2021/22	2020/21
Provisions for impairment of inventories	(26,418)	(22,920)

Purchases used encompass:

- For the AudioVideo/Telco business, the cost of sales of Audio/Telco products;
- For the Gaming business: purchases used include the cost of producing physical games and the cost of sales relating to gaming accessories.

The change in impairment consists of the change in additions to impairment on inventories.

Note that as digital sales of video games ramp up, the proportion of total revenue accounted for by purchases used is declining.

Note 19 – Other operating revenue

in thousands of euros	2021/22	2020/21
Subsidies	30	24
Other income	1,433	839
TOTAL	**1,462**	**863**

Other income include the reversal of a provision for a receivable no longer required.

Note 20 – Other purchases and external expenses

in thousands of euros	2021/22	2020/21
Purchases not held in inventory	(1,241)	(976)
Subcontracting	(647)	(581)
Rent	(603)	(820)
Maintenance and repairs	(1,569)	(1,188)
Insurance premiums	(574)	(615)
Other external services	(67)	(84)
Fees	(5,177)	(5,310)
R&D expenses	(544)	(572)
Advertising	(7,377)	(5,984)
Transportation of goods sold	(5,851)	(5,413)
Travel costs	(1,131)	(435)
Communication costs	(1,068)	(1,198)
Bank fees and services	(412)	(326)
Other external expenses	(2,272)	(1,859)
TOTAL	**(28,532)**	**(25,363)**

The €3.2 million increase in expenses during the 2021/22 financial year chiefly reflects the reversal of a normalised level of expenses in the aftermath of the Covid-19 pandemic and the addition to the scope of multiple newly acquired companies (see Note 2.2.2).

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:
€6.2 million for the Bigben Group in the 2021/22 financial year.

See also Note 26, which covers the number of bonus shares vested or awarded to the Nacon Group's qualifying employees during the relevant period.

Note 22 – Other non-recurring operating items

The other non-recurring operating items recognised in the 2021/22 financial year chiefly consist of fees incurred on non-recurring transactions (exceptional distribution in kind, acquisitions, etc.) and provisions for litigation.

No other non-recurring operating items were recognised in 2020/21.

Note 23 – Income from associates

(see Note 4).

There was no income from associates in the 2021/22 financial year.

Note 24 – Net financial income/expense

in thousands of euros	2021/22	2020/21
Other interest and similar income	148	177
Income from the revaluation of the derivative component of the bond issue	4,935	234
FINANCIAL INCOME	5,083	411
Interest expense on medium-term funding	(3,214)	(1,377)
Finance lease expense	(287)	(256)
Other interest expense	(9)	(274)
FINANCIAL EXPENSE	(3,510)	(1,907)
NET FINANCIAL INCOME/EXPENSE EXCLUDING FOREIGN EXCHANGE GAINS/LOSSES	**1,572**	**(1,496)**
Foreign exchange gains	3,043	3,037
Foreign exchange losses	(2,522)	(4,276)
Foreign exchange gains and losses	**520**	**(1,239)**
NET FINANCIAL INCOME/EXPENSE	**2,092**	**(2,735)**

Financial income includes a €4.9 million gain on the change in the fair value of the derivative linked to the bond (measurement difference between the fair value at 31 March 2021 and the fair value at 31 March 2022).

The new bond was the main factor behind the higher financial expenses.

Derivative financial instruments were measured at €3 thousand at 31 March 2022 (versus €312 thousand at 31 March 2021 (see Note 34).

Note 25 – Income tax

in thousands of euros	2021/22	2020/21
Current tax	4,329	8,478
Deferred tax	1,211	352
Income tax expense	**5,540**	**8,830**
Tax credit	(400)	(642)
TOTAL	**5,140**	**8,187**

in thousands of euros	2021/22	2020/21
Consolidated pre-tax income, impairment losses and income from discontinued operations and associates	15,427	27,105
Tax rate applicable to BBI SA (parent company)	26.50%	28.00%
Theoretical tax	(4,088)	(7,589)
Income tax expense	(5,140)	(8,187)
Difference to be analysed	**(1,052)**	**(598)**
Income tax on permanent differences	0	326
Tax credit on charitable donations recognised in income tax	883	343
Recognition of taxes without basis	(1,816)	(1,499)
Difference in tax rates	602	372
Other	(721)	(139)
Analysed difference	**(1,052)**	**(139)**

The recognition of taxes without basis item relates to the IFRS 2 expense on bonus share plans.

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 automatically left Bigben Interactive SA's tax consolidation group.

No Nacon Group company was part of any tax consolidation group at 31 March 2020. The Nacon Group set up its own tax consolidation group in the 2020/21 financial year.

There are plans for Metronic SAS to join Bigben Interactive SA's tax consolidation group for the forthcoming 2022/23 tax 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 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	2021/22	2020/21
Net income	**10,286,408**	**18,917,379**
Weighted average number of shares before capital increase	20,080,149	19,601,658
Dilutive effect of future awards under bonus share plans*	3,980	116,950
Average number of shares after dilution	20,084,129	19,718,608
Par value of shares (in euros)	€2.00	€2.00
Basic earnings per share	**0.51**	**0.97**
Diluted earnings per share	**0.51**	**0.96**

* *According to IAS 33 (Contingently issuable shares): As for the calculation of basic earnings per share, contingently issuable ordinary shares are taken into account, if they have a dilutive impact, in the calculation of diluted earnings per share based on the number of shares to be issued, if the closing date for the period was the end of the contingency period. The conditions to be met must be satisfied at the closing date. The standards also states that the purpose of diluted earnings per share is to present earnings per share taking into account the maximum dilution, that is the maximum amount of dilutive potential ordinary shares that may be converted (IAS 33.44).*
In the spirit of this standard, the Bigben Group took into account the maximum dilutive effect of the rights to bonus shares awarded to salaried employees of the Group and potentially giving rise to the issuance of new shares (provided that the beneficiaries meet the vesting conditions).

The performance conditions of the 2021 bonus share plan were fully or partly met by all Group entities at 31 March 2022. The bonus shares will vest in the employees on 8 September 2022 subject to a presence condition. As a result, the 3,980 shares, based on the workforce at 31 March 2022, represent the maximum number of shares that could vest on 8 September 2022.

Weighted average number of shares used to calculate earnings per share

	2021/22	2020/21
Ordinary shares in issue at 1 April	19,969,658	19,718,503
Number of shares issued, adjusted on a pro rata temporis basis	63,845	143,124
Number of shares cancelled, adjusted on a pro rata temporis basis	(427,838)	0
Treasury shares	474,484	(259,969)
Number of shares at the end of year	**20,080,149**	**19,601,658**
Shares issued during the financial year	113,675	251,155
Shares cancelled during the financial year	(702,849)	0
Number of shares issued/cancelled, adjusted on a pro rata temporis basis	*(363,993)*	*143,124*

⇨ ***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.

- Bigben shares issued:

Shares issued by Bigben Interactive in 2020/21 for the benefit of Bigben Group employees and corporate officers related to the following events:

- The performance conditions of the bonus share plan initially awarded in 2020 were fully or partly met by all Group entities at 31 March 2021 by all the Group's Audio Telco entities. The definitive allotment of 113,675 bonus shares to 189 employees took place on 8 September 2021 subject to a presence condition for employees. Accordingly, 113,675 new shares were issued through the capitalisation of reserves on 8 September 2021.

The shares issued by Bigben Interactive in 2020/21 for the benefit of Bigben Group employees and corporate officers related to the following events:

- On 4 September 2020, 251,155 bonus shares vested under the 2019 bonus share plan in the employees and corporate officers of Bigben Group entities (including 218,355 shares in the employees and corporate officers of recently acquired Nacon Group entities). Since all Group entities met their performance conditions in part or in full, 251,155 new shares were issued through the capitalisation of reserves on 7 September 2020.

- Nacon shares issued:

Shares issued by Nacon in 2021/22 for the benefit of Nacon Group employees and corporate officers related to the following events:

- The performance conditions of the Nacon bonus share plan initially awarded in 2020 were fully or partly met by all Group entities at 31 March 2021 by all the Group's Audio Telco entities. The definitive allotment of 1,045,283 bonus shares to 455 employees took place on 8 September 2021 subject to a presence condition for employees. Accordingly, 1,045,283 new Nacon shares were issued through the capitalisation of reserves on 8 September 2021.

- In connection with the payment of the first earn-out payment related to Big Ant Studios Pty Ltd, Nacon also carried out on 29 September 2021 a capital increase of 337,208 shares (see 2.2.2).

The dilutive impact of these Nacon shares is thus only reflected in the Nacon Group's earnings per share figures and not in the above table, which relates solely to Bigben shares.

- 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 Bigben bonus shares awarded by the Bigben Group to Bigben Group beneficiaries:

Date of initial award of the plan	31 August 2016	31 August 2017	3 September 2018	26 November 2018	4 September 2019	7 September 2020	8 September 2021
Vesting period	1 year	1 year	1 year	1 year	1 year	1 year	1 year
Lock-up period	2 years	2 years	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	120,275	36,180
Number of shares currently awarded at 31 March 2022	140,800	143,760	198,585	19,799	251,155	113,675	n/a
Number of shares capable of being awarded at 31 March 2022	n/a	n/a	n/a	n/a	n/a	n/a	3,980
Share price on the date the plan was announced	5.05	9.72	10.62	7.72	12	14.2	12.2
Fair value per share on the award date	5.24	9.56	10.78	7.52	11.54	13.31	12.08

The vast majority of these shares have been awarded to employees and corporate officers of recently acquired Nacon Group entities.

Bonus share plan currently vesting:

Bigben bonus shares

- On 8 September 2021, Bigben Interactive SA's Board of Directors awarded 36,180 Bigben bonus shares mainly to members of staff and corporate officers of the Group's Audio/Telco entities, representing a total of 207 beneficiaries. Those shares will vest after a 1-year period again provided that an ongoing presence condition and a performance condition related to achievement of a predetermined level of recurring operating income are met. The performance conditions of the 2021 bonus share plan were fully or partly met by all the Group's Audio/Telco entities at 31 March 2021. The bonus shares will vest in the employees on 8 September 2022 subject to a presence condition. As a result, the 3,980 shares at 31 March 2022, based on the Bigben Group's workforce on the same date, represent the estimated number of shares that could vest on 8 September 2022 in Bigben Group beneficiaries.

Nacon bonus shares

Note that rights to Nacon bonus shares were also awarded:

- At its meetings on 31 May 2021 and 8 September 2021, Nacon's Board of Directors awarded 949,402 bonus shares to members of staff and corporate officers of Nacon Group entities, representing 693 beneficiaries, including 565 beneficiaries in France. The vesting of those shares is subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income. The shares will vest:
  - after one year for 512,003 shares
  - after three years for 437,399 shares.

- On 26 October 2020, Nacon SA's Board of Directors also granted 43,282 bonus shares to certain key managers of the studios newly acquired by the Nacon Group. The vesting of the shares after a 3-year period is again subject to an ongoing presence condition. The bonus shares will vest in the employees on 26 October 2023 subject to a presence condition.

- On 29 November 2021, Nacon SA's Board of Directors granted 95,850 bonus shares to certain key managers of the studios newly acquired by the Nacon Group. The vesting of the shares after a 1-year or 3-year period is subject to an ongoing presence condition. The bonus shares will vest in the employees on 26 October 2023 subject to a presence condition.

The dilutive impact of these Nacon bonus shares is thus only reflected in the Nacon Group's earnings per share figures and not in the above table, which relates solely to Bigben shares.

See also section 2.2.3.

⇨ ***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 and exceptional distributions

- **Dividend**

At the 30 July 2021 Shareholders' General Meeting, shareholders approved a dividend of €0.30 per share for the 2020/21 financial year. The ex dividend date was 2 August 2021 and the payment date was 4 August 2021. The total dividend payout was €5.8 million.

The Board of Directors decided in its 30 May 2022 meeting to put a dividend of €0.30 per share in cash with respect to the 2021/22 financial year to a vote in the Shareholders' General Meeting of 22 July 2022.

- **Exceptional distribution in kind of Nacon shares**

See also section 2.2.4.

On 4 February 2022, Bigben Interactive completed an exceptional distribution in kind in the form of Nacon shares based on a ratio of one (1) Nacon share for every five (5) Bigben shares held, the terms and conditions of which are outlined below.

Details

At 3 February 2022, Bigben Interactive held 65,097,988[25] Nacon shares, representing, based on the number of shares and voting rights making up Nacon's share capital at 14 December 2021, the date on which the transaction was originally announced, 75.44% of the share capital and 71.32% of Nacon's voting rights.

Bigben Interactive's Combined Shareholders' General Meeting of 28 January 2022 (the "Shareholders' General Meeting") approved the terms and conditions for this exceptional distribution in kind in the form of Nacon shares based on a ratio of one (1) Nacon share for every five (5) BBI shares held.

Based on the opening share price of Nacon shares on 4 February 2022 on the Euronext regulated market in Paris, that is €5.15, and the number of Nacon shares distributed, or 3,853,322, the total size of the exceptional distribution in kind is €19,844,608.30:

Upon completion of the distribution in kind, Bigben Interactive held 61,244,666 Nacon shares, or 70.97% of the share capital and 66.85% of the voting rights (based on the number of shares and voting rights making up Nacon's share capital at 4 February 2022).

The Board of Directors also decided in its 30 May 2022 meeting to put a distribution in kind based on a ratio of 1 Nacon share for every 4 Bigben shares held to a vote in the Shareholders' General Meeting of 22 July 2022.

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[25] *including 3,555,937 shares lent to BNP Paribas for hedging purposes in connection with Bigben Interactive's bond issue (please refer to Note 2.2.4 to the consolidated financial statements in the Universal Registration Document filed by Bigben Interactive on 6 July 2021 with the Autorité des Marchés Financiers under no. D.21-0687).*

Note 28 – Off-balance sheet commitments

Guarantees given

By Bigben Interactive SA:

Commitments given (in thousands of euros)	By	To	31 March 2022	31 March 2021	Purpose of the commitment
Bank guarantee	Bigben Interactive SA	HSBC Hong Kong	9,909	9,379	USD11,000 thousand bank guarantee - combined facility for Bigben Interactive HK and Nacon HK
Standalone guarantee (1)	Bigben Interactive SA	Huawei Technologies France SASU	1,300	1,300	Bigben Connected cross-guarantee
Guarantee (2)	Bigben Interactive SA	Bigben Connected	0	3,397	Bigben Connected cross-guarantee
Joint and several guarantee (3)	Bigben Interactive SA	Various financial institutions	5,663	9,879	Joint and several guarantee on loans transferred by spin-off
Joint and several guarantee (4)	Bigben Interactive SA	CIC	1,650	2,250	Joint and several guarantee provided to CIC on Nacon SA's loan (underlying loan from the EIB)
Joint and several guarantee (4)	Bigben Interactive SA	CIC	1,650	2,250	Joint and several guarantee provided to CIC on Nacon SA's loan (underlying loan from BFCM)
Bank guarantee (5)	Bigben Interactive SA	La Banque Postale (LBP)	2,860	3,853	Joint and several guarantee provided to LBP on Nacon SA's loan
Pledge (6)	Bigben Interactive SA	BNP Paribas Securities Services	18,187,500 Nacon SA shares	none	Pledge of securities account containing Nacon SA shares granted to bondholders

(1) Guarantee given by Bigben Interactive SA to Huawei for the supply of goods and/or services to Bigben Connected

(2) Note that the guarantee of the Lesquin building granted by Bigben Interactive SA on behalf of Bigben Connected pending resolution of a tax dispute was withdrawn in late 2021 following the ruling in the court of first instance.

(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.

(6) Pledge of securities account containing existing Nacon SA shares representing at all times 200% of the number of underlying Nacon shares linked to the bonds exchangeable into Nacon shares, for the benefit of bondholders.

By the Group's Nacon SA subsidiary

Commitments given (in thousands of euros)	By	To	31 March 2022	31 March 2021	Purpose of the commitment
Bank guarantee	Cyanide SAS	BRED	180	180	Pledge of Cyanide SAS business assets
Bank guarantee	Cyanide SAS	HSBC	198	198	Pledge of Cyanide SAS business assets
Bank guarantee	Nacon SA	CIC	1,250	2,250	Pledge of Cyanide SAS shares
Bank guarantee	Nacon SA	Banque Postale	1,357	2,364	Pledge of Cyanide SAS shares
Bank guarantee	Nacon SA	CIC	613	1,015	Pledge of Kylotonn SAS shares
Bank guarantee	Kylotonn SAS	HSBC	358	358	Pledge of Kylotonn SAS business assets
Bank guarantee	Nacon SA	CIC	2,000	2,800	Pledge of Spiders SAS shares
Bank guarantee	Nacon SA	BPI	408	773	Amounts withheld as security in relation to several loans taken out between 2017 and 2019

No other guarantee was granted 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, a subsidiary of Bigben Interactive SA, has arranged in the past 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 2022.

Note 30 – Financial instruments (additional information pursuant to the adoption of IFRS 7)

At 31 March 2022:

	Value by category of instruments					FAIR VALUE			
in thousands of euros	**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 inputs	Internal model with non-observable inputs	**Fair value of the class**
Equity securities	25	25						25	25
Other long-term financial assets	2,358		2,358				2,358		2,358
Non-current financial assets	**2,383**	**25**	**2,358**	**0**	**0**	0	**2,358**	**25**	**2,383**
Trade receivables	66,147		66,147				66,147		66,147
Other receivables	23,015		23,015				23,015		23,015
Cash and cash equivalents	125,847	125,847				125,847			125,847
Current financial assets	**215,008**	**125,847**	**89,161**	**0**	**0**	**125,847**	**89,161**	**0**	**215,008**
ASSETS	**217,391**	**125,872**	**91,519**	**0**	**0**	**125,847**	**91,519**	**25**	**217,391**
Long-term financial liabilities	**(149,155)**			**(3,044)**	**(146,111)**		**(146,111)**	**(3,044)**	**(149,155)**
Short-term financial liabilities	(30,988)				(30,988)	(3,212)	(27,775)		(30,988)
of which long-term borrowings	*(27,775)*				*(27,775)*		*(27,775)*		*(27,775)*
of which current bank facilities	*(3,212)*				*(3,212)*	*(3,212)*			*(3,212)*
Trade payables	(31,117)				(31,117)		(31,117)		(31,117)
Other payables	(38,152)			(4)	(38,148)		(38,152)		(38,152)
of which other current financial liabilities	*(38,148)*				*(38,148)*		*(38,148)*		*(38,148)*
of which liabilities relating to derivative instruments	*(4)*			*(4)*			*(4)*		*(4)*
Current financial liabilities	**(100,256)**	**0**	**0**	**(4)**	**(100,253)**	**(3,212)**	**(97,044)**	**0**	**(100,256)**
LIABILITIES	**(249,411)**	**0**	**0**	**(3,047)**	**(246,364)**	**(3,212)**	**(243,156)**	**(3,044)**	**(249,411)**

At 31 March 2021:

	Value by category of instruments					FAIR VALUE			
in thousands of euros	**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 inputs	Internal model with non-observable inputs	**Fair value of the class**
Equity securities	25	25						25	25
Other long-term financial assets	1,624		1,624				1,624		1,624
Non-current financial assets	**1,649**	**25**	**1,624**	**0**	**0**	0	**1,624**	**25**	**1,649**
Trade receivables	72,479		72,479				72,479		72,479
Other receivables	15,933		15,933				15,933		15,933
Cash and cash equivalents	177,234	177,234				177,234			177,234
Current financial assets	**265,646**	**177,234**	**88,412**	**0**	**0**	**177,234**	**88,412**	**0**	**265,646**
ASSETS	**267,295**	**177,259**	**90,036**	**0**	**0**	**177,234**	**90,036**	**25**	**267,295**
Long-term financial liabilities	**(123,033)**			**(7,979)**	**(115,055)**		**(115,055)**	**(7,979)**	**(123,033)**
Short-term financial liabilities	(22,591)				(22,591)	(2,637)	(19,954)		(22,591)
of which long-term borrowings	*(19,954)*				*(19,954)*		*(19,954)*		*(19,954)*
of which current bank facilities	*(2,637)*				*(2,637)*	*(2,637)*			*(2,637)*
Trade payables	(35,137)				(35,137)		(35,137)		(35,137)
Other payables	(28,999)			(2,712)	(26,287)		(28,999)		(28,999)
of which other current financial liabilities	*(28,687)*			*(2,400)*	*(26,287)*		*(28,687)*		*(28,687)*
of which liabilities relating to derivative instruments	*(312)*			*(312)*			*(312)*		*(312)*
Current financial liabilities	**(86,728)**	**0**	**0**	**(2,712)**	**(84,016)**	**(2,637)**	**(84,091)**	**0**	**(86,728)**
LIABILITIES	**(209,761)**	**0**	**0**	**(10,690)**	**(199,071)**	**(2,637)**	**(199,145)**	**(7,979)**	**(209,761)**

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 inputs estimated by the Group in the absence of observable data or quoted prices (level 3).

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.

Fair values determined using models including inputs used by the Group (level 3)
The fair value of level 3 financial assets and liabilities is determined by the Group using measurement methods drawing on valuation techniques based on non-observable inputs (inputs with a value not resulting from assumptions based on observable transaction prices in markets in the same instrument or on observable market data available at the closing date) or only to a limited extent.
For the Group, it applies to the bonds exchangeable into Nacon shares.

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 due), the contractual schedule of nominal and interest payments, excluding the discounting effect.

31 March 2022

in thousands of euros	YEAR						TOTAL
	Less than 1 year	from 1 to 2 years	from 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 years and over	
Borrowings and debt	27,735	21,570	17,517	102,594	11,050	3,343	183,810
Finance leases	985	501					1,486
Lease liabilities	3,011	3,224	1,881	1,530	1,276	1,973	12,895
Total financial liabilities	**31,732**	**25,294**	**19,398**	**104,124**	**12,326**	**5,316**	**198,190**

The above tables at 31 March 2021 and 2022 were prepared based on the assumption that the bonds exchangeable into Nacon shares would be repaid in cash at maturity without factoring in invocation of the option of exchanging the bonds for shares.

Note 32 – Breakdown of debt by maturity and type

At 31 March 2022:

in thousands of euros	YEAR						TOTAL
	Less than 1 year	from 1 to 2 years	from 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 years and over	
Fixed rate	28,720	22,070	17,517	102,594	11,050	3,343	**185,295**
%/total 1	15%	12%	9%	55%	6%	2%	**100%**
Floating rate							**0**
%/total 2	0%	0%	0%	0%	0%	0%	**0%**
TOTAL	**28,720**	**22,070**	**17,517**	**102,594**	**11,050**	**3,343**	**185,295**

in thousands of euros	Less than 1 year	More than 1 year	TOTAL
Trade payables	31,117		**31,117**
Other payables	31,652		**31,652**
Current tax liabilities	3,918		**3,918**
TOTAL	**66,686**	**0**	**66,686**

At 31 March 2021:

in thousands of euros	YEAR						TOTAL
	Less than 1 year	from 1 to 2 years	from 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 years and over	
Fixed rate	19,916	17,258	11,704	6,888	91,855	250	**147,870**
%/total 1	13%	12%	8%	5%	62%	0%	**100%**
Floating rate							**0**
%/total 2	0%	0%	0%	0%	0%	0%	**0%**
TOTAL	**19,916**	**17,258**	**11,704**	**6,888**	**91,855**	**250**	**147,870**

in thousands of euros	Less than 1 year	More than 1 year	TOTAL
Trade payables	35,137		**35,137**
Other payables	25,999	3,000	**28,999**
Current tax liabilities	7,592		**7,592**
TOTAL	**68,728**	**3,000**	**71,728**

"Other payables" liabilities due in more than one year consisted in 2020/21 of earn-out liabilities recognised on acquisitions of development studios.

Note 33 – Exchange-rate risk on supplies

Most of the exchange-rate 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 gaming accessories purchased by Nacon SA from its Nacon Hong Kong Ltd subsidiary.

in thousands of euros	31 March 2022	31 March 2021
Purchases made by subsidiaries from Bigben and Nacon Hong Kong		
Bigben Interactive SA	(5,080)	(7,261)
Bigben Connected SAS	(22,464)	(23,268)
Nacon SA	(34,769)	(29,047)
TOTAL	**(62,312)**	**(59,576)**
Sensitivity to the USD exchange rate		
+10% = benefit	(5,310)	(5,020)
-10% = additional cost	6,491	6,143

⇨ ***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.

Exchange-rate risk

While most of the Group's sales are in euros, a large proportion of its purchases are denominated in USD, which creates exchange-rate risk for the Group. As part of its exchange-rate risk management, the Group has purchased complex derivative financial instruments (see Note 34).
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 – Derivative financial instruments

At 31 March 2022, the Company held a number of FX TARN 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 spot and forward rates in return for uncertainty about the total amount of USD that may be accumulated. In the event of a large 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 and cause foreign exchange losses to be recognised on these instruments.

The following table shows the positions at 31 March 2022:

								At 31 March 2022, in thousands				
Type of contract	Currency	Position	Status	Arrangement date	Maturity date	Nominal in foreign currencies (thousands)	Strike	Amount accumulated in foreign currencies	Amount raised in foreign currencies	Amount accumulated net of funds raised in foreign currencies	Maximum amount to be accumulated in foreign currencies	Mark-to-market value in EUR
TARN	CNY	Purchase	Asset	7 January 2022	6 January 2023	104,000	7.4025	11,000	11,000	0	82,000	-7
TARN	GBP	Sale	Asset	1 February 2022	31 January 2023	5,300	0.821	450	450	0	4,400	4
												-3

Valuation:

The mark-to-market value of these financial instruments was €3 thousand at 31 March 2022, compared with €312 thousand at 31 March 2021.

Sensitivity:

Commitments linked to the CNH financial instrument cover at most 72% of the needs. Commitments linked to the GBP financial instrument cover at most 85% of the needs. There is no risk of overexposure.

⇨ ***Accounting principle - Derivative financial instruments***

Derivatives are accounted for initially at fair value: attributable transaction costs are expensed as they are incurred. Since no derivatives were designated as a hedging instrument, the derivatives are measured, after initial recognition, at fair value, and the resulting gains and losses are recognised immediately in profit or loss.

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 the 2016/17 financial year, the Group used swap-type derivative instruments to fix the interest rate on part of its debts, but no interest-rate hedges are in place now.

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	72,479	(6,332)	66,147
Contract liabilities	12,204	5,173	17,377

Contract assets at 31 March 2022 consisted of:
- €6,240 thousand of invoices not yet raised
- €59,907 thousand of trade receivables net of provisions.

Contract liabilities at 31 March 2022 arose in the 2021/22 financial year and consisted of:
- €13,773 thousand of client discounts payable
- €1,461 thousand of prepaid income
- €2,143 thousand in advances and payments on account received.

Contract assets at 31 March 2021 consisted of:
- €8,481 thousand of invoices not yet raised;
- €63,998 thousand of trade receivables net of provisions.

Contract liabilities at 31 March 2021 arose in the 2020/21 financial year and consisted of:
- €10,774 thousand of client discounts payable;
- €1,430 thousand of prepaid income.

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 goods held for resale.

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 AudioVideo/Telco entities:

- supplying Bigben Interactive SA with Audio products and Bigben Connected SAS with Mobile accessories from 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.

- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Bigben Connected SAS and its subsidiaries. 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 charged by outside service providers;

- A cash management agreement has also been formed between Bigben Connected SAS and Bigben Connected Polska, enabling them to carry out cash management 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.

- A cash management agreement between Bigben Interactive SA and Metronic SAS, 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.

- 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 to Nacon SA by 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.

- A cash management agreement was put in place between Kylotonn SAS and Nacon SA, 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.

- A cash management agreement between Nacon Gaming Inc. and Nacon SA, 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 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 charged by outside service providers;

- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Bigben Interactive Belgium at a rate of 2.5% of gross revenue before any price reduction or discount, taking any returns into account. 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 charged by outside service providers;

- To a lesser extent, the supply of
    - Audio products by Bigben Interactive SA to certain Nacon SA subsidiaries[26] 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.);
    - Sales for those distribution subsidiaries at 31 March 2022: amounted to €4.9 million, or 3.1% of the Nacon Group's full-year revenue (versus €5.7 million or 3.2% of Nacon Group's full-year revenue in 2020/21),

- 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 SA and Bigben Connected SAS, 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.

- 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.

- A cash management agreement between Bigben Interactive SA and Metronic SAS, 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.

Transactions with corporate officers or Executive Committee members

▶ Remuneration of Bigben Interactive SA's corporate officers

The remuneration of Bigben Interactive SA's five corporate officers in respect of their roles at all Bigben Group entities is summarised below:

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[26] 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.

in thousands of euros	Short-term benefits	Provisions for retirement benefits[1]	Share-based payments	Termination benefits	Special supplementary pension plan
2020/21	1,023	3	1,689		
2021/22	1,019	0	27		

[1] *Post-employment benefits*

Remuneration of Bigben Interactive SA's Executive Committee

The Bigben Interactive SA Group's Executive Committee now 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's and COO's remuneration is 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	Special supplementary pension plan
2020/21	660	8	1,258		
2021/22	624	(2)	30		

[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 2019/20 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. 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 2021.

Transaction with key executives and directors

<u>Transactions with executive officers</u>

An employment contract was formed between Nacon SA, a subsidiary of Bigben Interactive SA, and Laurent Honoret for his role as Head of Strategy and Business Development. That employment contract is in addition to his role as a corporate officer in Nacon SA as authorised in accordance with recommendation 15 of the Middlenext Code.

The employment contract represents a regulated agreement for Nacon SA that was authorised by the Board of Directors on 27 April 2020 and took effect on 2 May 2020.

2.4.5 Statutory auditors' fees

in thousands of euros	31 March 2022			31 March 2021		
Statutory auditors' fees	**KPMG**	**FMA**	**Other firms**	**KPMG**	**FMA**	**Other firms**
Audit of the financial statements	**255**	**162**	**239**	**263**	**170**	**174**
Issuer [(1)]	150	150	0	164	156	0
Fully consolidated companies	105	12	239	99	14	174
Non-audit services	**6**	**3**	**89**	**17**	**1**	**29**
Issuer	6	3	0	17	1	0
Fully consolidated companies	0	0	89	0	0	29
Other services	0	0	0	0	0	0
TOTAL	**261**	**165**	**328**	**279**	**171**	**203**

[(1)] including Nacon SA audit fees.

The above fees for the 2021/22 and 2020/21 financial years 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 2022, 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 2022

To the shareholders of Bigben Interactive SA,

Opinion

In accordance with our appointment as statutory auditors by your Shareholders' General Meeting, we have audited the accompanying statutory financial statements of Bigben Interactive SA for the financial year ended 31 March 2022.

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 2022 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 provided for by the French Code of Commerce and the code of conduct for statutory auditors between 1 April 2021 and the date on which we issued our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

In addition, the non-audit services we provided during the financial year to the Company and to the entities it controls, other than those stated in the management report or in the notes to the consolidated financial statements, were as follows:

- Preparation by FMA of an attestation concerning the quantitative information prepared by the entity in relation to the accounts;

- Performance by FMA of agreed procedures covering the financial statements of a subsidiary acquired.

Justification of our assessments – Key audit matters

In view of the global Covid-19 pandemic and related crisis, the preparation and audit of the financial statements took place in highly unusual conditions. The pandemic and the exceptional measures taken in connection with the emergency health situation had myriad implications for businesses, especially their operations and their financing arrangements, as well as creating greater uncertainty about their future outlook. Some of these measures, such as travel restrictions and homeworking, also affected the internal organisation of businesses and the audit implementation arrangements.

In this complex and constantly shifting environment, 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, 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

Risk identified

Equity securities had a net carrying amount of €99,883 thousand on the balance sheet at 31 March 2022, accounting for 47.4% of total balance sheet assets. They are recognised at the date of acquisition at cost and written down on the basis of the recoverable amount estimated by the Company at the end of the period.

As stated in Note 2.3.1 "Additional notes to the balance sheet – Note 3 – Equity securities" to the annual financial statements, provisions for impairment may be recognised at the end of the period depending on the value in use of the equity securities and non-current financial assets related to these equity securities based on management's overall assessment. This assessment is conducted on each of the Group's business segments: i.e. AudioVideo/Telco and Gaming, according to the overall strategy adopted for each business and on the basis of 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 reached, we took the view that the correct measurement of equity securities was 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 equity securities complies with accounting standards in force.

We also carried out a critical examination of the way in which value in use is calculated, and in particular checked:

- whether cash flow forecasts are consistent with the AudioVideo/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.

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 sent 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 and in the other documents with respect to the financial position and financial statements addressed to the shareholders.

We confirm that the information relating to payment times, provided for by Article D. 441-6 of the French Commercial Code, is accurate and consistent 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. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.
Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to the remuneration and benefits paid or awarded to 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 controlled by it within the scope of consolidation. 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. 22-10-11 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.

Other verifications and information required by law and the regulations

Reporting format of the annual financial statements to be included in the annual financial report

We have also verified, in accordance with the professional standards for the work of the Statutory Auditors for the statutory and consolidated financial statements presented in line with European single electronic reporting format (ESEF), whether the format has been complied with as defined in European Regulation no. 2019/815 of 17 December 2018 in the presentation of the annual financial statements for inclusion in the annual financial report required by Article L. 451-1-2(I) of the French Monetary and Financial Code, prepared under the responsibility of the Board of Directors.

Based on our work, we have concluded that the presentation of the annual financial statements for inclusion in the annual financial report complies in all material respects with the European single electronic reporting format.

Our role does not include verifying whether the annual financial statements to be included by the Company in the annual financial statements filed with the AMF are those on which we performed our work.

Appointment of the statutory auditors

KPMG was appointed as statutory auditor of Bigben Interactive SA by the Shareholders' General Meeting of 8 November 1998 and Fiduciaire Métropole Audit (FMA) by the Shareholders' General Meeting of 30 September 2005.

At 31 March 2022, Fiduciaire Métropole Audit (FMA) was in its 17th year of uninterrupted engagement and KPMG in its 24th year of uninterrupted engagement, or their 17th and 24th 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 with 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 for preparing and processing 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 applicable 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 appropriately applied the going concern principle 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 up to 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 processing 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 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.

Statutory auditors

Paris la Défense, 24 juin 2022	Roubaix, 24 juin 2022
Stéphanie Ortega *Partner*	François Delbecq *Partner*

18.3.2 Statutory auditors' report on the consolidated financial statements for the financial year ended 31 March 2022

To the shareholders of Bigben Interactive SA,

Opinion

In accordance with our appointment as statutory auditors by your Shareholders' General Meeting, we have audited the accompanying consolidated financial statements of Bigben Interactive SA for the financial year ended 31 March 2022.

In our opinion, the consolidated financial statements give a true and fair view in accordance with IFRSs 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 adopted 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 provided for by the French Code of Commerce and the code of conduct for statutory auditors between 1 April 2021 and the date on which we issued our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

In addition, the non-audit services we provided during the financial year to the Company and to the entities it controls, other than those stated in the management report or in the notes to the consolidated financial statements, were as follows:

- Preparation by FMA of an attestation concerning the quantitative information prepared by the entity in relation to the accounts;

- Performance by FMA of agreed procedures covering the financial statements of a subsidiary acquired.

Justification of our assessments – Key audit matters

In view of the global Covid-19 pandemic and related crisis, the preparation and audit of the financial statements took place in highly unusual conditions. The pandemic and the exceptional measures taken in connection with the emergency health situation had myriad implications for businesses, especially their operations and their financing arrangements, as well as creating greater uncertainty about their future outlook. Some of these measures, such as travel restrictions and homeworking, also affected the internal organisation of businesses and the audit implementation arrangements.

In this complex and constantly shifting environment, 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, 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 €136,155 thousand at 31 March 2022. For each transaction, goodwill is measured at the acquisition date in the manner defined in Note 2.3.3 "Consolidation principles – 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 of its business activities, the Group recognises two CGUs that correspond to its two operational business segments: "Nacon–Gaming" and "Bigben–AudioVideo/Telco".

As described in Note 2.4.1 "Additional notes to the balance sheet – Note 1 – Goodwill", the recoverable amount of non-current assets is the greater of fair value less costs to sell and value in use. The CGU's value in use is determined with reference to future cash flows after tax and discounted to present value over a three-year period, after which cash flows are extrapolated by applying a perpetual growth rate.

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 checked:

- whether cash flow forecasts are consistent with the "Nacon–Gaming" and "Bigben–AudioVideo/Telco" business segments' performances during the year and management's latest estimates, established as part of the Group's budget process;
- how the discount rate and perpetual growth rate have been calculated, with the help of our valuation specialists;
- the test for sensitivity to key assumptions used to calculate the recoverable amount.

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 2022, 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 €117,136 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 less any 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. Where those cash flows are lower than the net carrying amount of the games, impairment 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 for which significant costs had been capitalised at 31 March 2022 and, for each game selected, we:

- assessed whether the amortisation plan was reasonable in view of the expected life of the games using data analysis by studying in a representative sample the correlation between trends in games' net carrying amount and the trends in total revenue, then adjusted how amortisation of the development costs to be recognised is to be calculated.
- assessed whether estimates of future games sales used to determine the related recoverable amounts of games 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 "Digital games" revenue at the end of the period

Risk identified

The analysis of consolidated revenue shown in Note 2.4.2 "Additional notes to the income statement – Note 17 – Revenue" to the notes to the consolidated financial statements shows the proportion of digital revenue stood at 74% of Video Games revenue in both 2020/21 and 2021/22.

As stated in Note 2.4.2 "Additional notes to the income statement – Note 17 – Revenue", revenue from sales of digital games is recognised from the date the content is made available to console manufacturers or platforms. 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 not yet invoiced based on sales generated on each platform.

Revenue is also a key indicator of the Group's performance.

For these reasons, we took the view that the recognition of revenue from "Digital games" at the end of the period 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.

As regards estimates of digital sales on platforms at 31 March 2022 but still to be invoiced, we obtained data concerning platforms' sales completed prior to the period-end where possible or alternatively we assessed management's calculations based on sales trends observed since the relevant games were released.

We also assessed the appropriateness of information provided in the notes to the consolidated financial statements.

Tax inspections

Risk identified

The Group operates across several jurisdictions and undergoes inspections by the tax authorities. As stated in Note 2.4.1 “Additional notes to the balance sheet – Note 9 – Other receivables” and “Additional notes to the balance sheet – Note 14 – Long-term and short-term provisions”, management assesses the accounting positions on these tax inspections at the end of each year. Certain tax inspections may give rise to reassessments. These reassessments may be partially or fully abandoned by the authorities, while others may be accepted or challenged by the Company.

With regard to the reassessments challenged, management considers its ability to resolve disputes without any financial loss to the Group, with the assistance of external advisors.

We considered these tax inspections to be a key audit matter given the potential implications for the consolidated financial statements and the degree of judgement exercised by management in estimating the risks arising from these disputes and affecting the year-end accounting positions.

Audit procedures implemented to address the risks identified

Based on discussions with management, we assessed the judgements made by management in connection with their assessment of potential tax exposures and the reasonable nature of the estimates adopted.

To assess whether the tax inspections have been accounted for appropriately in the consolidated financial statements, together with our tax specialists, we:

- held meetings with management and its external advisors to (i) consider the current status of ongoing tax inspections and reassessments issued by the tax authorities, and (ii) monitor developments concerning legal challenges and proceedings in progress;
- examined the pleadings drafted by the Company with its external advisors, as well as the recent decisions and correspondence with the tax authorities and courts;
- carried out a critical review of estimates and accounting positions adopted by management.

We also assessed the appropriateness of information provided in the notes to the consolidated financial statements.

Specific verifications

In accordance with professional standards applicable in France, 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.

We are satisfied that the information is fairly stated and agrees with the consolidated financial statements.

The declaration of non-financial performance calls for the following observation:

We attest that the consolidated declaration of non-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 this declaration, which must be reviewed in a report by an independent third party.

Other verifications and information required by law and the regulations

Reporting format of the consolidated financial statements to be included in the annual financial report

We have also verified, in accordance with the professional standards for the work of the Statutory Auditors for the statutory and consolidated financial statements presented in line with European single electronic reporting format (ESEF), whether the format has been complied with as defined in European Regulation no. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements for inclusion in the annual financial report required by Article L. 451-1-2(I) of the French Monetary and Financial Code, prepared under the responsibility of the Board of Directors. For the consolidated financial statements, our work includes verifying the compliance of the tagging of these financial statements with the format laid down in the aforementioned regulation.

Based on our work, we have concluded that the presentation of the consolidated financial statements for inclusion in the annual financial report complies in all material respects with the European single electronic reporting format.

Our role does not include verifying whether the consolidated financial statements to be included by the Company in the annual financial statements filed with the AMF are those on which we performed our work.

Appointment of the statutory auditors

KPMG was appointed as statutory auditor of Bigben Interactive SA by the Shareholders' General Meeting of 8 November 1998 and Fiduciaire Métropole Audit (FMA) by the Shareholders' General Meeting of 30 September 2005.

At 31 March 2022, Fiduciaire Métropole Audit (FMA) was in its 17th year of uninterrupted engagement and KPMG in its 24th year of uninterrupted engagement, or their 17th and 24th 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 adopted 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 for preparing and processing 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 applicable 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 appropriately applied the going concern principle 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 up to 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 processing 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, 24 June 2022

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

Given the Group's strong full-year 2021/22 results, the Board of Directors in its 30 May 2022 meeting decided to put a dividend of €0.30 per share with respect to the 2021/22 financial year to a vote in the Shareholders' General Meeting of 22 July 2022.

18.5.2 Dividends paid in the last three financial years

During the past ten years, a dividend has been paid out only in respect of four financial years. The Board of Directors decided not to propose a dividend payment to the Shareholders' General Meeting:

- in respect of the 2010/11, 2011/12 and 2012/13 financial years, in order to devote all its financial resources to acquiring and integrating ModeLabs, a landmark transaction for Bigben Interactive;
- with respect to the 2014/15, 2015/16 and 2016/17 financial years, given results in those financial years.
- with respect to the 2019/20 financial year given the Covid-19 pandemic in a spirit of responsibility to society.

Conversely, a dividend was paid:

- in respect of the 2013/14 financial year, a dividend of €0.15 per share payable either in cash or through the issue of new shares, according to the option chosen by the shareholder;
- 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
- with respect to the 2020/21 financial year in an amount of €0.30 per share, approved in the 30 July 2021 Shareholders' General Meeting and paid on 4 August 2021.

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 very protracted proceedings, the probability and potential amount of any outflow of resources cannot be estimated.

Given the status on proceedings in progress and the defence established, management remains confident in its ability to resolve this litigation without any financial loss.

However, in 2015, a French court ordered Nacon to pay €530 thousand on the ground of unfair competition. A provision for that amount was set aside at 31 March 2015.

No additional provisions were set aside in the Group's financial statements at 31 March 2022.

▶ **Bigben Connected tax inspection**

Bigben Connected SAS was subject to an inspection by the tax authorities covering the period from 1 January 2011 to 31 March 2013. A reassessment proposal was received on 28 December 2015. Bigben

Connected responded to the tax authorities on 26 February 2016, within the permitted timeframe, disputing most of the proposed reassessments.

Some of the reassessments have since been partially or fully abandoned 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 case was heard by the Lille Administrative Court following the rejection of the claim by the DVNI on 31 July 2018. During the 2020/21 financial year, the Company outlined its position to the tax authorities in written submissions. After the Lille Administrative Court dismissed its arguments in a ruling on 28 October 2021, the Company paid €5.5 million to the tax authorities in late 2021, including late-payment interest and pressed ahead with its claim to assert its rights by challenging this ruling through submissions to the Douai Administrative Appeal Court in December 2021. In parallel to this €5.5 million cash outflow, the Company recorded a tax receivable in an identical amount in the second half of the 2021/22 financial year. A provision was set aside against this tax receivable at 31 March 2022 to reflect the maximum risk of non-payment based on management's best estimate, in line with the applicable accounting rules.

Based on the evidence in the case file and the advice given by the Company's advisors and recent judgements in similar cases at European level, management is nonetheless confident it will eventually 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 other 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 2022 and Note 13 to the statutory financial statements for the period ended 31 March 2022 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 best of the Company's knowledge, no other material change in the Group's financial position has taken place since 31 March 2022.

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 2022 is presented below. The late payments chiefly reflect deductions applied pending credit notes relating to year-end discounts, price reductions or returns of goods.

Invoices received, raised and due but not paid at the accounts closing date

<table>
<tr><td rowspan="2">in thousands of euros</td><td colspan="6">Article D. 441-I-1: invoices received and due but not paid at the accounts closing date</td><td colspan="6">Article D. 441-I-2: invoices raised and due but not paid at the accounts closing date</td></tr>
<tr><td>0 days
(not due)</td><td>1 to 30 days</td><td>31 to 60 days</td><td>61 to 90 days</td><td>91 days and above</td><td>Total (1 day or more)</td><td>0 days</td><td>1 to 30 days</td><td>31 to 60 days</td><td>61 to 90 days</td><td>91 days and above</td><td>Total (1 day or more)</td></tr>
<tr><td colspan="13">(A) Number of days overdue</td></tr>
<tr><td>Number of invoices concerned</td><td>121</td><td colspan="4"></td><td>25</td><td>924</td><td colspan="4"></td><td>1,060</td></tr>
<tr><td>Total ex-VAT amount of invoices concerned</td><td>947</td><td>-126</td><td>-5</td><td>-5</td><td>-10</td><td>-145</td><td>1,847</td><td>74</td><td>253</td><td>40</td><td>202</td><td>569</td></tr>
<tr><td>Percentage of total ex-VAT purchases during the period</td><td>0.01%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td colspan="6"></td></tr>
<tr><td>Percentage of ex-VAT revenue in the period</td><td colspan="6"></td><td>0.01%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td></tr>
<tr><td colspan="13">(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables</td></tr>
<tr><td>Number of invoices excluded</td><td colspan="6"></td><td colspan="6">-</td></tr>
<tr><td>Total amount of invoices excluded</td><td colspan="6"></td><td colspan="6">-</td></tr>
<tr><td colspan="13">(C) Reference payment periods used (contractual or statutory - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)</td></tr>
<tr><td>Payment periods used to calculate late payments</td><td colspan="6">▪ 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.</td><td colspan="6">▪ 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 goods held for resale.</td></tr>
</table>

18.8.2 Table of the Company's results over the past five financial years

in euros	2021/22	2020/21	2019/20	2018/19	2017/18
1 - Share capital at year-end					
Share capital	38,760,968	39,939,316	39,437,006	39,000,238	36,726,678
Number of ordinary shares in issue	19,380,484	19,969,658	19,718,503	19,500,119	18,363,339
Number of preference 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	36,180	120,275	272,533	250,000	153,260
- Through the exercise of warrants	-	-	-	-	-
2 - Transactions and results for the financial year					
Revenue excluding VAT	16,051,230	17,845,683	65,503,363	88,406,013	83,229,767
Income before tax, employee profit sharing, depreciation, amortisation and provisions	11,789,759	(4,053,396)	7,219,494	19,854,046	2,264,455
Income tax	(736,389)	(1,660,930)	(227,823)	(1,916,734)	(2,815,629)
Employee profit-sharing in respect of the financial year					
Income after tax, employee profit sharing, depreciation, amortisation and provisions	11,319,945	-3,154,774	6,644,977	18,122,571	2,058,401
Dividends paid	5,830,292	0	3,897,824	1,903,843	1,835,707
Distributions in kind	19,844,608				
3 - Earnings per share					
Income after tax and employee profit sharing but before depreciation, amortisation and provisions	0.65	(0.12)	0.38	1.12	0.28
Income after tax, employee profit sharing, depreciation, amortisation and provisions	0.58	(0.16)	0.34	0.93	0.11
Dividend paid per share	0.30		0.20	0.10	0.10
4 - Personnel					
Number of employees	84	87	142	175	163
Total payroll	2,653,500	2,499,378	4,538,480	6,015,574	5,607,602
Amount paid with respect to employee benefits (social security, other social benefits, etc.)	1,035,949	1,159,887	2,172,594	2,636,295	2,557,736

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 €37,399,466, divided into 18,699,733 shares[27] with par value of two euros (€2) each, fully paid up and of the same class.

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.

19.1.2.1 Share buybacks

Date of first authorisation

In the 30 July 2020 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. Authorisation had been given to the Board of Directors to buy back up to 10% of its own shares, based on a maximum repurchase price of €28.00 per share, subject to an overall maximum outlay of €10 million.

Note that the Company was 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 at the latest 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.

Use of this authority in connection with the Bigben share buyback programme

[27] At its meeting on 30 May 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021, decided to reduce the Company's share capital by cancelling 680,751 shares held in treasury, purchased between 7 January 2022 and 27 May 2022, and representing around 3.51% of the Company's share capital. Accordingly, the number of shares making up the Company's share capital stood at €37,399,466 divided into 18,699,733 shares at the publication date of the Universal Registration Document.

First Bigben share buyback programme - closed - shares cancelled

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 1 March 2021. Implementation of a share buyback programme began on 2 March 2021.

The Combined Shareholders' General Meeting of 30 July 2020 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,996,965 shares, with buybacks capped at a total amount of €10 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting of €28 per share, the Board decided that the unit purchase price of shares could not exceed at any time a multiple of 2.90x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 1 March 2021 were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2020 (Twenty-fifth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives were as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 2 March 2021 for an initial period expiring no later than 30 July 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given an initial mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2020, that is ending on 29 January 2022.

Between 2 March 2021 and 17 June 2021, 513,870 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €10 million (250,319 shares for an aggregate amount of €4,983,954 in the 2020/21 financial year).

On 1 July 2021, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2020 under its Twenty-fifth resolution, decided to reduce the Company's share capital by cancelling 513,870 shares held in treasury, representing around 2.57% of Bigben Interactive's share capital.

Second authorisation

In the 30 July 2021 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. Authorisation had been given to the Board of Directors to buy back up to 10% of its own shares, based on a maximum repurchase price of €35.00 per share, subject to an overall maximum outlay of €40 million.

Note that the Company was 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 at the latest 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.

Use of this authority in connection with the Bigben share buyback programme

Second Bigben share buyback programme - closed - shares cancelled

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 8 September 2021. Implementation of a share buyback programme began on 9 September 2021.

The Combined Shareholders' General Meeting of 30 July 2021 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,945,578 shares, with buybacks capped at a total amount of €40 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting, the Board decided that the unit purchase price of shares may not exceed at any time a multiple of 3.0x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 8 September 2021 were identical to those of the first share buyback programme, which were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2021 (Twenty-ninth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives were as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 9 September 2021 for an initial period expiring no later than 31 December 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a second mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2021, that is ending on 29 December 2023.

Between 9 September 2021 and 31 December 2021, 188,979 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €2,897,485.

On 6 January 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021 under its Twenty-ninth resolution, decided to reduce the Company's share capital by cancelling 188,979 shares held in treasury.

At 6 January 2022, following the two reductions in the share capital on 1 July 2021 and 6 January 2022, the Company had cancelled around 3.59% of its share capital. As provided for in Article L. 22-10-62 of the French Commercial Code, the Company was in a position to cancel up to 1,241,987 more shares, or around 6.41% of its share capital by 30 June 2023.

Third Bigben share buyback programme – in progress

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 6 January 2022. Implementation of a share buyback programme began on 7 January 2022.

The Combined Shareholders' General Meeting of 30 July 2021 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,938,048 shares, with buybacks capped at a total amount of €40 million.

Without exceeding the maximum price set by the Combined Shareholders' General Meeting of 30 July 2021 at €35 per share, the Board of Directors decided to set the unit price for buying back shares at €19, it being specified that the buyback price could be raised to €25 per share provided that the ratios between the share price of Nacon shares (ISIN: FR0013482791) and that of the Company's shares are complied with. In any event, the unit buyback price for the Company's shares may not exceed €25 at any time.

Objective

The objectives of the buyback programme launched by the Board of Directors on 6 January 2022 were identical to those of the first two share buyback programmes, which were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2021 (Twenty-ninth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives are as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 7 January 2022 for an initial period expiring no later than 20 July 2022, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a third mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2021, that is ending on 29 January 2023.

Between 7 September 2022 and 31 March 2022, 458,602 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €7,371,872.

At its meeting on 30 May 2022, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2021, decided to reduce the Company's share capital by cancelling 680,751 shares held in treasury, purchased between 7 January 2022 and 27 May 2022, and representing around 3.51% of the Company's share capital. Accordingly, the number of shares making up the Company's share capital stood at €37,399,466 divided into 18,699,733 shares at the publication date of the Universal Registration Document.

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 another 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 January 2019. It replaced and superseded from that date the previous liquidity agreement put in place with Oddo & Cie effective 1 December 2010. The signature of the second liquidity agreement followed on from the 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 2022, the Company held 15,882 of its own shares, representing around 0.08% of the Company's current share capital, through its liquidity agreement with Oddo BHF SCA. The total par value of those shares was €31,764.

Summary of the share buyback programme in 2021/22

Shareholder	Category
Number of shares bought back	1,131,553
Number of shares cancelled	702,849
Number of shares sold	214,189
Average price of repurchases during the period	16.7050
Average price of sales during the period	16.4452
Trading fees	46,700
Number of shares in the accounts at end-March 2022	474,484
Value of shares held in the accounts	€7,608,355
Par value of shares held	€948,968
Portion of the share capital they represent	2.45%

19.1.3 Securities giving access to the share capital

None.

19.1.4 Authorised unissued share capital

In accordance with decisions taken in the 30 July 2021 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	Used
Grant of authority to the Board of Directors to issue ordinary shares in the Company and securities giving access to the Company's share capital, with shareholders' preferential subscription rights maintained	18 months	*€7.78 million*		
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 (Twentieth resolution)	18 months	*€7.78 million* *(subject to a limit of 20% of the initial issue amount)*	*same price as the initial issue*	
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 (Twenty-fourth resolution)	18 months	*€3.89 million*		
Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's share capital in consideration for contributions in kind consisting of equity securities and other securities giving access to the share capital of third-party companies other than through a public exchange offer (Twenty-third resolution)	18 months	*€3.89 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*		
Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's share capital in the event of a public offering including an exchange component initiated by the Company (Twenty-third resolution)	18 months	*€3.89 million*		
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 (Twenty-sixth resolution)	18 months	*€1.17 million*		Resolution rejected
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 salaried staff and corporate officers of the Company and its subsidiaries within the meaning of Article L. 233-3 of the French Commercial Code or to some of them (Twenty-eighth resolution)	18 months	*Subject to a limit of 2% of the share capital existing at the time the Board of Directors uses the grant of authority*		Board meeting of 8 September 2021 Allotment of 36,180 bonus shares by the Company
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 (Seventeenth resolution)	18 months	*€40.00 million* *subject to a limit of 10% of the number of shares making up the share capital*	*10% of the share capital*	Board meeting of 8 September 2021 6 January 20 22 Share buyback

				programme
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 (Twenty-ninth resolution)	18 months	*subject to a limit of 10% of the number of 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 €9.727 million. The combined nominal amount of issues of debt securities and securities giving access to the Company's share capital may not exceed €39.908 million. This cap does not apply to the debt securities referred to in Articles L. 228-40, L. 228-36 and L. 228-92(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 share capital

Based on the grant of authority given in the 30 July 2021 Shareholders' General Meeting, on 8 September 2021 the Board of Directors decided to award 36,180 bonus shares to 207 beneficiaries.

The maximum number of shares that could potentially vest, based on the share capital and workforce at 31 March 2022, was 31,100, equal to 0.16% of the shares in issue.

The Company established this Bonus share plan providing for a one-year vesting period and a two-year holding period starting from the definitive vesting of said shares. The definitive vesting of these bonus shares at the end of the Vesting period is contingent upon compliance with two conditions:

- a condition of presence: every beneficiary must either have been a member of salaried staff or a corporate officer of the Company or a related company, continuously throughout the entire Vesting period (subject to disability-related exceptions).
- a performance condition: the vesting of the 2021 bonus shares is conditional on meeting a performance condition relating to the achievement of a predetermined level of recurring operating income in 2021/22, which may combine, as the case may be, a criterion relating to the consolidated recurring operating income generated by Bigben's AudioVideo/Telco segment) 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 Bigben Group's AudioVideo/Telco segment (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 these entities.

19.1.5 Information about the share 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 best of 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.

19.1.6 History of the share capital

Table showing changes in the Company's share capital in the last three financial years:

Transaction date	Increase/reduction	Number of new shares	Par value	Share or contribution premium	New share capital	Number of shares after the increase
3 September 2019	Capital increase by effective allotment	198,585	€2.00	€0.00	€39,397,408.00	19,698,704
26 November 2019	Capital increase by effective allotment	19,799	€2.00	€0.00	€39,437,006.00	19,718,503
7 Sept. 2020	Capital increase by effective allotment	251,155	€2.00	€0.00	€39,939,316.00	19,969,658
1 July 2021	Reduction in the share capital (cancellation of shares held in treasury)	- 513,870	€2.00	€-8,972,234.66	€38,911,576.00	19,455,788
8 September 2021	Capital increase by effective allotment	113,675	€2.00	€0.00	€39,138,926.00	19,569,463
6 January 2002	Reduction in the share capital (cancellation of shares held in treasury)	- 188,979	€2.00	€-2,519,527.00	€38,760,968.00	19,380,484

19.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

19.2.1 Corporate purpose (Article 3 of the articles of association)

The Company's corporate purpose is, in France and in every country:

- 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 or 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 inter vivos gifts 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 share 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 share 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 share 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 of the date 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 the share 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 Shareholders' 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 shareholders' general 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.
    - 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,
    - 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.

In July 2020, Bigben Interactive's Nacon subsidiary entered into another agreement with Microsoft under which it offers several categories of officially licensed accessories for Xbox One and Xbox Series X/S products. At this stage, however, the contribution to Nacon's revenue during the 2021/22 financial year was modest, since sales did not begin until the end of the financial year. The Group anticipates a gradual ramp-up in the contribution to its revenue made by this agreement with Microsoft.

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 22 July 2022 are contained in the notice of meeting published on 17 June 2021 in the Bulletin des Annonces Légales Obligatoires (BALO) and also in the convening notice that contains a correction to the notice of meeting published in BALO no. 76 of 25 June 2021:

Shareholders were informed that Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2020, decided at its meeting on 1 July 2021 to reduce the Company's share capital by cancelling 513,870 shares held in treasury, purchased between 2 March 2021 and 17 June 2021, and representing around 2.57% of the Company's share capital. Accordingly, the number of shares making up the Company's share capital now stands at €38,911,576 divided into 19,455,788 shares.

Chapter 22 of this Universal Registration Document contains the resolutions as published in the convening notice. The notice of meeting and the convening notice are 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 Universal Registration Document;

(c) The Company's historical financial information for each of the two financial years preceding the publication of the Universal 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 to trading on the Euronext Paris market, 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

Notice of meeting published in BALO no. 72 of 17 June 2022

ORDINARY BUSINESS

FIRST RESOLUTION

(Approval of the statutory financial statements for the financial year ending 31 March 2022)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the statutory financial statements for the financial year ended 31 March 2022, and the reports of the Board of Directors and the statutory auditors,

approve the full-year financial statements for the year ended 31 March 2022 as presented, together with the business operations reflected or summarised therein.

approve the statutory financial statements for the financial year ended 31 March 2022 as presented, which show income of €11,319,944.68,

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 €6,249, along with the corresponding tax of €1,656.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the financial year ended 31 March 2022)

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 2022 as presented, together with the business operations reflected or summarised therein.

THIRD RESOLUTION

(Appropriation of income for the year ended 31 March 2022)

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 2022 amounted to €11,319,944.68,

resolve to appropriate net income as follows:

	(in euros)
Net income for the year (earnings)	11,319,944.68
Prior retained earnings	10,764,979.51
That is income available for distribution of	22,084,924.19
To be allocated as follows[28]	
Distribution of an ordinary dividend[29]	5,609,919.90

[28] The Shareholders' General Meeting has not been asked to allocate a portion of earnings to the Legal reserve account, since the account was funded to the required level at 31 March 2022.
[29] The size of the payout is calculated based on the 18,699,733 shares making up the share capital to date, and

To the “Retained earnings” account	0
To the “Other reserves available for distribution” account	16,475,004.29

The maximum number of shares entitled to receive the dividend in the financial year ended on 31 March 2022 is 18,699,733 shares, each with a par value of two euros (€2).

Accordingly, a dividend of thirty centimes (€0.30) per share shall be paid to each share entitled to receive a dividend, it being specified that if, when the remaining balance of the dividend is paid, the number of shares entitled to receive a dividend in respect of the financial year ended on 31 March 2022 is less than the maximum number of shares that may receive the dividend stated above, the earnings corresponding to the balance of the dividend that was not paid in respect of such shares shall be allocated to the “Retained earnings” account. As a result, the amounts corresponding to the balance of the dividend on the own shares held by the Company when the dividend is paid shall not be paid on such shares, but shall be allocated to the “Retained earnings” account.

After appropriation pursuant to this resolution and prior to the distribution in kind of Nacon shares subject to the Fifth Resolution, these equity components would stand at the following levels:

	(in euros)
Statutory reserve	3,943,700.60
Retained earnings	0
Other reserves available for distribution	20,395,212
Contribution and share premium	30,385,357.44
Other appropriated earnings reserves	309.002

The dividend per share to be paid out in respect of the 2021/22 financial year, that is thirty centimes (€0.30) per share, shall be detached from the share on 27 July 2022 and paid on 29 July 2022.

Based on the current state of the applicable tax legislation, the dividend shall be eligible for the 40% rebate provided for in Article 158-3(2) of the French General Tax Code for individuals resident in France, who elect for all their eligible securities income to be taxed at their marginal income tax rate.

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:

	2018/19	**2019/20**	**2020/21**
Number of shares	19,500,119	n/a	19,434,307
Dividend per share (in euros)	0.20	0	0.30
Total dividend paid (in euros)	3,897,824	0	5,830,292

taking into account the reduction in the share capital through the cancellation of 680,751 shares held in treasury approved in point 1 by the Board, it being specified that the size may differ according to the number of shares carrying dividend rights up to the relevant ex dividend date (including based on the number of shares held in treasury at the dividend date).

FOURTH RESOLUTION

(Distribution in kind of Nacon shares)

The shareholders, voting in line with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the detailed press release published by the Company on 17 June 2022 concerning the planned distribution in kind of Nacon shares,

note the amount shown in the “Other reserves available for distribution” account, as amended where appropriate pursuant to the Third Resolution, and the amount shown in the “Contribution and share premium” account,

resolve to carry out, in line with the requirements and the terms and conditions shown below, a distribution in kind in the form of an allotment of Nacon shares based on a ratio of one (1) Nacon share for every four (4) of the Company’s shares held,

resolve that the date of record for the distribution in kind will be 27 July 2022 and the distribution date will be 29 July 2022,

resolve that those entitled to the allotment of Nacon shares will be shareholders of the Company whose shares have been held in their name at the close of the trading session preceding the distribution date, that is 28 July 2022. Acquisitions of the Company’s shares on the Euronext market made up until 26 July 2022 will be eligible for the distribution in kind,

resolve that rights not representing a whole number of shares may not be traded or assigned. Accordingly, when the allotment by which a shareholder will be entitled through application of the allotment ratio adopted does not yield a whole number of Nacon shares (i.e., where fewer than four (4) of the Company’s shares or a number that is not a multiple of four (4) is held, the number of Nacon shares received by the shareholder will be rounded down to the nearest whole number, and the shareholder will also receive a cash payment to be calculated based on the price that the fractional portion of Nacon shares would fetch,

resolve that the Nacon shares to be allotted in this manner will be valued at the opening share price of Nacon shares on the Euronext Paris market on the date of the distribution in kind, i.e. 29 July 2022.

resolve that the amount corresponding to the distribution in kind, that is the number of Nacon shares distributed (whether transferred to the shareholders or sold, including odd lots) multiplied by the opening share price on the date of the distribution in kind, will be charged for accounting purposes to the “Other reserves available for distribution” account and, any additional amount where that does not suffice, to the “Contribution and share premium” account, it being stated that the total amount of the distribution in kind may not exceed the amount of net income in the financial year ended on 31 March 2022 and retained earnings, plus the amount of reserves and premiums available for distribution pursuant to the law and regulations in force, less the total amount of the ordinary dividend, which will be charged in priority to earnings for the financial year ended on 31 March 2022 and retained earnings, that is a total amount estimated at fifty million seven hundred and eighty six thousand nine hundred and forty-nine euros (€50,786,949).

resolve that should the distribution in kind exceed the authorised above in view of the opening price of Nacon shares on the distribution date, the Board of Directors will have full powers to adjust the allotment ratio stated hereinabove to ensure that the amount for distribution does not exceed the upper limit,

note that the Bigben Interactive shares held by the Company at the distribution date will not qualify for the benefit of the distribution outlined in this resolution, in accordance with the provisions of Article L. 225-210 of the French Commercial Code,

note that the liquidity agreement entered into by the Company with ODDO BHF SCA on 2 January 2019 was suspended effective midnight (Paris time) on 20 July 2022 until the date of the distribution in kind, i.e. 29 July 2022,

note that in the event of an adjustment, the allotment ratio adopted for the distribution in kind will be announced in a press release by the Company, on the morning of the payment date, once the opening price of Nacon shares is known,

note that the Nacon shares not allotted in respect of fractional amounts or an adjustment to the allotment ratio will be sold,

note that in the event of the separation of ownership of the Company's shares into bare title and usufruct, unless agreed otherwise, the bare owners will receive the distribution in kind,

grants full powers to the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory conditions, to make any requisite decisions to complete the transactions provided for in this resolution, to make the necessary calculations and adjustments, especially as regards the allotment ratio, to charge the exact amount of the distribution in kind to the Other reserves available for distribution and share premium accounts, to sell any unallocated Nacon shares and, more generally, to take whatever action is useful or necessary.

FIFTH 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.

SIXTH RESOLUTION

(Approval of the report on the remuneration of corporate officers prepared in accordance with Article L. 22-10-9 (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. 22-10-34 II of the French Commercial Code,

approve the report on the remuneration of corporate officers including the information mentioned in Article L. 22-10-9 I of the French Commercial Code, as presented in the report on corporate governance.

SEVENTH 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. 22-10-8 and L. 22-10-34 II 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 2022 to Alain Falc, as presented in the aforementioned report and awarded in respect of his role as Chairman.

EIGHTH 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. 22-10-8 and L. 22-10-34 II 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 2022 to Fabrice Lemesre, as presented in the aforementioned report and awarded in respect of his role as Chief Executive Officer.

NINTH 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. 22-10-8 and L. 22-10-34 II 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 2022 to Michel Bassot, as presented in the aforementioned report and awarded in respect of his role as Chief Operating Officer.

TENTH 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. 22-10-8 II. 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.

ELEVENTH 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. 22-10-8 II 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.

TWELFTH 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. 22-10-8 II 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.

THIRTEENTH 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. 22-10-8 II 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.

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 (2022/23) awarded to the Board of Directors, it being stipulated that this decision applicable to the current financial year (2022/23) will be maintained until the shareholders in a Shareholders' General Meeting decide otherwise.

FIFTEENTH RESOLUTION

(Reappointment of Sébastien Bolloré as a director)

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,

based on the observation that Sébastien Bolloré's term of office as a director expires at the close of this Shareholders' General Meeting,

resolve to reappoint Sébastien Bolloré as a director for a term of six (6) years, which may be extended, expiring at the close of the Ordinary Shareholders' General Meeting to be called to approve the financial statements for the financial year ending on 31 March 2028.

Shareholders shall note that Sébastien Bolloré has already let it be known that he agrees to the extension of his term of office.

SIXTEENTH RESOLUTION

(Reappointment of KPMG SA as principal statutory auditor)

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,

based on the observation that KPMG SA's term of office as a principal statutory auditor expires at the close of this Shareholders' General Meeting,

resolve to reappoint KPMG SA as a principal statutory auditor for a term of six (6) years, which may be extended, expiring at the close of the Ordinary Shareholders' General Meeting to be called to approve the financial statements for the financial year ending on 31 March 2028.

SEVENTEENTH RESOLUTION

(Reappointment of Salustro Reydel as deputy statutory auditor)

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,

based on the observation that Salustro Reydel's term of office as a deputy statutory auditor expires at the close of this Shareholders' General Meeting,

resolve to reappoint Salustro Reydel as a deputy statutory auditor for a term of six (6) years, which may be extended, expiring at the close of the Ordinary Shareholders' General Meeting to be called to approve the financial statements for the financial year ending on 31 March 2028.

EIGHTEENTH 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. 22-10-62 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 to sub-delegate, in accordance with Article L. 22-10-62 and following of the French Commercial Code, Regulation 596/2014 of the European Parliament and of the Council of 16 April 2014 and the European regulations related to it, 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 forty euros (€40) 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 share capital, and to carry out all transactions to cover the Company's obligations in respect of those securities, in compliance with the 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 Thirtieth Resolution below, and
- more generally, carry out any transaction in accordance with the 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 Directory 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. 22-10-62 of the French Commercial Code, if the shares' par value is altered, if the share 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 share 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. 22-10-62 of the French Commercial Code, to decide and implement 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 date of this Shareholders' General Meeting,

the unused part of the authorisation granted in the 30 July 2021 Shareholders' General Meeting, through its Seventeenth resolution, is terminated with immediate effect.

NINETEENTH 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

TWENTIETH RESOLUTION

(Grant of authority to the Board of Directors to issue ordinary shares in the Company and securities giving access to the Company's share 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 and following and L. 228-91 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 share capital of the Company or of any company that directly or indirectly holds more than half its share capital or of which it directly or indirectly holds more than half the share 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 the 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 increases in the share capital that may be carried out immediately and/or in the future under this grant of authority may not exceed seven million four hundred and fifty thousand euros (€7,450,000) 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-eighth 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 protect the rights of holders of securities or other rights giving access to the share 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 debt securities, that may be issued under this grant of authority, shall be a maximum of twenty-nine million eight hundred thousand euros (€29,800,000) 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-eighth 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 A and L. 228-92(3) of the French Commercial Code, the issue of which shall 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 A 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 for 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 share capital, the waiver by shareholders of their preferential right to subscribe for 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,

grant 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 share capital and determine the arrangements under which the rights of holders of securities giving access to the share capital will be protected in future in accordance with statutory and regulatory provisions, and to make any related amendment of the articles of association,
- charge any amount to the share 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 to sub-delegate 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, repayment 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 authority thus granted to the Board of Directors is valid for 18 months from the time of this Shareholders' General Meeting,

the unused part of the authority granted in the 30 July 2021 Shareholders' General Meeting, through its Nineteenth resolution, is terminated with immediate effect.

TWENTY-FIRST RESOLUTION

(Grant of authority to the Board of Directors to issue, with shareholders' preferential subscription rights withheld, ordinary shares in the Company and securities giving access to the Company's share capital as part of an offer referred to in Article L. 411-2(1) of the French Monetary and Financial Code)

The shareholders, voting in accordance with the majority requirements set out in the articles of association, having considered the report of the Chairman and the special report of the statutory auditor, in accordance with Articles L. 225-127, L. 225-128; L. 225-129-2, L. 22-10-51, L. 22-10-52, L. 228-91 and following of the French Commercial Code, and Article L. 411-2(1) of the French Monetary and Financial Code:

resolve to grant, with the power to sub-delegate in accordance with statutory and regulatory conditions, their authority to the Board of Directors to decide to issue, without preferential subscription rights, on one or more occasions in the amounts and at the times that they shall determine, either in euros or in any other currency or monetary unit established by reference to several currencies, both in France and abroad, shares and any other securities giving access to the share capital of the Company or of any company that directly or indirectly holds more than half its share capital or of which it directly or indirectly holds more than half the share capital, with such shares conferring the same rights as existing shares, subject to their dividend entitlement date, in the context of an offering pursuant to Article L. 411-2(1) of the French Monetary and Financial Code,

resolve that any issue of preference shares and securities giving access to preference shares is expressly excluded,

resolve that the total par value of increases in the share capital that may be carried out immediately or in the future under this grant of authority may not exceed seven million four hundred and fifty thousand euros (€7,450,000), it being stipulated that this amount will count towards the overall par value limit provided for in the Twenty-eighth Resolution of this general meeting and that this 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 protect the rights of holders of securities or other rights giving access to the Company's share capital,

resolve that in any event the issues of equity securities under this resolution shall not exceed the upper limits provided for by the applicable regulations at the date of the issue, that is to date 20% of the share capital p.a. at the time of the issue, said share capital being assessed on the day of the decision by the Board of Directors to make use of this grant of authority,

also **grant authority** to the Board of Directors to decide to issue debt securities conferring entitlement to the Company's share capital or to debt securities,

resolve that the overall par value of debt securities, giving access to the Company's share capital or debt securities, that may be issued under this grant of authority, shall be a maximum of twenty-nine million eight hundred thousand euros (€29,800,000) 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-eighth 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(3) of the French Commercial Code, the issue of which shall 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 to remove shareholders' preferential right to subscribe for securities to be issued pursuant to this grant of authority,
note that if subscriptions 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 share capital, the waiver by shareholders of their preferential right to subscribe for the shares to which those securities give an immediate or future entitlement,

resolve that (i) the issue price of the Company's shares in connection with this grant of authority must be at least equal to the minimum provided for by the regulatory provisions applicable on the day of the issue (currently, the weighted average of prices in the three trading sessions prior to the start of the public offering within the meaning of regulation (EU) no. 2017/1129 of 14 June 2017, possibly with a discount of up to 10% in accordance with Article R. 22-10-32 of the French Commercial Code), after any adjustment of that amount to take account of any difference in dividend entitlement dates and (ii) the issue price of the securities giving access to the Company's share capital must be such that the sum immediately received, plus any amount received subsequently will, in respect of each of the Company's shares issued as a result of the issue of such securities, be at least equal to the minimum price as defined in the previous paragraph, after any adjustment of that amount, if necessary, to take account of the difference in dividend entitlement dates,

grant 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 share capital and determine the arrangements under which the rights of holders of securities giving access to the share capital will be protected in future in accordance with statutory and regulatory provisions, and to make any related amendment of the articles of association,
- charge any amount to the share 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 to sub-delegate in accordance with statutory and regulatory provisions, to take steps for the purpose of:

- 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, repayment 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 unused part of the authority granted in the 30 July 2021 Shareholders' General Meeting, through its Twentieth resolution, is terminated with immediate effect.

the grant of authority to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

TWENTY-SECOND 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 under the **Erreur ! Source du renvoi introuvable.** *xxx lien manquant dans le français* and Twenty-first Resolution, within 30 days of the closing date for applications, and 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 increases in the share capital that may be carried out under this delegation shall count towards the maximum par value of share capital increases determined by the **Erreur ! Source du renvoi introuvable.** *xxx lien manquant dans le français* and Twenty-first Resolution hereinabove,

the authorisation granted to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authorisation granted in the 30 July 2021 Shareholders' General Meeting, through its Twenty-first resolution, is terminated with immediate effect.

TWENTY-THIRD RESOLUTION

(Authorisation to be granted to the Board of Directors, in the event of an issue of ordinary shares or any securities with shareholders' preferential subscription rights withheld, to determine the issue price up to a limit of 10% of the share capital)

The shareholders, voting in accordance with the majority requirements set out in the articles of association, having considered the Chairman's report and the statutory auditor's special report,

authorise the Board of Directors, in accordance with the provisions of Article L. 22-10-52 of the French Commercial Code, with the option of delegating the authority as permitted by law and the regulations, for each of the preceding resolutions subject to a limit of 10% of the Company's share capital (at the transaction date) per 12-month period, to depart from the price-setting provisions set out in the aforementioned resolutions and may set the issue price of ordinary shares and/or securities giving immediate or eventual access to the share capital as follows:

- the issue price of the ordinary shares shall be at least equal to the volume-weighted average share price in the last three (3) stockmarket trading sessions before it is set, possibly with a discount of up to 20%, it being understood that it may not under any circumstances be less than the par value of a share in the Company on the date the shares concerned are issued;

- the issue price of the securities giving access to the share capital shall be such that the sum immediately received by the Company, plus any amount received subsequently by the Company shall in respect of each share issued as a result of the issue of such securities be at least equal to the issue price as defined in the paragraph above.

resolve that the Board of Directors will have all powers to implement this resolution under the terms provided for by the resolution pursuant to which the issue was decided,

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 unused part of the authority granted in the 30 July 2021 Shareholders' General Meeting, through its Twenty-second resolution, is terminated with immediate effect.

the authorisation granted to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

TWENTY-FOURTH RESOLUTION

(Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's share capital in consideration for contributions in kind consisting of equity securities and other securities giving access to the share 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 and following, L. 22-10-49, L. 225-35, L. 22-10-53 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 share capital, in order to pay for contributions in kind to the Company and consisting of equity securities or securities giving access to the share capital, where the provisions of Article L. 22-10-54 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 for those shares and securities to be issued,

resolve that the total par value of increases in the share capital that may be carried out under this grant of authority (i) may not exceed three million seven hundred thousand euros (€3,700,000) 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-eighth resolution of this general meeting, to which shall be added, as the case may be, the amount of additional shares to be issued to protect, 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 share 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 debt securities, that may be issued under this grant of authority, shall be a maximum of fourteen million eight hundred thousand euros (€14,800,000) 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-eighth 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 A and L. 228-92(3) of the French Commercial Code, the issue of which shall 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 A 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 share capital, the waiver by shareholders of their preferential right to subscribe for the shares to which those securities give an entitlement,

resolve that the Board of Directors will have all powers, with the power to sub-delegate 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 to 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 grant of authority to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authority granted in the 30 July 2021 Shareholders' General Meeting, through its Twenty-third resolution, is terminated with immediate effect.

TWENTY-FIFTH 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. 22-10-50 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, share 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 increases in the share capital that may be carried out immediately and/or in the future under this grant of authority may not exceed three million seven hundred thousand euros (€3,700,000), it being stipulated that this amount will count towards the overall par value limit provided for in the Twenty-eighth 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 protect the rights of holders of securities or other rights giving access to the share 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,

grant all powers to 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 to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authority granted in the 30 July 2021 Shareholders' General Meeting, through its Twenty-fourth resolution, is terminated with immediate effect.

TWENTY-SIXTH RESOLUTION

(Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's share 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 and following, L. 22-10-49, L. 22-10-54, 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 share 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. 22-10-54 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 increases in the share capital that may be carried out under this grant of authority (i) may not exceed three million seven hundred thousand euros (€3,700,000) 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-eighth Resolution of this general meeting, to which shall be added, as the case may be, the amount of additional shares to be issued to protect, 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 share 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 debt securities, that may be issued under this grant of authority, shall be a maximum of fourteen million eight hundred thousand euros (€14,800,000) 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-eighth 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 A and L. 228-92(3) of the French Commercial Code, the issue of which shall 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 A of the French Commercial Code,

resolve that the Board of Directors will have all powers, with the power to sub-delegate 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 share 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 share 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 share capital,
- enter the difference between the issue price of the new ordinary shares and their par value in the balance sheet 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 share 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 to 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 grant of authority to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authority granted in the 30 July 2021 Shareholders’ General Meeting, through its Twenty-fifth resolution, is terminated with immediate effect.

TWENTY-SEVENTH 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 non-French 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-eighth 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 one million one hundred thousand euros (€1,100,000), to which maximum amount shall be added, as the case may be, the additional amount of shares to be issued to protect, 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 for the new shares to be issued or other securities giving access to the share 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 share 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 to sub-delegate 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 authority,
- 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 share capital,
- agree the timeframes for paying up shares and any other securities giving access to the Company's share capital,
- request that the securities created be admitted to 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, make any related amendment of the articles of association and, if it considers it appropriate to do so, to charge the expenses of increases in the share capital 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 authority thus granted to the Board of Directors is valid for 18 months from the time of this Shareholders' General Meeting,

the unused part of the authority granted in the 30 July 2021 Shareholders' General Meeting, through its Twenty-sixth resolution, is terminated with immediate effect.

TWENTY-EIGHTH RESOLUTION

(Overall limit on issues carried out under the ***Erreur ! Source du renvoi introuvable.*** *xxx lien manquant dans le français, Twenty-first Resolution, Twenty-third Resolution, Twenty-fourth Resolution, Twenty-fifth Resolution, Twenty-sixth Resolution and Twenty-seventh Resolution)*

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 **Erreur ! Source du renvoi introuvable.** *xxx lien manquant dans le français*, Twenty-first Resolution, Twenty-third Resolution, Twenty-fourth Resolution, Twenty-fifth Resolution, Twenty-sixth Resolution and Twenty-seventh Resolution of this meeting:

- the maximum par value of increases in the share capital resulting from issues of shares or securities giving access to the share capital that may thus be carried out, either directly or on presentation of debt securities, may not exceed nine million three hundred and twenty thousand euros (€9,320,000), with that limit not including the overall par value of additional shares that may be issued to protect, 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 share capital,

- the maximum par value of debt securities that may be issued by the Company shall not exceed thirty-seven million two hundred and eighty thousand euros (€37,280,000) 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-NINTH 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. 22-10-59 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 preference 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. 22-10-59 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 awards of shares made free of charge under this authorisation shall not exceed 2% of the Company's existing share capital on the date the award decision is made, 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 protect the rights of holders of securities or other rights giving access to the share 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 share 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 share capital in order to protect 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 granted to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authorisation granted in the 30 July 2021 Shareholders' General Meeting, through its Twenty-eighth resolution, is terminated with immediate effect.

THIRTIETH 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 Eighteenth Resolution above,
authorise the Board of Directors, in accordance with the provisions of Article L. 22-10-62 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 grant all powers to 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 granted for a period of 18 months from the date of this Shareholders' General Meeting,

the unused part of the authorisation granted in the 30 July 2021 Shareholders' General Meeting, through its Twenty-ninth resolution, is terminated with immediate effect.

THIRTY-FIRST RESOLUTION

(Amendment of Article 3 – "Corporate purpose" of the articles of association)

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 amend the wording of Article 3 - "Corporate purpose" of the Company's articles of association to read as follows:

Article 3 – Corporate purpose

The Company's corporate purpose is, in France and abroad, to engage in:

- *designing, manufacturing and trading via all channels gaming accessories, consoles and software,*
- *designing, manufacturing, and trading via all channels timepieces and related electronic products,*
- *designing, manufacturing and trading via all channels of all products, accessories and items of equipment related to radio, television, telephony, sound and images,*
- *designing, manufacturing and trading via all channels household electrical appliances, electrotechnical and electronic products and other domestic goods, and in particular alarm systems,*
- *conducting industrial, commercial and intellectual transactions related to the supply, in all forms, of services of any kind related to logistics,*
- *acquiring any investments, by any means, from any businesses or companies established or to be established irrespective of its legal nature or the corporate purpose, including through subscription, tender, sponsorship, buyback of shares or corporate rights, merger, alliance, joint venture, economic interest grouping, or management lease,*
- *coordination of the activity of the companies in which it owns equity interests and, more generally, the companies in its group, including consulting and assistance in sales, administration, management, development strategy, marketing, finance, IT, commissioning of new business streams, etc.*
- *and, more generally, all transactions, of whatever nature, whether they be legal, economic or financial, civil and commercial, real estate or movable property, related directly or indirectly to the corporate purpose or to any other similar or related purposes likely to further the business goals pursued by the Company, their extension or their development.*

To achieve this corporate purpose, the Company may in all circumstances carry out all actions and transactions of whatever nature and scale, provided that they contribute or may contribute to, facilitate or may facilitate the implementation of the activities defined above, or they help to protect, directly or indirectly, the commercial, industrial or financial interests of the Company or of its subsidiaries."

The remainder of the articles of association remain unchanged.

THIRTY-SECOND 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 their understanding of this Universal 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 €39,939,316, 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 run 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 Universal 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