



INTERIM FINANCIAL REPORT FIRST HALF 2022/23

SIX MONTHS ENDED 30 SEPTEMBER 2022

TABLE OF CONTENTS

1 >	STATEMENT BY THE PERSON RESPONSIBLE	3
2 >	BUSINESS REPORT.....	4
2.1	Key events in the first half of 2022/23	4
2.1.1.1	Operating activities	4
2.1.2	Other key events.....	5
2.1.3	Earnings by business segment.....	8
2.2	Information about the Group's shares	10
2.2.1	Share capital	10
2.2.2	Crossing of ownership disclosure thresholds.....	10
2.3	Post-balance sheet events.....	10
2.4	Risks and opportunities in the second half of the financial year.....	11
3 >	CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022.....	12
3.1	Condensed consolidated interim financial statements	12
3.1.1	Statement of financial position	12
3.1.2	Statement of profit or loss and other comprehensive income	13
3.1.3	Statement of changes in consolidated equity	14
3.1.4	Consolidated cash flow statement	15
3.2	Notes to the condensed consolidated interim financial statements.....	16
3.2.1	Information about the company	16
3.2.2	Basis of preparation	16
3.2.3	Scope of consolidation.....	19
3.2.4	Segment reporting	20
3.2.5	Additional notes	23
3.2.6	Other information	38
4 >	STATUTORY AUDITORS' REPORT.....	43

1 > STATEMENT BY THE PERSON RESPONSIBLE

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for first half of 2022/23 have been prepared in accordance with 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 the scope of consolidation, and that the interim business report below provides an accurate description of the significant events during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and contingencies for the remaining six months of the financial year.

Lesquin, 6 December 2022,

The Chief Executive Officer
Fabrice Lemesre

2 > BUSINESS REPORT

2.1 KEY EVENTS IN THE FIRST HALF OF 2022/23

2.1.1.1 Operating activities

In the first half of 2022/23, consolidated revenue amounted to €138.5 million, up 11.6% compared with reported revenue for the first half of 2021/22.

in thousands of euros	Six months ended 30 Sep. 2022			
	Gaming	Mobile	AudioVideo	Group
Total revenue	75,562	47,614	15,355	138,531
Bigben - AudioVideo/Telco	41	46,870	14,111	61,022
NACON - Gaming	75,521	744	1,244	77,509

Breakdown by segment	Six months ended 30 Sep. 2022			
	Gaming	Mobile	AudioVideo	Group
Total revenue	55%	34%	11%	100%
Bigben - AudioVideo/Telco	0%	98%	92%	44%
NACON - Gaming	100%	2%	8%	56%

in thousands of euros	Six months ended 30 Sep. 2021			
	Gaming	Mobile	Audio	Group
Total revenue	71,128	40,862	12,190	124,180
Bigben - Audio/Telco	114	40,272	10,783	51,168
NACON - Gaming	71,014	591	1,407	73,012

Breakdown by segment	Six months ended 30 Sep. 2021			
	Gaming	Mobile	Audio	Group
Total revenue	57%	33%	10%	100%
Bigben - Audio/Telco	0%	99%	88%	41%
NACON - Gaming	100%	1%	12%	59%

Gaming:

Gaming revenue rose 6.2% due to a strong new release schedule and good performance from the back catalogue. Sales of accessories fell by 34.7% year-on-year, due to the very high base for comparison, particularly in the USA, and by sharp contraction in the global headsets market.

Mobile:

Sales of Mobile accessories rose by 16.5% compared with the year-earlier period, driven by the success of the Premium Force® range.

AudioVideo:

The AudioVideo business saw sales rise by 29.6% to €14.1 million, of which €6.1 million resulted from Metronic joining the scope of consolidation.

IFRS consolidated financial statements, in millions of euros	Six months ended 30 September		Change	
	2022	2021	€ m	%
Revenue	138.5	124.2	14.4	+11.6%
<i>of which</i>				
Gaming	75.6	71.1		+6.2%
Mobile	47.6	40.9		+16.5%
AudioVideo	15.4	12.2		+26.0%
Purchases consumed	(73.7)	(72.8)		+1.3%
Gross profit	64.8	51.4	13.4	+26.0%
Other recurring operating expenses	(36.5)	(26.8)	-9.7	+36.0%
EBITDA	28.3	24.6	3.7	+15.2%
Depreciation and amortisation of non-current assets	(16.5)	(14.7)	-1.8	+12.2%
Recurring operating income	11.8	9.9	1.9	+19.6%
Other non-recurring operating income and expense	(1.4)	(5.8)	4.4	-76.5%
Operating income	10.5	4.1	6.4	+153.6%
Net financial income/expense	(0.3)	4.8	-5.1	-106.3%
Pre-tax income	10.2	9.0	1.2	+13.5%
Tax	(2.6)	(2.0)	-0.5	+26.6%
Net income	7.6	6.9	0.7	+9.6%

Gross profit amounted to €64.8 million in the first half of 2022/23, equal to 46.8% of revenue as opposed to 41.4% in the first half of 2021/22.

This improved performance was the result of a better product mix in the Gaming business and the success of premium mobile phone accessories.

EBITDA was €28.3 million equal to 20.4% of revenue versus 19.8% in the first half of 2021/22.

In the first half of 2022/23, net financial expense included income of €0.5 million related to a bond issue (arising from the change in fair value of its derivative component), along with the cost of bank debt and a €/€ foreign exchange loss of €1 million.

Pre-tax income rose from €8,974 thousand in the first half of 2021/22 to €10,184 thousand in the first half of 2022/23.

Bigben Interactive's net income amounted to €7,607 thousand as opposed to €6,939 in the first half of 2021/22. Given Bigben Interactive SA's 65.17% stake in NACON SA, attributable net income excluding non-controlling interests in subsidiaries totalled €4,741 thousand as opposed to €6,050 thousand in the first half of 2021/22.

2.1.2 Other key events

◆ Ownership structure

➡ **Pledge of NACON shares underlying Bigben bonds exchangeable into NACON shares**

As part of an issue of bonds exchangeable into existing ordinary shares of NACON SA and due to mature in 2026 (the "**Bonds**"), the Company undertook that holders of the Bonds would benefit from a pledge relating to a securities account in which existing NACON SA shares (the "**Pledged Shares**"), at all times representing 200% of the number of shares underlying the Bonds, would be held.

On 9 April 2021, the Company formed a securities account pledge agreement with BNP Paribas Securities Services (as paying agent and centralising agent), with bondholders represented in general by Aether Financial Services and Aether Financial Services as the representative of bondholders in general.

On 9 April 2021, the Company transferred 18,187,500 NACON SA shares (the "**Shares**") to the pledged account, representing 200% of the shares underlying the Bonds on that date.

Pursuant to the amended terms and conditions of the Bonds (the “**Terms and Conditions**”), the Company undertook that the number of Shares credited to the pledged account would be at least equal to 200% of the number of shares underlying the Bonds (the “**Agreed Coverage**”) until all the Bonds had been reimbursed, it being specified that, in the event of exercise by the Company of its option to partly deliver Shares and/or a cash amount (a Share Cash Combination Election or a Cash Election, as the case may be, as defined in the Terms and Conditions), the number of Shares, as the case may be, in excess of the Agreed Coverage in respect of the outstanding Bonds would be transferred to the Company on the main centralising agent’s instruction within 5 business days immediately following the end of the calendar month, in a proportion determined by the calculation agent.

The number of Pledged Shares will be adjusted on a regular basis until the Bonds are due depending in particular upon the number of outstanding Bonds, upon the exercise by the bondholders of their exchange right (and of the exercise by the Company of its right to deliver Shares and/or a cash amount) or upon adjustments of the exchange price pursuant to the Terms and Conditions.

In addition, if the Company does not comply with the agreed 200% coverage ratio mentioned above, or if the pledge granted were to be found void, this would be an event of default under the Terms and Conditions.

➔ Bigben share buyback programmes / Cancellation of treasury shares

Third Bigben share buyback programme – closed / shares cancelled

The Board of Directors implemented the authorisation for the Company to buy its own shares following its meeting of 6 January 2022. As a result, a buyback programme started on 7 January 2022.

In the combined shareholders’ general meeting of 30 July 2021, shareholders set the maximum proportion of the capital that the Company may hold at 10% of the number of shares making up the share capital at the time purchases are made, i.e. 1,938,048 shares in theory, and the amount of purchases cannot exceed €40 million in total.

Subject to a maximum purchase price of €35 per share, determined in the combined shareholders’ general meeting of 30 July 2021, the Board of Directors decided to set the price at which shares are bought back at €19 per share, it being stipulated that this price may be increased to €25 per share to comply with ratios between the price of NACON shares (ISIN FR0013482791) and the price of the Company’s shares. In any event, the price at which the Company’s shares are bought back may not exceed €25 per share at any time.

Purpose

The purpose of the buyback programme implemented by the Board of Directors on 6 January 2022 is identical to that of the first two buyback programmes, and is to allow the Company to buy its own shares, mainly with a view to:

- cancelling them subsequently by reducing the Company’s capital, in accordance with the authorisation given to the Board of Directors in the combined shareholders’ general meeting of 30 July 2021 (29th resolution),
- to make a market for the Company’s shares through an investment service provider acting in the name of and on behalf of the Company, including under a liquidity agreement that complies with the code of conduct recognised by the Autorité des Marchés Financiers.

Arrangements

This purpose is being fulfilled in the following way:

- an investment services provider has been appointed to carry out the purchases,
- implementation of the programme began on 7 January 2022, with an initial duration due to expire on 20 July 2022 at the latest, and
- the liquidity agreement has been maintained.

A third mandate to buy shares has been granted to CIC Market Solutions.

Duration

The duration of the programme was set at 18 months from the combined shareholders’ general meeting of 30 July 2021, i.e. until 29 January 2023.

Between 7 January 2022 and 20 July 2022, CIC Market Solutions purchased 854,319 Bigben shares on behalf of Bigben Interactive SA for a total amount of €13,437,683.

Bigben Interactive's Board of Directors, in its meeting of 30 May 2022, acting on the authorisation granted by shareholders in the combined shareholders' general meeting of 30 July 2021, decided to reduce the Company's capital by cancelling 680,751 shares held in treasury, bought back between 7 January 2022 and 27 May 2022 and representing 3.5% of the Company's capital (see section 2.1.5).

Subsequently, Bigben Interactive's Board of Directors, in its meeting of 15 September 2022, acting on the authorisation granted by shareholders in the combined shareholders' general meeting of 30 July 2021, decided to reduce the Company's capital by cancelling 173,568 shares held in treasury, bought back between 28 May 2022 and 20 July 2022 and representing 0.93% of the Company's capital (see section 2.1.5).

➤ Capital increase following the vesting of bonus shares awarded in 2021

On 8 September 2021, the Board of Directors awarded 36,180 Bigben bonus shares to 207 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 a condition related to achieving a predetermined level of recurring operating income.

The performance condition was not attained by all Group entities, and taking into account departures before the vesting date, 3,795 shares finally vested in 72 beneficiaries.

As a result, on 8 September 2022, 3,795 new Bigben shares were issued through the capitalisation of reserves.

The residual consolidated IFRS 2 expense recognised in relation to this plan in 2022/23 amounts to €39 thousand, with a balancing entry under reserves.

On 8 September 2021, the Board of Directors awarded 333,840 bonus NACON shares to employees and corporate officers of Group entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and a condition related to achieving a predetermined level of recurring operating income.

Since the Group's targets were not achieved, only 6,600 shares under the 2021 bonus shares plan vested in 2022, with 15 beneficiaries.

181,163 bonus shares awarded in 2021/22 in relation to the acquisition of certain development studios also vested.

As a result, a total of 187,763 new shares were issued through the capitalisation of reserves during the period.

➤ 2022 bonus share award

On 15 September 2022, Bigben Interactive SA's Board of Directors awarded 63,540 Bigben bonus shares, mainly to employees and corporate officers of the Group's Audio/Telco entities, i.e. 300 beneficiaries.

If the conditions are met:

- 49,540 shares will vest at the end of one year,
- 14,000 shares will vest at the end of three years.

Based on the number of bonus shares vested, an issue of new shares will take place through the capitalisation of reserves, and €127,080, equal to the total par value of the 63,540 shares awarded, was therefore added to the special appropriated earnings account at the time of the award.

The IFRS 2 expense recognised by Bigben with respect to this plan for the first half of 2022/23 was €30 thousand, with a balancing entry under reserves.

In its meetings on 24 April 2022 and 15 September 2022, NACON SA's Board of Directors awarded 1,646,113 bonus NACON shares to employees and corporate officers of the Group's entities, i.e. 893 beneficiaries.

If the conditions are met:

- 545,541 shares will vest at the end of one year,
- 1,100,572 shares will vest at the end of three years.

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 1,646,113 shares awarded, i.e. €1,646,113, was set up at the time of the award.

The IFRS 2 consolidated expense relating to these new plans with respect to the first half of 2022/23 was €418 thousand, with a balancing entry under reserves.

The consolidated IFRS 2 expense recognised by the Bigben group with respect to these two plans for the first half of 2022/23 was therefore €448 thousand, with a balancing entry under reserves (including €418 thousand at the NACON group level).

- ◆ Change in scope:

➤ **NACON's acquisition of 100% of Daedalic Entertainment GmbH**

On 1 April 2022, NACON acquired all of the capital and voting rights of Daedalic Entertainment GmbH, a video game development studio based in Hamburg, Germany.

This is the largest acquisition made by the Group to date, with a total maximum price of €53 million: In addition to the €32 million purchase price paid in cash, earn-out payments – also 100% in cash – may be made depending on the studio's performance in the next few years, up to a maximum amount of €21 million.

Daedalic Entertainment GmbH has been consolidated in the Group's financial statements from the date of its acquisition.

➤ **NACON SA capital increase following the second earn-out payment to the vendors of Big Ant Holding Pty Ltd**

A second earn-out payment was paid by NACON SA to the vendors of Big Ant Studios Pty Ltd on 15 September 2022. In accordance with the acquisition agreement, 50% of the earn-out payment was paid in NACON SA shares, via a €1,944 thousand capital increase.

As a result, NACON SA carried out a capital increase with preferential subscription rights withheld on 15 September 2022, involving the issue of 400,234 shares with a value of €4.858 per share, corresponding to NACON's average closing share price on Euronext Paris in the 20 trading sessions preceding the transaction. As a result, NACON SA's share capital increased from €86,479,173 to €86,879,407.

- ◆ Other events:

➤ **Changes in debt**

NACON SA took out two new medium-term loans in the first half of 2022/23: one €10 million loan with a 5-year term and one €7.5 million loan with a 5-year term and a 2-year deferral period from BPI France. These loans, in a total amount of €17.5 million, are amortising loans.

2.1.3 **Earnings by business segment**

Bigben Interactive is a major player in digital convergence, offering a broad range of products and accessories addressing demand in its key markets.

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 (Mobile business), the design and distribution of innovative products for broadcasting and receiving images at home (TV accessories, amplifiers, decoders, connectors), and the design and distribution of Audio products (headphones, speakers, etc.) under the Bigben, Lumin’Us, AromaSound and Thomson (Audio) brands; it represents the Bigben group’s scope excluding the NACON group.

The information presented below is that used by the Bigben group’s chief operating decision maker for internal reporting purposes, allowing 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.

(in thousands of euros)	Group total	NACON - Gaming	Bigben - AudioVideo/Telco	Group total	NACON - Gaming	Bigben - AudioVideo/Telco
	First half 2022/23	First half 2022/23	First half 2022/23	First half 2021/22	First half 2021/22	First half 2021/22
Revenue	138,531	77,509	61,022	124,180	73,012	51,168
Purchases consumed	(73,734)	(29,920)	(43,814)	(72,774)	(34,971)	(37,803)
Gross profit	64,797	47,589	17,208	51,406	38,041	13,365
Gross margin (% of revenue)	46.8%	61.4%	28.2%	41.4%	52.1%	26.1%
Other operating revenue	478	518	(40)	588	515	72
Other purchases and external expenses	(19,149)	(13,109)	(6,040)	(13,691)	(9,664)	(4,027)
Taxes other than income tax	(695)	(313)	(382)	(603)	(325)	(278)
Personnel costs	(16,294)	(8,608)	(7,685)	(12,206)	(6,726)	(5,480)
Other operating expenses	(837)	(438)	(399)	(931)	(435)	(496)
Gains or losses on disposals of non-current assets	(6)	(2)	(4)	(2)	(6)	3
EBITDA	28,294	25,638	2,657	24,561	21,401	3,161
EBITDA margin (% of revenue)	20.4%	33.1%	4.4%	19.8%	29.3%	6.2%
Depreciation and amortisation of non-current assets	(16,455)	(14,534)	(1,921)	(14,664)	(12,952)	(1,712)
Recurring operating income	11,839	11,103	736	9,897	8,449	1,448
Recurring operating margin (% of revenue)	8.5%	14.3%	1.2%	8.0%	11.6%	2.8%
Bonus share and stock-option plans	(1,327)	(1,258)	(69)	(5,262)	(3,970)	(1,293)
Other non-recurring operating items	(25)	(25)	0	(500)		(500)
Operating income	10,487	9,820	667	4,135	4,479	(344)
Financial income	3,885	2,930	955	7,836	1,502	6,334
Financial expense	(4,188)	(1,669)	(2,519)	(2,996)	(1,462)	(1,535)
Net financial income/expense	(303)	1,261	(1,564)	4,840	40	4,800
Pre-tax income	10,184	11,081	(897)	8,974	4,519	4,455
Income tax	(2,577)	(2,637)	60	(2,035)	(741)	(1,294)
Net income for the period	7,607	8,444	(837)	6,939	3,778	3,161
Net margin (% of revenue)	5.5%	10.9%	-1.4%	5.6%	5.2%	6.2%
Gains and losses recognised in other comprehensive income	125	125	0	7	0	0
Exchange differences	2,125	1,315	810	89	34	55
Comprehensive income for the period	9,857	9,884	(27)	7,035	3,812	3,223
						0
Net income for the period	7,607	8,444		6,939	3,778	
Attributable to non-controlling interests	2,866	0		889	11	
Net income attributable to equity holders of the parent	4,741	8,444		6,050	3,767	

2.2 INFORMATION ABOUT THE GROUP'S SHARES

2.2.1 Share capital

At 30 September 2022, Bigben Interactive SA's share capital consisted of 18,529,960 shares, representing 21,470,130 voting rights on a gross basis.

The Company's shares are listed on Eurolist by Euronext Paris, compartment B. Their ISIN is FR0000074072-BIG. The shares are not listed on any other exchange.

Based on the closing price of €10.46 on 30 September 2022, the Company's market capitalisation at that date was €194 million.

2.2.2 Crossing of ownership disclosure thresholds

Ownership disclosure thresholds were crossed twice during the reference period from 1 April to 30 September 2022 following the capital reduction that followed the 30 May 2022 cancellation of shares repurchased under the share buyback plan:

- Luxembourg company Nord-Sumatra Investissements disclosed that on 1 June 2022 its stake in Bigben Interactive had risen above 20% and that it held 3,861,173 Bigben Interactive shares representing the same number of voting rights, equal to 20.65% of the Company's capital and 17.99% of its voting rights.

The concert party consisting of Mr Vincent Bolloré, Nord-Sumatra Investissements and Mr Sébastien Bolloré did not cross any ownership disclosure thresholds, and on 1 June 2022 held 3,991,173 Bigben Interactive shares representing the same number of voting rights, equal to 21.34% of the Company's capital and 18.59% of its voting rights (AMF notice 222C1370).

- Amundi, a public limited company acting on behalf of funds its manages, disclosed that on 1 June 2022 its stake in Bigben Interactive had risen above 5% and that it held 945,502 Bigben Interactive shares representing the same number of voting rights, equal to 5.06% of the Company's capital and 4.40% of its voting rights (AMF notice 222C1376).

On 30 June 2022, Amundi, a public limited company acting on behalf of funds its manages, disclosed that its stake in Bigben Interactive had fallen below 5% and that it held 905,504 Bigben Interactive shares representing the same number of voting rights, equal to 4.84% of the Company's capital and 4.22% of its voting rights. That ownership disclosure threshold was crossed as a result of the decrease in the number of Bigben Interactive voting rights exercised by Amundi under its asset management mandate (AMF notice 222C1708).

The Company's ownership structure at 30 September 2022 was as follows:

Name	% of capital held	% of voting rights held*
Bolloré group	21.5%	18.6%
AF Invest + Alain Falc	14.1%	23.8%
Free float	64.3%	57.6%
Liquidity agreement	0.1%	0.0%
TOTAL	100.00%	100.00%

* Gross voting rights

2.3 POST-BALANCE SHEET EVENTS

None.

2.4 RISKS AND OPPORTUNITIES IN THE SECOND HALF OF THE FINANCIAL YEAR

Growth drivers in the second half of 2021/22

NACON - Gaming

After the first-half releases of Vampire: The Masquerade®– Swansong, Session Skate Sim™ and Steelrising™, the release schedule in the second half of 2022/23 will be intensive.

The third quarter will bring the release of WRC Generations, two months later than initially scheduled. WRC is recognised as the best rally driving game in the market, and this new release will bring together for the first time all generations of cars (from 1973 to 2022).

In addition, several games scheduled for the third quarter will finally be released in the fourth quarter. As a result, the fourth quarter will see the release of:

- Blood Bowl®3, a game inspired by American football set in a fantasy universe, a new offshoot of the successful Blood Bowl franchise.
- Chef Life, in partnership with the Michelin Guide.
- Clash, in the rapidly developing combat games segment.
- Transport Fever 2 Console Edition for PlayStation®4, PlayStation®5, Xbox®One and Xbox®Series.

As regards Accessories, despite the success of the RIG 300, 500 and 800 PRO Series headsets, business trends in the second half of the financial year are likely to remain similar to those seen in the first half.

Bigben - AudioVideo/Telco

Bigben's AudioVideo/Telco business will be boosted by:

- The extension of Force® premium product ranges;
- The gradual replacement of existing mobile phones with 5G smartphones and the rapid adoption of new USB-C and Power Delivery charging technologies offer growth opportunities in the personal computing market (PCs, tablets, etc.).

Full-year guidance

Given current performance at NACON Gaming – where catalogue sales will be lower than expected because of the late release of several major games, Accessories sales have fallen year-on-year and new consoles are being affected by supply-chain issues – the Bigben group will be unable to hit its targets for 2022/23, i.e. revenue of over €400 million and recurring operating income of over €55 million.

However, the Bigben group's revenue and recurring operating income will both increase year-on-year due to the combined effect of a strong release schedule at the end of the financial year (Gaming) and the extension of Force® product ranges (AudioVideo/Telco).

3 > CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

3.1 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3.1.1 Statement of financial position

<i>in thousands of euros</i>	Notes	30 September 2022	31 March 2022
Goodwill	1	185,498	136,155
Right-of-use assets	2	13,045	12,940
Other intangible assets	2	173,176	140,758
Property, plant and equipment	3	18,113	17,775
Other financial assets		2,517	2,383
Deferred tax assets	4	3,174	2,871
Non-current assets		395,522	312,882
Inventories	5	103,490	81,045
Trade receivables	6	76,367	66,147
Other receivables	7	26,672	23,015
Current tax assets		6,491	7,764
Cash and cash equivalents	8	68,838	126,447
Current assets		281,857	304,417
TOTAL ASSETS		677,379	617,298
Share capital		37,060	38,761
Share premiums		20,156	31,948
Consolidated reserves		151,627	152,608
Net income for the period		4,784	7,887
Exchange differences		4,005	2,189
Equity attributable to equity holders of the parent		217,633	233,392
Non-controlling interests		83,201	66,311
Total equity		300,834	299,703
Long-term provisions	9	1,137	1,217
Long-term financial liabilities	10	153,509	149,155
Long-term lease liabilities	10	8,847	9,626
Long-term earn-out liabilities	11	55,287	41,832
Deferred tax liabilities	12	8,345	7,271
Non-current liabilities		227,125	209,101
Short-term provisions	9	1,249	1,049
Short-term financial liabilities	10	40,640	30,988
Short-term lease liabilities	10	4,267	3,272
Short-term earn-out liabilities		8,300	6,500
Trade payables		56,017	31,117
Other payables	13	32,622	31,652
Current tax liabilities		6,324	3,918
Current liabilities		149,419	108,495
Total equity and liabilities		677,379	617,298

3.1.2 Statement of profit or loss and other comprehensive income

(in thousands of euros)	Notes	First half 2022/23	First half 2021/22
Revenue	14	138,531	124,180
Purchases consumed	15	(73,734)	(72,774)
Gross profit	3.2.2	64,797	51,406
Other operating revenue		478	588
Other purchases and external expenses	16	(19,149)	(13,691)
Taxes other than income tax		(695)	(603)
Personnel costs		(16,294)	(12,206)
Other operating expenses		(837)	(931)
Gains or losses on disposals of non-current assets		(6)	(2)
EBITDA	3.2.2	28,294	24,561
Depreciation and amortisation of non-current assets		(16,455)	(14,664)
Recurring operating income	3.2.2	11,839	9,897
Bonus share and stock-option plans	17	(1,327)	(5,262)
Other non-recurring operating items		(25)	(500)
Operating income		10,487	4,135
Financial income		3,885	7,836
Financial expense		(4,188)	(2,996)
Net financial income/expense	18	(303)	4,840
Pre-tax income		10,184	8,974
Income tax		(2,577)	(2,035)
Net income for the period		7,607	6,939
Gains and losses recognised in other comprehensive income		125	7
Exchange differences		2,125	89
Comprehensive income for the period		9,857	7,035
of which attributable to non-controlling interests		2,866	911
of which attributable to equity holders of the parent		6,991	6,124
Net income for the period		7,607	6,939
of which attributable to non-controlling interests		2,866	889
of which attributable to equity holders of the parent		4,741	6,050

3.1.3 Statement of changes in consolidated 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 2021		19,969,658	39,939	43,439	169,398	290	253,066	48,905	301,971
Income in the first half of 2021/22					6,050		6,050	889	6,939
Gains and losses recognised in other comprehensive income						68	68	21	89
Actuarial gains and losses on provisions for retirement benefits					5		5	2	7
Comprehensive income					6,055	68	6,124	911	7,035
Dividends paid to the parent company's shareholders	19				(5,831)		(5,831)		(5,831)
Capital reduction	2.1.1; 18	(513,870)	(1,028)	(8,972)			(10,000)		
Liquidity agreement - Treasury shares	18				4,746		4,746	(20)	4,727
Bonus share plan	18	113,675	227		3,088		3,316	725	4,041
Non-controlling interests	2.1.2; 3.2.3				(1,429)	54	(1,375)	3,038	1,662
Other					(11)		(11)	12	1
Equity at 30 September 2021		19,569,463	39,139	34,467	176,016	412	250,034	53,571	303,606
Equity at 31 March 2022		19,380,484	38,761	31,948	160,495	2,189	233,392	66,311	299,703
Income in the first half of 2022/23					4,741		4,741	2,866	7,607
Gains and losses recognised in other comprehensive income						1,817	1,817	308	2,125
Actuarial gains and losses on provisions for retirement benefits					94		94	31	125
Comprehensive income					4,835	1,817	6,652	3,205	9,856
Dividends paid to the parent company's shareholders	19				(5,554)		(5,554)		(5,554)
Capital reduction	2.1.2; 18	(854,319)	(1,709)	(11,729)			(13,438)		(13,438)
Liquidity agreement - Treasury shares *	18				7,246		7,246	(12)	7,234
Bonus share plan	18	3,795	8	(62)	943		889	438	1,327
Non-controlling interests **	2.1.2; 3.2.3				(11,140)		(11,140)	13,245	2,105
Other					(413)		(413)	15	(398)
Equity at 30 September 2022		18,529,960	37,060	20,156	156,412	4,005	217,633	83,201	300,834

* Including a €6 million negative impact from purchases of Bigben shares during the period and a €13 million positive impact from the cancellation of Bigben treasury shares during the period.

** The change in non-controlling interests relates to the difference between:

- the NACON capital increase (after an earn-out payment was made in NACON shares)
- And its impact on Bigben's equity attributable to equity holders of the parent and to non-controlling interests (decrease in Bigben Interactive SA's interest in NACON from 70.97% to 65.17%).

3.1.4 Consolidated cash flow statement

<i>in thousands of euros</i>		First half 2022/23	First half 2021/22
Net cash flow from operating activities	Notes		
Net income for the period		4,741	6,050
<i>Elimination of income and expenses that have no cash impact or are unrelated to operating activities</i>			
• Attributable to non-controlling interests		2,866	889
• Income from associates		0	0
• Additions to depreciation, amortisation and impairment		16,455	14,664
• Change in provisions		(112)	427
• Net gain or loss on disposals		12	2
• Net financial income/expense		1,933	1,706
• Other non-cash income and expense items		2,719	(559)
• Income tax expense		2,575	2,035
Funds from operations		31,190	25,215
Inventories		(21,545)	(13,751)
Trade receivables		(9,151)	2,405
Trade payables		15,832	7,124
Change in WCR		(14,864)	(4,222)
Cash from operating activities before tax		16,326	20,993
Income tax paid		(2,669)	(832)
NET CASH FLOW FROM OPERATING ACTIVITIES		13,657	20,161
Cash flow from investing activities			
Purchases of intangible assets		(33,252)	(27,590)
Amortisation included in development costs		0	0
Purchases of property, plant and equipment		(1,331)	(764)
Disposals of property, plant and equipment and intangible assets		6	10
Purchases of non-current financial assets		(402)	(114)
Disposals of non-current financial assets		424	8
Dividends received		0	0
Disbursements relating to acquisitions of subsidiaries net of net cash acquired		(34,066)	(17,544)
NET CASH FLOW FROM INVESTING ACTIVITIES		(68,621)	(45,993)
Cash flow from financing activities			
Capital increase		0	0
Dividends paid to the parent company's shareholders		(5,554)	(5,831)
Sales / purchases of own shares		(6,685)	(5,176)
Interest paid		(2,397)	(2,189)
Increase/(Decrease) in lease liabilities		(1,976)	(1,870)
Cash inflows from borrowings		21,262	0
Repayments of borrowings and debts		(11,851)	(11,085)
NET CASH FLOW FROM FINANCING ACTIVITIES		(7,201)	(26,150)
Impact of changes in exchange rates		956	(304)
Net change in cash and cash equivalents		(61,209)	(52,286)
Cash and cash equivalents at start of period	9	123,235	175,197
Cash and cash equivalents at end of period	9	62,026	122,910

3.2 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3.2.1 Information about the company

The condensed interim financial statements cover Bigben Interactive SA – domiciled in France – and its subsidiaries (the Bigben Interactive group) for the 6 months ended 30 September 2022. Bigben Interactive SA is listed on compartment B of Eurolist by Euronext Paris (ISIN: FR0000074072; Reuters: BIG.PA; Bloomberg: BIG FP).

The Bigben Interactive group (hereinafter the “Group”) is a pan-European player in publishing video games and designing and distributing mobile accessories, gaming accessories and audio products. 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.

3.2.2 Basis of preparation

➔ **Statement of compliance**

The condensed consolidated interim financial statements for the six-month period ended 30 September 2022 were prepared in accordance with **IAS 34 “Interim financial reporting”**, which forms part of IFRSs as endorsed by the European Union.

They do not contain all information required in the full annual financial statements, and must be read in conjunction with the Group’s financial statements for the year ended 31 March 2022 (available on request from the Company’s registered office at 396/466 rue de la Voyette, CRT2, 59273 Fretin or from the Corporate section of the Bigben Interactive website www.bigben.fr).

The same accounting policies were applied for the six months ended 30 September 2022 as those applied to the year ended 31 March 2021.

The Group’s condensed consolidated interim financial statements for the six months ended 30 September 2022 and the related notes were finalised by the Board of Directors in its meeting on 28 November 2022.

➔ **Use of estimates**

The preparation of financial statements according to IFRSs requires management to use estimates and assumptions that affect the amounts in the presented Group financial statements and information provided in the notes thereto.

Those estimates and assumptions are based on information and estimates known on the accounts closing date and may prove substantially different from actual figures.

In particular, in the six months ended 30 September 2022, Management re-examined its estimates regarding:

- indications of impairment losses (Note 1)
- provisions (Note 10)
- the useful lives of game development costs (see below)

Application of the development cost amortisation method

Development activities imply the existence of a plan or a model to make products and new or substantially improved processes. The Group’s development expenditure is capitalised if and only if costs can be measured reliably and the Group can show the technical and commercial viability of the product or process, the existence of probable future economic benefits and its intention and sufficient resources to complete the development and use or sell the asset.

Recognised development costs mainly relate to the cost of developing games on the market or currently being developed and with the prospect of being launched in the market. Capitalised development costs, less any related tax credits, are recognised at cost less accumulated amortisation and impairment losses. At the end of each financial year or wherever indications of a loss of value appear, management estimates forecast cash flows for each game. Where those cash flows are lower than the net carrying amount of the games, impairment is applied.

Game development costs are amortised over the games’ expected lifetimes (currently between 1 and 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 taking place on platforms and the related extension of games’ lifespans, the development costs of new games released in the market since 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.

➤ Consolidation principles and policies

The accounting policies applied by the Group in its interim financial statements are the same as those used in the consolidated financial statements for the year ended 31 March 2022, except for standards that have come into force since 1 April 2022, which are set out below.

The financial statements are presented in thousands of euros unless otherwise stated.

➤ Standards

➤ Standards and interpretations newly applicable from 1 April 2022

New IFRS texts	EU adoption date (periods starting on or after)
Amendments to IFRS 3 – Reference to the conceptual framework	01/01/22
Amendments to IAS 37 – Onerous contracts – Cost of fulfilling a contract	01/01/22
Amendments to IAS 16 – Property, plant and equipment – Proceeds before intended use	01/01/22

The application of those 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 2023

New IFRS texts	EU adoption date (periods starting on or after)
IFRS 17 – Insurance contracts incorporating amendments published on 25 June 2020	01/01/23
Amendment to IFRS 17 – Initial application of IFRS 17 and IFRS 9 – Comparative information	01/01/23
Amendments to IAS 1 and Practice Statement 2 – Disclosure of accounting policies	01/01/23
Amendments to IAS 8 – Definition of accounting estimates	01/01/23
Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction	01/01/23

The Group has not opted for early adoption of other standards and amendments that may be adopted early or that will be mandatory in 2023/24 or 2024/25.

The Group does not expect their adoption to have a material impact on the financial statements.

➤ Use of the non-accounting financial indicator EBITDA

The Bigben Interactive group defines EBITDA (earnings before interest, taxes, depreciation and amortisation) as recurring operating income before impairment, depreciation of property, plant and equipment and amortisation of intangible assets, but before additions to provisions on inventories and trade receivables.

The Group regards EBITDA as a non-IFRS performance indicator.

EBITDA is one of the main indicators monitored by the Group when managing and assessing its operational performance, taking investment decisions, allocating resources and assessing the performance of senior managers.

The Group believes that this indicator is useful for people reading its financial statements because it gives them a measurement of its operating income/loss that excludes non-cash items such as impairment, depreciation and amortisation, increasing the projected value of its consolidated financial statements and providing information about the earnings of the Group's recurring commercial activities and cash flows, allowing investors to identify more effectively trends in its financial performance.

EBITDA is not an indicator defined by IFRSs and does not have a standard definition. As a result, the method that the Bigben Interactive 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 financial indicator “gross profit”

The Group calculates gross profit as the difference between total revenue and purchases consumed in relation to retail sales (retail Video Games, Gaming and Mobile Accessories, Audio products).

Please refer also to Note 17 “Purchases consumed”.

↪ Use of the indicator “Recurring operating income before amortisation of customer relationships”

The Bigben Interactive group defines recurring operating income before amortisation of customer relationships as recurring operating income before amortisation of the “Customer Relationships” item, which corresponds to customer relationships recognised when allocating the price paid for acquiring subsidiaries.

Recurring operating income before amortisation of customer relationships is not an indicator defined by IFRSs and does not have a standard definition.

(in thousands of euros)	Notes	First half 2022/23	First half 2021/22
Recurring operating income		11,839	9,897
Amortisation of customer relationships		594	558
Recurring operating income before amortisation of customer relationships		12,432	10,455
<i>Recurring operating income before amortisation of customer relationships as a % of revenue</i>		<i>9.0%</i>	<i>8.4%</i>

In the first half of 2022/23, amortisation related to customer relationships in the mobile phone accessories business recognised when Modelabs was acquired on 1 September 2011 in a gross amount of €22,300 thousand. Since then, those customer relationships have been amortised on a straight-line basis over a 20-year period.

The Group regards recurring operating income before amortisation of customer relationships as a non-IFRS performance indicator. The Group believes that this indicator is useful for people reading its financial statements because it gives them a measurement of its recurring operating income resulting from the Group's recurring commercial activities, which shows a more direct correlation with cash flows and allows investors to identify more effectively trends in its financial performance.

↪ Seasonal variations

The Company's business is subject to significant seasonal variations, with the second six months of the financial year traditionally being more important in terms of revenue for the Accessories business. Variations in Video Games business levels, meanwhile, depend mainly on game release dates.

3.2.3 Scope of consolidation

➔ List of consolidated companies

Company	Country	% owned	Method of consolidation
Bigben Audio/Telco entities			
Bigben Interactive SA	France	Parent company	
Bigben Connected SAS	France	100.00%	Full consolidation
Bigben Interactive HK Ltd	Hong Kong	100.00%	Full consolidation
Bigben España SL	Spain	100.00%	Full consolidation
Bigben Connected Polska ZO.O	Poland	100.00%	Full consolidation
BIGBEN LOGISTICS SAS	France	100.00%	Full consolidation
METRONIC SAS	France	100.00%	Full consolidation
METRONIC ITALIA S.R.L.	Italy	100.00%	Full consolidation
LINEAS OMENEX METRONIC SL	Spain	100.00%	Full consolidation
NACON Gaming entities			
NACON SA	France	65.17%	Full consolidation
Bigben Belgium SA	Belgium	65.17%	Full consolidation
BIGBEN NEDERLAND BV	Netherlands	65.17%	Full consolidation
NACON HK Ltd	Hong Kong	65.17%	Full consolidation
Bigben Interactive GmbH	Germany	65.17%	Full consolidation
NACON GAMING ESPAÑA SL	Spain	65.17%	Full consolidation
BIGBEN ITALIA SRL	Italy	65.17%	Full consolidation
GAMES.FR SAS	France	65.17%	Full consolidation
KYLOTONN SAS	France	65.17%	Full consolidation
CYANIDE SAS	France	65.17%	Full consolidation
Cyanide Amusement Inc	Canada	65.17%	Full consolidation
EKO SOFTWARE SAS	France	65.17%	Full consolidation
SPIDERS SAS	France	65.17%	Full consolidation
LUNAR GREAT WALL STUDIOS Srl	Italy	65.17%	Full consolidation
NACON GAMING INC	United States	65.17%	Full consolidation
NACON PTY Ltd	Australia	65.17%	Full consolidation
Neopica Srl	Belgium	65.17%	Full consolidation
PASSTECH GAMES SAS	France	65.17%	Full consolidation
BIG ANT HOLDING PTY Ltd	Australia	65.17%	Full consolidation
Crea-ture Studios Inc.	France	65.17%	Full consolidation
ISHTAR GAMES SAS	France	65.17%	Full consolidation
MIDGAR SAS	France	65.17%	Full consolidation
DAEDELIC Entertainment Inc.	Germany	65.17%	Full consolidation

After the exceptional distribution of NACON shares in kind to Bigben Interactive SA shareholders on 29 July 2022 (1 NACON share for every 4 Bigben shares held), the vesting of bonus NACON shares on 8 September 2022 and the second earn-out payment made to Big Ant Pty Ltd on 15 September 2022, Bigben Interactive SA's stake in NACON SA fell from 70.97% to 65.17%.

➔ Change in scope

Daedalic Entertainment GmbH entered the NACON group's scope of consolidation, and therefore that of the Bigben group because of its stake in NACON, on 1 April 2022, when it was acquired.

3.2.4 Segment reporting

➔ Business segments

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 therefore "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 Audio products (headphones, speakers, etc.) under the Bigben, Lumin'Us, AromaSound and Thomson (Audio) brands; it represents the Bigben group's scope excluding the NACON group.

The information presented below is that used by the Bigben group's chief operating decision maker for internal reporting purposes, allowing 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	Six months ended 30 Sep. 2022			
	Gaming	Mobile	AudioVideo	Group
Total revenue	75,562	47,614	15,355	138,531
Bigben - AudioVideo/Telco	41	46,870	14,111	61,022
NACON - Gaming	75,521	744	1,244	77,509

in thousands of euros	Six months ended 30 Sep. 2021			
	Gaming	Mobile	AudioVideo	Group
Total revenue	71,128	40,862	12,190	124,180
Bigben - AudioVideo/Telco	114	40,272	10,783	51,168
NACON - Gaming	71,014	591	1,407	73,012

Given the way in which the distribution subsidiaries were carved out in the spin-off from Bigben Interactive to NACON on 31 October 2019, 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.

Breakdown of revenue by business

The business activities of the Company and Group are based around three business lines:

- Mobile, which covers all accessories for smartphones;
- AudioVideo, which covers consumer products and is now focusing on developing original products, like the Mobile business;
- Gaming, which covers
 - o accessories for consoles and
 - o the development and publishing of video games sold in physical form or through digital downloads.

in thousands of euros		6-month total		Contribution	
		First half 2022/23	First half 2021/22	First half 2022/23	First half 2021/22
Revenue		138,531	124,180	100%	100%
<i>of which</i>	<i>Gaming</i>	75,562	71,128	55%	57%
	<i>Mobile</i>	47,614	40,862	34%	33%
	<i>AudioVideo</i>	15,355	12,190	11%	10%

➔ **Revenue by geographical zone**

in thousands of euros		6-month total		Contribution	
		First half 2022/23	First half 2021/22	First half 2022/23	First half 2021/22
Revenue		138,531	124,180	100.0%	100.0%
<i>of which</i>	<i>France</i>	60,576	55,944	44%	45%
	<i>Export</i>	77,955	68,236	56%	55%

Export revenue by geographical zone	77,955	68,236	100%	100%
<i>Europe</i>	36,327	35,664	47%	52%
<i>North America</i>	32,138	23,994	41%	35%
<i>Asia</i>	9,141	8,422	12%	12%
<i>Africa</i>	350	156	0%	0%

The geographical breakdown is based on the location of invoiced customers.

Revenue and earnings by business segment

(in thousands of euros)	Group total	NACON - Gaming	Bigben - AudioVideo/ Telco	Group total	NACON - Gaming	Bigben - AudioVideo/ Telco
	First half 2022/23	First half 2022/23	First half 2022/23	First half 2021/22	First half 2021/22	First half 2021/22
Revenue	138,531	77,509	61,022	124,180	73,012	51,168
Purchases consumed	(73,734)	(29,920)	(43,814)	(72,774)	(34,971)	(37,803)
Gross profit	64,797	47,589	17,208	51,406	38,041	13,365
Gross margin (% of revenue)	46.8%	61.4%	28.2%	41.4%	52.1%	26.1%
Other operating revenue	478	518	(40)	588	515	72
Other purchases and external expenses	(19,149)	(13,109)	(6,040)	(13,691)	(9,664)	(4,027)
Taxes other than income tax	(695)	(313)	(382)	(603)	(325)	(278)
Personnel costs	(16,294)	(8,608)	(7,685)	(12,206)	(6,726)	(5,480)
Other operating expenses	(837)	(438)	(399)	(931)	(435)	(496)
Gains or losses on disposals of non-current assets	(6)	(2)	(4)	(2)	(6)	3
EBITDA	28,294	25,638	2,657	24,561	21,401	3,161
EBITDA margin (% of revenue)	20.4%	33.1%	4.4%	19.8%	29.3%	6.2%
Depreciation and amortisation of non-current assets	(16,455)	(14,534)	(1,921)	(14,664)	(12,952)	(1,712)
Recurring operating income	11,839	11,103	736	9,897	8,449	1,448
Recurring operating margin (% of revenue)	8.5%	14.3%	1.2%	8.0%	11.6%	2.8%
Bonus share and stock-option plans	(1,327)	(1,258)	(69)	(5,262)	(3,970)	(1,293)
Other non-recurring operating items	(25)	(25)	0	(500)		(500)
Operating income	10,487	9,820	667	4,135	4,479	(344)
Financial income	3,885	2,930	955	7,836	1,502	6,334
Financial expense	(4,188)	(1,669)	(2,519)	(2,996)	(1,462)	(1,535)
Net financial income/expense	(303)	1,261	(1,564)	4,840	40	4,800
Pre-tax income	10,184	11,081	(897)	8,974	4,519	4,455
Income tax	(2,577)	(2,637)	60	(2,035)	(741)	(1,294)
Net income for the period	7,607	8,444	(837)	6,939	3,778	3,161
Net margin (% of revenue)	5.5%	10.9%	-1.4%	5.6%	5.2%	6.2%
Gains and losses recognised in other comprehensive income	125	125	0	7	0	0
Exchange differences	2,125	1,315	810	89	34	55
Comprehensive income for the period	9,857	9,884	(27)	7,035	3,812	3,223
						0
Net income for the period	7,607	8,444		6,939	3,778	
Attributable to non-controlling interests	2,866	0		889	11	
Net income attributable to equity holders of the parent	4,741	8,444		6,050	3,767	

Recurring operating income before amortisation of customer relationships

(in thousands of euros)	Group total	NACON - Gaming	Bigben - AudioVideo/ Telco	Group total	NACON - Gaming	Bigben - AudioVideo/ Telco
Recurring operating income	11,839	11,103	736	9,897	8,449	1,448
Amortisation of customer relationships	594		594	558	0	558
Recurring operating income before amortisation of customer relationships	12,432	11,103	1,329	10,455	8,449	2,006
Recurring operating income before amortisation of customer relationships as a % of revenue	9.0%	14.3%	2.2%	8.4%	11.6%	3.9%

3.2.5 Additional notes

➔ Additional notes to the balance sheet

Note 1 Goodwill

The review of impairment indicators within each operating segment did not lead the Group to recognise any goodwill impairment in the first half of 2022/23.

in thousands of euros	Total Bigben - AudioVideo/Telco	Total NACON - Gaming	TOTAL
Goodwill at 31 March 2022	39,412	96,742	136,155
Business combination	0	49,441	49,441
Impairment loss	0	0	0
Exchange differences	0	(98)	(98)
Goodwill at 30 September 2022	39,412	146,085	185,498

Transactions that took place in 2021/22 that may affect the current period

Acquisition of 100% of Passtech Games SAS

On 1 April 2021, NACON acquired all of the capital and voting rights of Lyon-based development studio Passtech Games SAS, which specialises in making rogue-like action games.

In addition to the initial cash payment, two earn-out payments may be made in the three years following the acquisition, based on qualitative criteria and on the revenue generated by two video game projects. €2.0 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 mainly take into account historical sales figures and the Metacritic score for Passtech's most recent game Curse of the Dead Gods, on the assumption that the next game developed by the company will have the same success.

Since the earn-out payments that may be made by the NACON group may involve a variable amount of cash, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date gave rise, in accordance with IFRS 3 "Business combinations", to the recognition of a financial liability in the Group's financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise the accounting of business combinations. The measurement of assets acquired and liabilities assumed is as follows:

	<i>In thousands of euros</i>
Intangible assets	54
Property, plant and equipment	13
Financial assets	5
Deferred tax assets	23
Trade receivables	281
Cash and cash equivalents	107
Prepaid expenses	7
Provisions for contingencies	-3
Debt	-54
Trade payables	-132
Total identifiable net assets acquired	300
Goodwill	2,700
Fair value of the consideration transferred	3,000

This goodwill determination was definitive at 30 September 2022.

Acquisition of 100% of Big Ant Holding Pty Ltd

On 3 May 2021, NACON acquired all of the capital and voting rights of development studio Big Ant Holding Pty Ltd, a development studio based in Melbourne, Australia and well known for its rugby, tennis, cricket and Australian Football League (AFL) sports franchises.

The purchase price was €18 million. In addition, eight earn-out payments may be made, depending on the situation, based on Big Ant's net revenue, on revenue generated by its back catalogue and cricket game until 2024, and on qualitative criteria relating to its tennis and rugby games. Each earn-out payment would be made 50% in cash and 50% in NACON shares. €14.0 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 mainly take into account Big Ant's historical sales figures as at the acquisition date.

Since the earn-out payments that may be made by the NACON group may involve a variable amount of cash, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date gave rise, in accordance with IFRS 3 "Business combinations", to the recognition of a financial liability in the Group's financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise the accounting of business combinations. The measurement of assets acquired and liabilities assumed is as follows:

	<i>In thousands of euros</i>
Intangible assets	1,897
Property, plant and equipment	79
Financial assets	48
Trade receivables	423
Cash and cash equivalents	4,571
Debt	-903
Deferred tax liabilities	-293
Trade payables	-2,210
Total identifiable net assets acquired	3,612
Goodwill	28,707
Fair value of the consideration transferred	32,319

This goodwill determination was definitive at 30 September 2022.

Acquisition of 100% of Crea-ture Studios Inc

On 30 July 2021, NACON acquired all of the capital and voting rights of Montreal-based development studio Crea-ture Studios Inc, which specialises in the development of skateboarding games.

In addition to the initial cash payment, two earn-out payments may be made in September 2023 and September 2024, based on qualitative criteria and on the revenue generated by the Session video game currently being developed by the studio. A third earn-out payment may also be paid based on qualitative criteria relating to a video game project that is not yet in the development phase. €9.5 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.

Since the earn-out payments that may be made by the NACON group may involve a variable amount of cash, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date gave rise, in accordance with IFRS 3 "Business combinations", to the recognition of a financial liability in the Group's financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise the accounting of business combinations. The measurement of assets acquired and liabilities assumed is as follows:

	<i>In thousands of euros</i>
Intangible assets	919
Property, plant and equipment	9
Receivables	187
Cash and cash equivalents and miscellaneous	110
Provision for deferred taxes	-239
Miscellaneous liabilities	-63
Total identifiable net assets acquired	923
Goodwill	9,927
Fair value of the consideration transferred	10,850

This goodwill determination was definitive at 30 September 2022.

Acquisition of 100% of Ishtar Games SAS

On 7 October 2021, NACON acquired all of the capital and voting rights of Ishtar Games, which specialises in making and marketing “independent” games.

In addition to the initial cash payment, earn-out payments may be made between 1 April 2022 and 30 April 2025, based on the revenue generated by the video game The Last Spell, and based on qualitative and revenue criteria relating to a future project to be developed by the studio. €9.15 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.

Since the earn-out payments that may be made by the NACON group may involve a variable amount of cash, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date gave rise, in accordance with IFRS 3 “Business combinations”, to the recognition of a financial liability in the Group’s financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise the accounting of business combinations. The measurement of assets acquired and liabilities assumed is as follows:

	<i>In thousands of euros</i>
Intangible assets	863
Property, plant and equipment	15
Financial assets	8
Deferred tax assets	7
Trade receivables	287
Cash and cash equivalents	259
Prepaid expenses	21
Provisions for contingencies	-6
Debt	-608
Trade payables	-268
Prepaid income	-209
Total identifiable net assets acquired	369
Goodwill	10,631
Fair value of the consideration transferred	11,000

Acquisition of 100% of Metronic

On 15 October 2021, Bigben Interactive SA acquired all of the capital and voting rights of Metronic SAS, a European leader in image processing with a strong position in connected audio-video.

In addition to the initial cash payment, two earn-out payments may be made in the three years following the acquisition, based on predefined profitability criteria. Earn-out payments in a total amount of €4.0 million are included in the purchase price calculation. The estimated fair value of these earn-out payments at the acquisition date is based on the Bigben group's best estimates regarding the fulfilment of the conditions for making those earn-out payments, and mainly take into account Metronic's historical profitability figures, assuming that sales in the next few years will follow the same trend.

Since the earn-out payments that may be made by the Bigben group may involve a variable amount of cash, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date gave rise, in accordance with IFRS 3 "Business combinations", to the recognition of a financial liability in the Group's financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise the accounting of business combinations. The measurement of assets acquired and liabilities assumed is as follows:

	<i>In thousands of euros</i>
Intangible assets	846
Property, plant and equipment	5,044
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.

Acquisition of 100% of Midgar Studios SAS

On 7 February 2022, NACON acquired all of the capital and voting rights of Midgar Studios SAS, a development studio specialising in JRPG-type games.

In addition to the initial cash payment, earn-out payments may be made in September 2023 and 2027, based on the revenue generated by video games in the Edge series developed by the studio. €10.0 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.

Since the earn-out payments that may be made by the NACON group may involve a variable amount of cash, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date gave rise, in accordance with IFRS 3 "Business combinations", to the recognition of a financial liability in the Group's financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise the accounting of business combinations. The measurement of assets acquired and liabilities assumed is as follows:

	<i>In thousands of euros</i>
Other intangible assets	699
Property, plant and equipment	11
Financial assets	6
Deferred tax assets	90
Trade receivables	360
Cash and cash equivalents	96
Prepaid expenses	9
Provisions for contingencies	-9
Debt	-381
Trade payables	-215
Deferred tax liabilities	-21
Total identifiable net assets acquired	644
Goodwill	11,856
Fair value of the consideration transferred	12,500

Description of transactions in the first half of 2022/23

Acquisition of 100% of Daedalic Entertainment GmbH

On 1 April 2022, NACON acquired all of the capital and voting rights of Daedalic Entertainment GmbH, a video game development studio based in Hamburg, Germany.

In addition to the €32 million purchase price paid in cash, earn-out payments – also 100% in cash – may be made depending on the studio's performance in the next few years, up to a maximum amount of €21 million.

In addition to the purchase price paid in cash, earn-out payments may be made in July 2023, July 2024 and July 2025 depending on the EBIT generated by the studio. An earn-out payment may also be paid based on qualitative criteria relating to a video game project that is not yet in the development phase. €21.0 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.

Since the earn-out payments that may be made by the NACON group may involve a variable amount of cash, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date gave rise, in accordance with IFRS 3 "Business combinations", to the recognition of a financial liability in the Group's financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise the accounting of business combinations. The measurement of assets acquired and liabilities assumed is as follows:

	<i>In thousands of euros</i>
Intangible assets	13,036
Property, plant and equipment	98
Financial assets	40
Trade receivables	2,355
Inventories	41
Cash and cash equivalents	1,726
Prepaid expenses	18
Debt	-227
Trade payables	-3,160
Deferred taxes	-1,054
Prepaid income	-9,314
Total identifiable net assets acquired	3,559
Goodwill	49,441
Fair value of the consideration transferred	53,000

Goodwill impairment tests

At 30 September 2022, no evidence of a loss of value was identified and so no impairment test was carried out at that date.

Note 2 Intangible assets

in thousands of euros	30 September 2022	31 March 2022
Gross value	327,170	273,796
Amortisation	(140,949)	(120,098)
Impairment		
Net value	186,221	153,698

The main intangible assets are as follows:

- The “Game development costs” item, which represents expenses incurred in developing NACON 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. At 30 September 2022, game development costs had a gross value of €266,492 thousand and amortisation totalled €116,536 thousand, giving a net value of €149,955 thousand. The increase in development costs is due to growth in the Publishing business.
- The “Customer relationships” item comprises:
 - Customer relationships in the mobile phone Accessories business recognised when ModeLabs was acquired on 1 September 2011 in a gross amount of €22,300 thousand. Those customer relationships are amortised on a straight-line basis over a 20-year period. Their net carrying amount was €9,949 thousand at 30 September 2022.
 - Customer relationships in the Video business recognised when Metronic SAS was acquired on 15 October 2021 in a gross amount of €371 thousand. Those customer relationships are amortised on a straight-line basis over a 10-year period. Their net carrying amount was €335 thousand at 30 September 2022.
- At 30 September 2022, the “Trademarks” item mainly consisted of trademarks owned by the development studio Cyanide and the RIGTM trademark belonging to the NACON group, following the acquisition of Cyanide in the year ended 31 March 2019 and the acquisition of RIGTM assets from Poly in the year ended 31 March 2020. At 30 September 2022, the net carrying amount of trademarks was €10,714 thousand.
- The “right-of-use assets” item, which relates to leases, arising from the application of IFRS 16 from the 2019/20 financial year onwards, with a net carrying amount of €13,045 thousand at 30 September 2022.

See also Note 1 regarding the way in which the purchase prices of development studios are allocated to intangible assets.

Note 3 Property, plant and equipment

in thousands of euros	30 September 2022	31 March 2022
Gross value	43,340	41,360
Depreciation	(25,227)	(23,585)
Impairment		0
Net value	18,113	17,775

- Real estate assets comprise:
 - The buildings housing its registered office (Lesquin) and its logistics site (Lauwin-Planque), funded through finance leases. Since the Group took control of these assets from the outset and is certain to exercise its options at the end of the lease periods, the finance leases are not restated according to IFRS 16 but presented directly under property, plant and equipment. The building housing the registered office of the Metronic subsidiary (Tauxiny Saint Bauld), included directly in property, plant and equipment.
- The cost price of the land and buildings was €14,413 thousand and depreciation has totalled €7,495 thousand, giving a net carrying amount of €6,918 thousand at 30 September 2022. For the logistics system, computerised lift trucks and shelving, the cost price was €3,223 thousand and depreciation has totalled €3,189 thousand, giving a net carrying amount of €34 thousand at 30 September 2022.
- Other property, plant and equipment mainly consists of IT hardware and logistics equipment, along with moveable fittings.

Note 4 Deferred tax assets

in thousands of euros	30 September 2022	31 March 2022
Deferred tax assets relating to tax loss carryforwards	115	1,155
Deferred tax assets relating to timing differences	3,058	1,716
DEFERRED TAX ASSETS	3,174	2,871

in thousands of euros	1 April 2022	Recognised	Used	30 September 2022
NACON SA	574		(574)	0
Cyanide SAS	507		(403)	104
Lunar Great Wall Studios Srl	51		(41)	10
Ishtar SAS	23		(21)	2
TOTAL DEFERRED TAX ASSETS RELATING TO TAX LOSS CARRYFORWARDS	1,155	0	(1,039)	115

Tax loss carryforwards were recognised on the basis of the entities' short-term taxable earnings prospects.

Note 5 Inventories

in thousands of euros	Gaming	Mobile	AudioVideo	30 September 2022	31 March 2022
Gross value	59,140	49,481	23,256	131,877	107,463
of which physical inventories	54,372	48,042	21,307	123,721	101,992
of which goods in transit	4,768	1,439	1,948	8,156	5,471
Impairment loss	-12,502	-13,985	-1,900	(28,387)	(26,418)
Net value	46,638	35,496	21,356	103,490	81,045

The Group's revenue is generally subject to large seasonal variations, with business levels in the second half higher than in the first half, due in particular to higher sales of physical products (excluding Publishing) in November and December. As a result, inventories at the end of the first half are traditionally higher than at 31 March.

Goods held in inventory are made by third-party factories according to strict specifications provided by the Group's R&D teams. Factories undergo quality audits before production begins. Purchases of raw materials are mainly handled by those factories, except for certain critical components such as, for the NACON group, Sony ICs (security chips) used in controllers and the environmentally friendly packaging that NACON buys from its partner manufacturers in order to ensure consistent quality.

Note 6 Trade receivables

Trade receivables and other receivables are due in less than one year.

in thousands of euros	30 September 2022	31 March 2022
Trade receivables and notes	77,811	67,705
Impairment losses	(1,444)	(1,558)
TOTAL TRADE RECEIVABLES	76,367	66,147

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 30 September 2022 were included in the “Trade receivables and notes” item. They amounted to €15.9 million (versus €12.4 million at 30 September 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.

Breakdown of receivables due / not due

in thousands of euros	30 September 2022		31 March 2022	
Trade receivables not due	69,722	90%	54,386	82%
Trade receivables due	8,088	10%	11,761	18%
in less than 30 days	3,304	41%	7,847	67%
in 30-60 days	1,911	24%	748	6%
in 60-90 days	260	3%	1,264	11%
in 90-120 days	356	4%	503	4%
in more than 120 days	737	9%	1,314	11%
doubtful receivables	1,520	19%	85	1%
Trade receivables and notes	77,811		66,147	

The Bigben group does not have a material amount of receivables that show the risk of impairment.

The Group’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.

Note 7 Other receivables

in thousands of euros	30 September 2022	31 March 2022
Central and local government (excluding income tax)	10,733	10,196
Personnel	173	193
Rebates receivable from suppliers	3,107	2,882
Prepaid expenses	4,259	3,935
Advances and downpayments on orders	7,775	5,000
Shareholder loans	2	183
Miscellaneous receivables	621	625
TOTAL	26,672	23,015

Note 8 Cash and cash equivalents

in thousands of euros	30 September 2022	31 March 2022
Bank facilities	(6,812)	(3,212)
Marketable securities	600	600
Cash and cash equivalents	68,238	125,847
Net cash and cash equivalents	62,026	123,235

Cash and cash equivalents at 30 September 2022 consisted mainly of:

- €38 million at NACON SA,
- €30 million at Bigben Interactive SA, comprising the proceeds from the February 2021 issue of Bigben bonds exchangeable into the shares of its NACON SA subsidiary.

Note 9 Provisions

in thousands of euros	01/04/2022	Change in scope	Additions	Reversals		Exchange differences	Other	30/09/2022
				used	unused			
Non-current	1,217				(80)			1,137
Provisions for contingencies								
Provisions for pension liabilities	1,217				(80)			1,137
Current	1,049	200						1,249
Provisions for contingencies	1,049	200						1,249
TOTAL	2,266	200			(80)			2,386

At 30 September 2022, the Group's provisions for contingencies in respect of all disputes in which it is involved amounted to €1,249 thousand. The Group considers that disclosing the amount of any provisions set aside in respect of each dispute in progress would cause harm to the Group.

Industrial property dispute

Several infringement proceedings are underway before courts in Germany and France. They concern patents in particular, along with products that are no longer sold by NACON. At this stage in the proceedings, which are very long, the probability and potential amount of any outflow of resources cannot be estimated.

Given the status of existing proceedings and the Group's defence, management remains confident that it will be able to resolve this dispute without any financial loss.

However, in 2015, a French court ordered NACON to pay €530 thousand on the ground of unfair competition. Accordingly, a provision in that amount was set aside on 31 March 2015.

Daedalic had also set aside a €200 thousand provision in its financial statements in previous years with respect to a dispute regarding royalty payments to a developer. This provision was taken into account when integrating Daedalic into the NACON group.

No additional provisions were set aside in the Group's financial statements on 30 September 2022. This position is similar to the one adopted at 31 March 2022.

Bigben Connected tax inspection

Bigben Interactive SAS was subject to an inspection by the tax authorities regarding the period from 1 January 2011 to 31 March 2013. A reassessment proposal was received on 28 December 2015. Bigben Connected replied to the tax authorities on 26 February 2016, within the specified timeframe, disputing most of the proposed reassessments.

Some reassessments have since been abandoned in part or in full by the tax authorities.

On 8 January 2018, Bigben Connected accepted part of the reassessments and made a payment of €610.9 thousand, but on 30 January 2018 began proceedings against the DVNI (France's national and international tax audit department), disputing all other claims made against it regarding VAT. The matter has been brought before the Lille administrative court after the DVNI rejected the dispute proceedings on 31 July 2018. In 2020/21, the company sent its submissions to the tax authorities to defend its position. Since the Lille Administrative Court rejected its arguments in a judgment handed down on 28 October 2021, the company paid €5.5 million to the tax authorities at the end of 2021, including late-payment interest and continued legal proceedings to assert its rights by disputing the judgment through submissions filed with the Douai Administrative Appeal Court in December 2021. In the second half of 2021/22, as a balancing entry to this €5.5 million cash outflow, the company recognised a tax receivable in the same amount on the asset side of its balance sheet. A provision was set aside as a deduction from that receivable at 31 March 2022, to the extent of the maximum risk of non-recovery regarding the receivable as estimated by the Group's management, in accordance with applicable accounting rules.

Given the documents that have so far been filed in relation to these proceedings, and based on advice from the Company's advisors and recent judgments in similar cases in Europe, however, management is confident it will eventually be able to resolve this tax dispute without any financial loss for the Group.

Other proceedings

The Group has also commenced other proceedings against some of its suppliers and competitors.

- There is a dispute between a Canadian publisher and one of NACON SA's studios regarding a purported breach of a video game development contract. The case was brought before the Superior Court of Quebec in December 2017. NACON SA, in its defence filed in April 2018, argued that the publisher's claim was manifestly ill-founded and asked the Court to find that the publisher's claim is improper and require it to pay damages in the form of its lawyers' fees and other costs.
- There is a dispute between one of NACON SA's studios and a licensor, relating to the licensor's unjustified opposition to the release of a video game. NACON SA has commenced legal action to obtain a ruling that the licensor's opposition is wrongful and groundless and a judgment ordering the licensor to pay damages to compensate for the harm suffered 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 provision for contingencies was set aside in the Group's financial statements at 31 March 2022. No additional provisions were set aside in the Group's financial statements on 30 September 2022.

Note 10 Financial liabilities by category

◆ *Long-term and short-term financial liabilities*

in thousands of euros	TOTAL	Maturity date within 1 year	Maturity date from 1 to 5 years	Maturity date over 5 years
Total financial liabilities at 30 Sep. 2022	194,149	40,640	148,206	5,303
Bank borrowings that were long-term at inception	104,516	34,241	64,972	5,303
Bonds exchangeable into shares	80,719		80,719	
Derivative component of the bond issue	2,515		2,515	
Finance lease liabilities	996	996	0	
Bank facilities	5,339	5,339		
Accrued interest not matured	65	65		
Total financial liabilities at 31 March 2022	180,143	30,988	145,812	3,343
Bank borrowings 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 the bond issue	3,044		3,044	
Finance lease liabilities	1,486	985	501	
Bank facilities	3,212	3,212		
Accrued interest not matured	(945)	(945)		

▶ Bank borrowings

NACON

Borrowings taken out by Bigben Interactive before 1 October 2019 and relating to its Gaming business were transferred to NACON as part of the spin-off that took place on 31 October 2019 with retroactive effect from 1 October 2019.

Between 1 April 2019 and 31 March 2020, NACON had taken out new medium-term bank borrowings totalling €35.0 million to fund developments in its Gaming business, 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 one of those loans, it is the Bigben group that has undertaken to comply with an annual financial covenant relating to the leverage ratio.

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

To continue funding the development of its games business and its acquisitions strategy, NACON SA took out €52.5 million of new 5-year amortising loans in 2021/22. Repayments on one of those loans (in an amount of €7.5 million) were deferred for 2 years. NACON took out two new medium-term loans in the first half of 2022/23: one €10 million loan with a 5-year term and one €7.5 million loan with a 5-year term and a 2-year deferral period from BPI France.

These new loans do not include any covenants.

At 30 September 2022, there was no evidence that the financial ratios concerned would not be met at 31 March 2023.

Bigben - AudioVideo/Telco

▶ Bigben bonds exchangeable into the shares of its NACON SA subsidiary

On 19 February 2021, the Company issued €87.3 million of senior bonds (ISIN: FR0014001WC2) exchangeable into existing ordinary shares of NACON SA, conditionally secured and due to mature in 2026 (the “**Bonds**”).

The Bonds pay a coupon of 1.125% per year and will be redeemed at 103% of par, giving a yield to maturity of 1.7024%. The bonds exchangeable into NACON shares include a traditional debt component and a derivative component, since the exchange option does not provide for the mandatory redemption of the instrument against a fixed number of equity instruments.

Change in the fair value of the bonds' derivative component

Under IFRSs, the fair value of the derivative component related to the bonds issued in February 2021 must be remeasured in each half-year period.

At 30 September 2022, that fair value was €2,515 thousand (versus €3,044 thousand at 31 March 2022), resulting in financial income of €0.5 million (see Note 19 “Net financial income/expense”). The difference is mainly the result of a fall in the NACON share price – to which the derivative component of the bonds is very sensitive – in the first half of 2021/22.

▶ Finance lease liabilities

These are borrowings recognised in relation to finance leases. The main finance leases in force relate to the Lauwin-Planque site (see Note 3 “Property, plant and equipment”) and their underlying assets had already been recognised under property, plant and equipment before IFRS 16 was adopted. Given the terms of the leases, Bigben Interactive is the owner of this site for IFRS purposes.

◆ **Lease liabilities**

▶ **Current and non-current lease liabilities**

This item relates to lease liabilities arising from the adoption of IFRS 16.

<i>in thousands of euros</i>	01/04/2022	Change	30/09/2022
Lease liabilities	12,898	216	13,114
of which current	3,272	995	4,267
of which non-current	9,626	(779)	8,847

Note 11 Other non-current liabilities

Other non-current liabilities include earn-out payments that are expected to take place in over 12 months' time.

Note 12 Deferred tax liabilities

Deferred tax liabilities correspond mainly to timing differences relating to trademarks and customer relationships recognised at the time of acquisitions.

At 30 September 2022, they mainly related to:

- The IFRS tax treatment of Bigben Interactive SA's bond issue.
- The deferred tax recognised on "Mobile Accessories" customer relationships in relation to the Modelabs acquisition.

See also Note 1 concerning deferred tax liabilities in relation to acquisitions of development studios.

Note 13 Other payables

<i>in thousands of euros</i>	30 September 2022	31 March 2022
Central and local government (excluding income tax)	4,810	4,707
Employees and social security agencies	7,286	7,524
Client discounts and trade payables	14,332	15,916
Exchange-rate derivative instruments	31	4
Liabilities relating to non-current assets	25	340
Liabilities relating to shareholder loans		444
Factoring		
Prepaid income	5,271	1,461
Miscellaneous creditors	868	
TOTAL OTHER CREDITORS (CURRENT)	32,622	30,395
Miscellaneous creditors	0	1,257
TOTAL OTHER CREDITORS (NON-CURRENT)		1,257
TOTAL OTHER CREDITORS	32,622	31,652

Additional notes to the income statement

Note 14 Revenue

In the first half of 2022/23, consolidated revenue from continuing operations amounted to €138.5 million, up 11.6% compared with reported revenue for the first half of 2021/22.

in thousands of euros		6-month total		Contribution	
		First half 2022/23	First half 2021/22	First half 2022/23	First half 2021/22
Revenue		138,531	124,180	100%	100%
<i>of which</i>	<i>Gaming</i>	75,562	71,128	55%	57%
	<i>Mobile</i>	47,614	40,862	34%	33%
	<i>Audio/Video</i>	15,355	12,190	11%	10%

Revenue is measured on the basis of the consideration specified in an agreement signed with a client.

- Sales of retail games and accessories and AudioVideo/Telco products: Revenue generated by sales of physical video games and accessories and AudioVideo/Telco products is recognised on the date on which the products leave the warehouse or are delivered to distributors depending on the incoterms, minus any commercial discounts and an estimate of the price reductions that the Group will apply if sales in retailers' stores prove insufficient.
- Sales of digital games: revenue is recognised on the date the content is made available to console manufacturers or platforms. NACON acts as a principal with respect to console manufacturers and platforms, to which the games masters are sent (and not with respect to end-users) and therefore recognises the amounts specified in contracts with those console manufacturers and platforms in revenue (and not the amounts billed to end-customers). Guaranteed amounts are recognised in revenue as soon as the games master is made available, and additional amounts depending on future console and platform sales are recognised when those sales take place. As the case may be, prepaid income is recognised to defer the recognition as revenue of amounts invoiced to console manufacturers and platforms with respect to sales whose content has not been made available to clients at the closing date. Currently, NACON does not sell video games with an "online services" component (using the company's own servers) or a "live ops" component allowing a gamer to receive online services with or without an additional payment. Under IFRS 15, those services could constitute a separate obligation whose revenue would have to be recognised as and when the additional services were provided.

Note 15 Purchases consumed

in thousands of euros	First half 2022/23	First half 2021/22
Merchandise	(95,279)	(86,526)
Change in merchandise inventories	23,514	12,512
Change in impairment	(1,969)	1,239
TOTAL	(73,734)	(72,774)

Purchases consumed comprise:

For the AudioVideo/Telco business, the cost of sales of AudioVideo/Telco products;

For the Gaming business, 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 16 External expenses

in thousands of euros	First half 2022/23	First half 2021/22
Purchases not held in inventory	(589)	(548)
Subcontracting	(297)	(484)
Rent	(285)	(436)
Maintenance and repairs	(943)	(711)
Insurance premiums	(484)	(246)
Other external services	(87)	(50)
Fees	(3,182)	(2,919)
R&D expenses	(301)	(254)
Advertising	(6,645)	(3,778)
Transportation of goods sold	(3,168)	(2,311)
Travel costs	(1,405)	(363)
Communication costs	(437)	(490)
Bank fees and services	(241)	(177)
Other external expenses	(432)	(436)
External personnel	(653)	(489)
TOTAL	(19,149)	(13,691)

The increase in external expenses in the first half of 2021/22 was due in particular to higher marketing costs relating to NACON's first-half release schedule, along with the integration of new subsidiaries.

Note 17 Share-based payment - Bonus share and stock-option plans

The Boards of Bigben Interactive SA and NACON SA used the authorisations given to them by shareholders in their respective Shareholders' General Meetings to award bonus shares to employees and corporate officers of their groups' entities. A maximum of 1,646,113 NACON SA shares and 63,540 Bigben shares were awarded under bonus share plans during the period. These plans involve vesting periods of between one and three years. The income statement impact relating to the fair value of these plans was €0.4 million in the first half of 2022/23, with the remainder of the expense recognised concerning plans set up in previous years.

See also Note 19, which covers the number of bonus shares vested in or awarded to the Group's qualifying employees during the relevant period.

Note 18 Net financial income/expense

in thousands of euros	First half 2022/23	First half 2021/22
Interest and similar income	48	117
Income from the change in the fair value of the bond issue's derivative component	529	6,310
FINANCIAL INCOME	577	6,427
Interest expense on medium-term funding	(1,943)	(1,716)
Other interest expense	1	(1)
FINANCIAL EXPENSE	(1,942)	(1,717)
NET FINANCIAL INCOME/EXPENSE EXCLUDING FOREIGN EXCHANGE GAINS/LOSSES	(1,365)	4,711
Foreign exchange gains	3,308	1,409
Foreign exchange losses	(2,246)	(1,280)
<i>of which value of financial instruments</i>	<i>(31)</i>	<i>(13)</i>
Foreign exchange gains and losses	1,063	129
NET FINANCIAL INCOME/EXPENSE	(303)	4,840

The mark-to-market value of derivative financial instruments was €31 thousand at 30 September 2022, as opposed to €13 thousand at 30 September 2021 (see Note 21).

Note 19 Earnings per share

in euros	First half 2022/23	First half 2021/22
Net income	7,606,886	6,939,103
Weighted average number of shares before capital increase	18,886,536	19,701,094
Dilutive effect of future awards under bonus share plans*	63,540	36,180
Average number of shares after dilution	18,950,076	19,737,274
Par value of shares (in euros)	2.00 €	2.00 €
Basic earnings per share	0.40	0.35
Diluted earnings per share	0.40	0.35

Weighted average number of shares used to calculate earnings per share

in euros	First half 2022/23	First half 2021/22
Ordinary shares in issue at 1 April	19,380,484	19,969,658
Number of shares issued, adjusted on a prorata temporis basis	316	9,473
Number of shares cancelled, adjusted on a prorata temporis basis	(468,061)	(258,339)
Treasury shares	(26,203)	(19,698)
Number of shares at period-end	18,886,536	19,701,094

* In accordance with IAS 33 ("contingently issuable shares"): As with the calculation of basic earnings per share, contingently issuable shares are included, if they are dilutive, in the calculation of diluted earnings per share on the basis of the number of shares that would be issuable if the closing date of the period were the end of the contingency period. The issuance conditions must be met at the closing date. IAS 33 also states that the aim of diluted earnings per share is to present an earnings per share figure that takes into account maximum dilution, i.e. the maximum conversion of potential ordinary shares (IAS 33.44). In the spirit of IAS 33, the Bigben group has taken into account the maximum dilutive effect of bonus share entitlements that have been granted to Group employees and could in future give rise to the creation of new shares (assuming that the vesting criteria are met).

Bonus shares

As regards the first half of 2022/23:

- The performance conditions of the bonus shares initially awarded in 2021 were not fully or partly met by all Group Audio/Telco entities at 31 March 2022. 3,795 bonus shares were awarded definitively to 72 employees on 8 September 2022 subject to a condition that they remain employed by the NACON group.
- On 15 September 2022, Bigben Interactive SA's Board of Directors also awarded 63,540 bonus shares, mainly to employees and corporate officers of the Group's AudioVideo/Telco entities, i.e. 300 beneficiaries. The vesting of those shares after a 1-year period is again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income.

NACON group

Entitlements to NACON bonus shares were also awarded or vested:

- The performance conditions of the NACON bonus shares initially awarded in 2021 were not fully or partly met by all NACON group entities at 31 March 2022. 6,600 bonus shares were awarded definitively to 15 employees on 8 September 2022 subject to a condition that they remain employed by the NACON group.
- On 15 September 2022, NACON SA's Board of Directors also awarded 1,646,113 bonus shares, mainly to employees and corporate officers of NACON group entities, i.e. 893 beneficiaries. The vesting of those shares after a 1- or 3-year period is again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income.

In relation to the second Big Ant Studios Pty Ltd earn-out payment, NACON also carried out a capital increase in an amount of 400,234 shares on 15 September 2022 (see section 2.1.2).

The dilutive effect of these NACON bonus share entitlements and of these newly issued NACON shares is therefore only reflected in the NACON group's earnings per share, and not in the table above, which only relates to Bigben shares.

Share buyback programme:

(see also section 2.1.2).

Third mandate to buy shares granted to CIC Market Solutions

Between 7 September 2022 and 20 September 2022, CIC Market Solutions purchased 854,319 Bigben shares on behalf of Bigben Interactive SA for a total amount of €13.4 million.

Bigben Interactive's Board of Directors, in its meetings of 30 May and 15 September 2022, on the authorisation granted by shareholders in the 25th resolution of the combined shareholders' general meeting of 30 July 2021, decided to reduce the Company's share capital by cancelling these 854,319 shares held in treasury, which at that date represented around 4.44% of Bigben Interactive's share capital.

3.2.6 Other information

Note 20 Dividends and special distributions

Shareholders in the General Meeting of 22 July 2022 approved the payment of a dividend of €0.30 per share with respect to 2021/22. The shares went ex-dividend on 27 July 2022 and the dividend was paid on 29 July 2022. The total amount of that dividend was €5.5 million.

Shareholders in the General Meeting also approved a special distribution of one (1) NACON share for every four (4) Bigben Interactive shares held.

Based on NACON's opening share price on 29 July 2022 on Euronext's regulated market in Paris, i.e. €5.56, and the number of NACON shares distributed (excluding shares held in treasury, i.e. 4,628,662, the total amount of the special distribution in kind was €25.7 million (i.e. €1.39 per Bigben Interactive share).

Note 21 Financial instruments

➔ Currency hedging

At 30 September 2022, the group was a party to “FX accumulator” options. TARNs/accumulators/options are complex structured derivatives through which the Group undertakes to buy or sell USD or other foreign currencies according to a schedule and at rates defined when the contract is signed. The use of TARNs/accumulators/options is based on a strategy that aims to accumulate foreign currency at an exchange rate that is better than currently available spot and forward rates in return for uncertainty about the total amount of foreign currency that may be accumulated, although there is a predetermined maximum amount. In the event of a large change in the exchange rate between the euro and the foreign currency in question (upward or downward respectively depending on whether the Company is buying or selling the foreign currency), long or short exposure may increase and cause foreign exchange losses to be recognised on these instruments.

The table below sets out positions at 30 September 2022:

Type of contract	Currency	Position	Status	Subscription date	Maturity date	Nominal amount in foreign currency (thousands)	Strike	At 30 September 2022, in thousands				
								Amount of foreign currency purchased	Amount of foreign currency sold	Amount of foreign currency purchased net of foreign currency sold	Maximum amount of foreign currency still to be purchased	Mark-to-market value in euros
FX accumulator option	CNH	Purchase	Active	Aug 22	Aug 23	102,000	7.19	6,000	6,000	0	90,000	31
												31

▶ Valuation:

The mark-to-market value of these financial instruments was positive at €31 thousand at 30 September 2022, as opposed to €13 thousand at 30 September 2021.

➔ Interest rate hedging

There are no longer any interest-rate hedges in place.

➔ Derivative component of the bond issue

See Note 10 “Financial liabilities by category” and Note 18 “Net financial income/expense”.

Note 22 Contractual repayment schedule**Liabilities excluding provisions and equity**

The following table sets out, for financial liabilities recognised at 30 September 2022 (excluding current bank facilities, factoring and current interest not yet due), the contractual schedule for disbursements, excluding any discounting to present value. It has been assumed that the bonds will be redeemed at maturity (“3-4 years” category).

in thousands of euros	YEARS						TOTAL
	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5 years or more	
Borrowings and debts	34,241	21,707	18,277	104,926	9,981	5,303	194,435
Finance leases	996						996
Lease liabilities	4,267	2,320	1,904	1,601	1,365	1,658	13,114
Total financial liabilities	39,503	24,027	20,181	106,527	11,346	6,961	208,545

Note 23 Breakdown of debt by maturity and type

At 30 September 2022:

in thousands of euros	YEARS						TOTAL
	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5 years or more	
Fixed rate	35,237	21,707	18,277	104,926	9,981	5,303	195,431
% / total 1	18%	11%	9%	54%	5%	3%	100%
Floating rate							0
% / total 2	0%	0%	0%	0%	0%	0%	0%
TOTAL	35,237	21,707	18,277	104,926	9,981	5,303	195,431

Note 24 Currency risk on supplies

in thousands of euros	First half 2022/23	First half 2021/22
Purchases in USD made by subsidiaries from Bigben and NACON Hong Kong		
Audio/Telco	(15,416)	(12,543)
Gaming	(13,590)	(18,800)
TOTAL	(29,006)	(31,343)
Sensitivity to the USD exchange rate		
+10% = benefit	2,911	2,849
-10% = additional cost	(2,948)	(3,483)

Most of the currency risk relates to USD-denominated items purchased by Bigben Interactive SA and Bigben Connected SAS from its Bigben Interactive Hong Kong Ltd subsidiary and USD-denominated items purchased by NACON SA from its NACON Hong Kong Ltd subsidiary.

Note 25 Off-balance sheet commitments► **Guarantees given**

Commitments given	By	To	30 September 2022	31 March 2022	Purpose of the commitment
Bank guarantee	Bigben Interactive SA	HSBC Hong Kong	11,284	9,909	USD 11,000 thousand bank guarantee - combined facility for Bigben Interactive HK and NACON HK
Stand-alone guarantee (1)	Bigben Interactive SA	Huawei Technologies France SASU	1,300	1,300	Bigben Connected counter-guarantee
Guarantee (2)	Bigben Interactive SA	Bigben Connected	0	0	Bigben Connected counter-guarantee
Joint and several guarantee (3)	Bigben Interactive SA	Various financial institutions	3,713	5,663	Joint and several guarantee for borrowings transferred through the spin-off
Joint and several guarantee (4)	Bigben Interactive SA	CIC	1,350	1,650	Joint and several guarantee provided to CIC for NACON SA's loan (underlying loan from the EIB)
Joint and several guarantee (4)	Bigben Interactive SA	CIC	1,350	1,650	Joint and several guarantee provided to CIC for NACON SA's loan (underlying loan from BFCM)
Bank guarantee (5)	Bigben Interactive SA	La Banque Postale (LBP)	2,361	2,860	Joint and several guarantee provided to LBP for NACON SA's loan
Pledge (6)	Bigben Interactive SA	BNP Paribas Securities Services	18,187,500 NACON shares	18,187,500 NACON shares	Pledge of the securities account in which NACON SA shares are held for the benefit of bondholders

- (1) Guarantee provided by Bigben Interactive SA to Huawei for the supply of goods and/or services to Bigben Connected
- (2) Pledge of the Lesquin building as security by Bigben Interactive SA on behalf of Bigben Connected pending the resolution of a tax dispute
- (3) Joint and several guarantees provided by Bigben Interactive SA to various financial institutions to guarantee the transfer of underlying loans to NACON as part of the spin-off of Bigben Interactive's Gaming division.
- (4) Joint and several guarantees provided by Bigben Interactive SA to CIC Paris to guarantee its obligations with respect to underlying loans from the EIB (European Investment Bank) and BFCM (Banque Fédérative du Crédit Mutuel), granted under a co-financing agreement aimed at funding the development costs of NACON SA, which was a newly incorporated company at the time those loans were arranged.
- (5) First-demand bank guarantee provided by Bigben Interactive SA to LBP to guarantee its obligations with respect to a bank loan granted to fund the development costs of NACON SA, which was a newly incorporated company at the time that loan was arranged.
- (6) Pledge of the securities account in which existing NACON SA shares – representing at all times 200% of the number of NACON shares underlying the bonds exchangeable into NACON shares – are held for the benefit of bondholders.

See also section 2.1.2.

**BY THE GROUP'S NACON SA
SUBSIDIARY**

Commitments given	By	To	30 September 2022	31 March 2022	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	750	1,250	Pledge of Cyanide SAS shares
Bank guarantee	NACON SA	Banque Postale	850	1,357	Pledge of Cyanide SAS shares
Bank guarantee	NACON SA	CIC	410	613	Pledge of Kylotonn SAS shares
Bank guarantee	Kylotonn SAS	HSBC	358	358	Pledge of Kylotonn SAS business assets
Bank guarantee	NACON SA	CIC	1,600	2,000	Pledge of Spiders SAS shares
Bank guarantee	NACON SA	BPI	1,522	408	Amounts withheld as security in relation to several loans taken out between 2017 and 2022

Note 26 Related-party disclosures

Transactions with related parties concern commercial and financial transactions between the parent company and its subsidiaries, and mainly consist of the following:

- Purchases and sales of merchandise,
- Real-estate leasing,
- Cross-invoicing of administrative services,
- Current-account cash advances.

All the above agreements are formed on an arm's-length basis.

There were no transactions between related parties during the period that had a material influence on the financial position or earnings, and there were no changes affecting the transactions between related parties described in the annual report that could have a material influence on the financial position or earnings.

See also Note 27 and section 2.2.3.

Note 27 Post-balance sheet events

None.

4 > STATUTORY AUDITORS' REPORT

In compliance with the assignment entrusted to us by shareholders in your general meetings and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code, we:

- carried out a limited review of Bigben Interactive SA's condensed consolidated interim financial statements for the period from 1 April 2022 to 30 September 2022 as enclosed with this report;
- examined information provided in the interim business report.

Your Board of Directors was responsible for the preparation of these interim condensed consolidated financial statements. Our role is to express a conclusion on these financial statements based on our limited review.

I - Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France.

A limited review consists mainly of conducting discussions with members of management responsible for accounting and financial matters, and carrying out analytical procedures. This work is less extensive than that required by an audit performed according to the prevailing standards of the profession in France. As a result, a limited review provides a moderate level of assurance, i.e. a lower level of assurance than that provided by an audit, that the financial statements as a whole are free of material misstatement.

Based on our limited review, nothing has come to our attention that would cause us to believe that the accompanying condensed consolidated interim financial statements are not prepared in accordance with IAS 34 "Interim financial reporting", which forms part of the IFRSs as endorsed by the European Union.

II – Specific verification

We also examined information provided in the interim business report commenting on the interim condensed consolidated financial statements on which we carried out our limited review.

We are satisfied that the information is fairly stated and agrees with the condensed consolidated interim financial statements.

Paris la Défense, 6 December 2022

Roubaix, 6 December 2022

KPMG Audit IS

Fiduciaire Métropole Audit

Stéphanie Ortega
Partner

François Delbecq
Partner