



INTERIM FINANCIAL REPORT

First half 2020/21 – six months ended 30 September 2020

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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 2020/21 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, 1 December 2020,

The Chief Executive Officer
Fabrice Lemesre

2 > BUSINESS REPORT

2.1 KEY EVENTS IN THE FIRST HALF OF 2020/21

2.1.1.1 Operating activities

In the first half of 2020/21, consolidated revenue from continuing operations amounted to €135.8 million, up 6.9% compared with reported revenue for the first half of 2019/20.

in thousands of euros	Six months ended 30 Sep. 2020			
	Gaming	Mobile	Audio	Group
Total revenue	84,601	41,128	10,025	135,754
Bigben - Audio/Telco	215	40,359	8,575	49,149
NACON - Gaming	84,386	769	1,450	86,605

Breakdown by segment	Six months ended 30 Sep. 2020			
	Gaming	Mobile	Audio	Group
Total revenue	62%	30%	7%	100%
Bigben - Audio/Telco	0%	98%	86%	36%
NACON - Gaming	100%	2%	14%	64%

in thousands of euros	Six months ended 30 Sep. 2019			
	Gaming	Mobile	Audio	Group
Total revenue	62,167	52,814	12,056	127,038
Bigben - Audio/Telco	752	52,428	10,150	63,330
NACON - Gaming	61,416	386	1,906	63,707

Breakdown by segment	Six months ended 30 Sep. 2019			
	Gaming	Mobile	Audio	Group
Total revenue	49%	42%	9%	100%
Bigben - Audio/Telco	1%	99%	84%	50%
NACON - Gaming	99%	1%	16%	50%

The Bigben Interactive group's growth in the first half of 2020/21 was mainly driven by the NACON Gaming segment (+35.9%). That segment was boosted by firm growth in Gaming accessories, particularly premium RIG™ headsets in the USA and official controllers for the PlayStation®4, along with strong growth in sales of back-catalogue games (€18.0 million versus €5.3 million in the first half of 2019/20). The Audio/Telco segment was badly affected in the first quarter of 2020/21 by the Covid-19 crisis, which forced physical stores to close for a number of months, but showed initial signs of recovery in the second quarter of the financial year.

IFRS consolidated financial statements, in millions of euros		Six months ended 30 September		Change	
		2020	2019	€ m	%
Revenue		135.8	127.0	8.7	+6.9%
<i>of which</i>	<i>Gaming</i>	84.6	62.2		
	<i>Mobile</i>	41.1	52.8		
	<i>Audio</i>	10.0	12.1		
Purchases consumed		(78.4)	(72.2)		
Gross profit		57.3	54.9		+4.4%
Operating expenses		(23.9)	(27.2)	3.2	-12.0%
EBITDA		33.4	27.7	5.7	+20.5%
Depreciation and amortisation of non-current assets		(16.4)	(14.3)	-2.1	
Recurring operating income		16.9	13.4	3.5	+26.4%
Other non-recurring operating income and expense		(2.3)	(1.5)	-0.8	+51.5%
Operating income		14.7	11.9	2.8	+23.2%
Net financial income/expense		(1.2)	(1.0)	-0.3	+26.3%
Pre-tax income		13.5	10.9	2.5	+23.0%
Tax		(3.7)	(2.6)	-1.1	+43.1%
Net income		9.7	8.3	1.4	+16.7%

Recurring operating income rose from €13,399 thousand in the first half of 2019/20 to €16,932 thousand, buoyed by revenue growth and an improved business mix. EBITDA amounted to €33.4 million, up 20.5% compared with the first half of 2019/20. EBITDA margin was 24.6%, up 2.8 points year-on-year. That improvement resulted from personnel expenses remaining under control and a smaller increase in external expenses compared with revenues.

Net financial expense included a €/€ foreign exchange loss of €0.7 million in the first half of 2020/21, factoring in the change in fair value of derivative financial instruments, along with the cost of bank debt.

Pre-tax income rose from €10,949 thousand in the first half of 2019/20 to €13,463 thousand in the first half of 2020/21.

Bigben Interactive's net income amounted to €9,724 thousand as opposed to €8,336 in the first half of 2019/20. Given Bigben Interactive SA's 76.67% stake in NACON SA, attributable net income excluding non-controlling interests in subsidiaries totalled €7,537 thousand as opposed to zero in the first half of 2019/20.

2.1.2 Other key events

◆ Ownership structure

⇒ **Capital increase following the vesting of bonus shares awarded in 2019**

On 4 September 2019, the Board of Directors awarded 272,533 Bigben bonus 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.

The performance condition was partially or fully attained by all Group entities, and taking into account departures before the vesting date, 251,155 shares finally vested in 485 beneficiaries.

As a result, on 7 September 2020, 251,155 new Bigben shares were issued through the capitalisation of reserves.

The residual consolidated IFRS 2 expense recognised in relation to this plan in 2020/21 amounts to €1.6 million (€0.3 million for the Bigben group's Audio/Telco entities and €1.3 million for the NACON group), with a balancing entry under reserves.

⇒ **2020 bonus share award**

On 7 September 2020, Bigben Interactive SA's Board of Directors awarded 120,275 Bigben bonus shares, mainly to employees and corporate officers of the Group's Audio/Telco entities, i.e. 220 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. 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 120,275 shares awarded, i.e. €240,550, was set up at the time of the award.

The IFRS 2 expense recognised by Bigben with respect to this plan for the first half of 2020/21 was €0.2 million, with a balancing entry under reserves.

On 7 September 2020, NACON SA's Board of Directors awarded 1,123,983 NACON bonus shares to employees and corporate officers of NACON group entities, i.e. 512 beneficiaries. The vesting of those shares after a 1- or 3-year period is subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income. Based on the number of NACON bonus shares vested, an issue of new NACON shares will take place through the capitalisation of reserves, and a special appropriated earnings account equal to the total par value of the 1,123,983 shares awarded, i.e. €1,123,983, was set up at the time of the award.

The IFRS 2 expense recognised by NACON for the first half of 2020/21 was €0.6 million, 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 2020/21 was therefore €0.7 million, with a balancing entry under reserves (including €0.6 million at the NACON group level).

◆ Change in scope:

Bigben Interactive USA Inc., which had been dormant for several years, was wound up on 17 August 2020. That company, which the Group had accounted for under the equity method, was therefore deconsolidated and was no longer part of the Group's scope of consolidation at 30 September 2020.

- ◆ Other events:

- ➔ **Further developments in the Covid-19 (coronavirus) crisis**

To deal with Covid-19 crisis as effectively as possible, from the outset the Group took steps to minimise its direct impact on its operations and costs. The vast majority of people working in support services and development have been doing so remotely until May 2020, while the logistics warehouse has adjusted its workload so that it can operate with a reduced staff and in accordance with public health rules. As a result, Bigben has only furloughed staff members whose work has had to be suspended or is impossible to carry out remotely.

Bigben Interactive SA has been applying a strict lockdown-easing plan since May 2020, protecting the health of its staff members and third parties when they return to the Group's premises and allowing activity to resume gradually in accordance with health guidelines.

Procurement of accessories from the Group's suppliers has been back to normal since mid-April 2020.

From the economic point of view, the impact of the Covid-19 crisis differed between the NACON - Gaming and Bigben - Audio/Telco segments in the first half of 2020/21:

Revenue suffered the worst impact from the exceptional consequences of the Covid-19 crisis, but the effect varied between the two business segments:

NACON - Gaming

- The Group was able to rely on firm growth of back catalogue digital sales, which totalled €18 million in the first half of 2020/21 as opposed to €5.3 million in the first half of 2019/20.
- Global demand for accessories arising from new ways of remote working, videoconferencing and leisure use (headsets, controllers etc.) increased sharply, which boosted sales of NACON accessories.

Bigben - Audio/Telco

- Consumption of Audio/Telco products fell in the first two months of the first-half period.
- The targeted action plan for the post-lockdown period – including developing new accessories, opening new distribution channels for Audio products, developing new *Justgreen*[®] products and carrying out targeted promotional campaigns to boost the distribution of physical products – was implemented even before stores reopened.
- Sales rebounded in the second quarter, but this was not enough to make up for the decline in the first quarter.

Overall, Bigben's revenue rose by 6.9%.

The Group did not experience any cash flow problems. The Gaming segment had a large cash position with which to fund its development following NACON's recent IPO, through which it raised €103 million (after deducting IPO expenses) in March 2020, while the Audio/Telco entities covered their own working capital requirement in the first half of 2020/21 by using loans guaranteed by the French state. In May and June 2020, Bigben Interactive SA obtained two French state-guaranteed loans in a total amount of €15 million.

- ➔ **Changes in debt**

As mentioned above, the Group obtained two French state-guaranteed loans, for €10 million and €5 million respectively, from three banks. Those loans will have a one-year term, although the Group will be able to request the rescheduling of payments over a five-year period. The loans are presented under current liabilities given the Group's current intention to repay them after one year if this is possible given the consequences of the Covid-19 crisis.

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.

As part of the Group's reorganisation and the spin-off of the Gaming business to form NACON, Bigben Interactive adjusted its business segments in 2019/20.

NACON SA, which floated on the stockmarket on 4 March 2020, has its own sales, marketing and finance functions.

The Bigben Interactive group considers that it has two operational business segments, which each have specific economic characteristics and represent a distinct market.

The Bigben Interactive group's two business segments are now "Bigben - Audio/Telco" and "NACON - Gaming".

- **The "NACON - Gaming" segment** comprises the development, publishing and distribution of video games along with the design and distribution of accessories for games consoles and PCs. The Video Games and Gaming Accessories businesses address the same market and have the same economic characteristics, and this segment represents the NACON group's current scope.
- **The "Bigben - Audio / Telco" segment** comprises the design and distribution of accessories for smartphones and tablets (Mobile business) and the design and distribution of Audio products (headphones, speakers etc.) under the *Bigben*, *Lumin'Us*, *AromaSound* and *Thomson* (Audio) brands; it represents the Bigben group's scope excluding the NACON group.

The information presented below is that 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 Group President 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 - Audio/Telco	Group total	NACON - Gaming	Bigben - Audio/Telco
	First half 2020/21	First half 2020/21	First half 2020/21	First half 2019/20	First half 2019/20	First half 2019/20
Revenue	135,754	86,605	49,149	127,038	63,708	63,330
Purchases consumed	(78,449)	(41,302)	(37,147)	(72,161)	(24,497)	(47,664)
Gross profit	57,305	45,303	12,002	54,877	39,211	15,666
Gross margin (% of revenue)	42.2%	52.3%	24.4%	43.2%	61.5%	24.7%
Other operating revenue	438	257	181	824	287	537
Other purchases and external expenses	(11,415)	(8,332)	(3,082)	(15,217)	(10,002)	(5,215)
Taxes other than income tax	(523)	(125)	(398)	(804)	(442)	(362)
Personnel costs	(11,963)	(6,367)	(5,596)	(11,142)	(5,047)	(6,095)
Other operating expenses	(492)	(333)	(160)	(843)	(466)	(377)
Gains or losses on disposals of non-current assets	22	19	3	0		0
EBITDA	33,372	30,422	2,950	27,695	23,542	4,153
EBITDA margin (% of revenue)	24.6%	35.1%	6.0%	21.8%	37.0%	6.6%
Depreciation and amortisation of non-current assets	(16,440)	(14,693)	(1,747)	(14,296)	(12,867)	(1,429)
Recurring operating income	16,932	15,729	1,203	13,399	10,674	2,724
Recurring operating margin (% of revenue)	12.5%	18.2%	2.4%	10.5%	16.8%	4.3%
Bonus share and stock-option plans	(2,260)	(1,822)	(438)	(1,205)	(971)	(234)
Other non-recurring operating items	0	0	0	(287)	0	(287)
Income from associates - Similar activity	0	0	0	(1)	(1)	0
Operating income	14,672	13,907	765	11,906	9,703	2,204
Financial income	916	468	448	411	324	87
Financial expense	(2,125)	(1,253)	(872)	(1,368)	(775)	(593)
Net financial income/expense	(1,209)	(785)	(424)	(957)	(452)	(505)
Pre-tax income	13,463	13,122	341	10,949	9,251	1,698
Income tax	(3,739)	(3,570)	(169)	(2,614)	(2,741)	127
Net income for the period	9,724	9,551	172	8,336	6,510	1,826
Recurring operating margin (% of revenue)	7.2%	11.0%	0.4%	6.6%	10.2%	2.9%

2.2 INFORMATION ABOUT THE GROUP'S SHARES

2.2.1 Share capital

At 30 September 2020, Bigben Interactive SA's share capital consisted of 19,969,658 shares, representing 22,687,190 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 €14.86 on 30 September 2020, the Group's market capitalisation at that date was €296.75 million.

2.2.2 Crossing of an ownership disclosure threshold

The following ownership disclosure threshold was crossed during the reference period from 1 April to 30 September 2020 following the issue of new shares resulting from bonus shares awarded in 2019 vesting on 7 September 2020:

On 7 September 2020, the stake held by the concert party consisting of Mr Vincent Bolloré, Nord-Sumatra Investissements and Mr Sébastien Bolloré fell below 20% of the Company's capital, representing 3,961,173 Bigben Interactive shares and the same number of voting rights, equal to 19.84% of the Company's capital and 17.46% of its voting rights. The crossing of that disclosure threshold resulted from an increase in the total number of the Company's shares and voting rights (AMF notice 220C3556).

The Company's ownership structure at 30 September 2020 was as follows:

Name	% of capital held	% of voting rights held*
Bolloré group	19.8%	17.5%
AF Invest + Alain Falc	13.0%	22.6%
Quaero Capital	5.6%	4.9%
Free float	61.5%	55.1%
Liquidity agreement	0.1%	0.0%
TOTAL	100.00%	100.00%

* Gross voting rights

2.2.3 Post-balance sheet events

➤ Further developments in the Covid-19 (coronavirus) crisis

The Group's order book suggests that sales of inventories will be satisfactory in the next few months.

Trade receivables at 30 September 2020 are being collected in accordance with agreed payment times.

The Group is not expecting any cash flow problems. The Gaming segment still has a large cash position with which to fund its development following NACON's recent IPO, through which it raised €103 million (after deducting IPO expenses) in March 2020, while the Audio/Telco entities will cover their own working capital requirement in 2020/21 thanks to the two loans guaranteed by the French state obtained in May and June 2020 in a total amount of €15 million.

As a result, the Group is able to maintain and develop its business activities in the second half of the 2020/21 financial year.

➔ Acquisition of an additional stake in Lunar Great Wall Studios Srl (RaceWard)

On 29 July 2019, Bigben Interactive acquired a 43.15% stake in Italian development studio Lunar Great Wall Studios Srl, which is better known under its trade name RaceWard, with an option, exercisable at any time until 31 December 2021, to acquire a further 10% stake.

That stake, along with all of the Group's other stakes in video game studios, was transferred to the Group's NACON subsidiary through the spin-off that took place on 31 October 2019, and on 7 October 2020 NACON exercised the aforementioned option, taking its stake in RaceWard to 53.15% and paying for the additional shares in cash.

RaceWard was founded in 2016 and is based in Milan. It is growing rapidly and has expanded its team, which at the end of September 2020 consisted of around 40 people passionate about racing simulation games, particularly motorbike racing games.

The acquisition of a stake in this studio has enabled the Bigben group, via its NACON - Gaming segment, to strengthen its expertise in the Racing segment, which is one of the key pillars of its video-game portfolio, by developing synergies with its other studios. For example, RaceWard uses and is helping to improve the KT Engine technology created by Kylotonn.

➔ Acquisition of 100% of Neopica

On 19 October 2020, NACON acquired all of the capital and voting rights of development studio Neopica for cash. Earn-out payments based on the quality and commercial potential of that studio's next two developments may be paid in the 12 months after the games are released. Those payments are capped and contingent on the achievement of a certain quality level and volume of future games sales.

Neopica was founded in 2007 by a team including Peter Vermeulen and Filip Hautekeete. It is a well known Belgian studio that has developed around 60 games, including a number of casual games designed to appeal to the widest possible audience, including children, and has more recently moved into more complex simulation games.

NACON has had a successful collaboration with Neopica for several years. For example, Neopica developed the hunting games *Hunting Simulator 1 & 2* and then the racing game *FIA European Truck Racing Championship*. For the latter game, Neopica used the KT Engine developed by KT Racing.

The studio is based in Ghent, Belgium, and employs around 30 developers. It is currently developing its expertise in next-gen consoles (PlayStation®5 and Xbox Series X™).

Peter Vermeulen and Filip Hautekeete, the studio's co-founders and its current directors, will continue to lead Neopica while retaining a high level of autonomy, in order to concentrate on the creative aspect of its productions.

Neopica Srl will be consolidated within the Group's financial statements in the second half of 2020/21. The acquisition of Neopica is not material for the Group, and so no detailed proforma financial information will be required.

➔ Crossing of an ownership disclosure threshold

The following ownership disclosure threshold was crossed after 30 September 2020:

On 19 October 2020, the stake held by Quaero Capital SA fell below 5% of the Company's capital, representing 997,882 Bigben Interactive shares and the same number of voting rights, equal to 4.99% of the Company's capital and 4.40% of its voting rights. The crossing of that disclosure threshold resulted from a sale of shares in the Company (AMF notice 220C4473).

The Company's ownership structure at 31 October 2020 was as follows:

Name	% of capital held	% of voting rights held*
Bolloré group	19.8%	17.5%
AF Invest + Alain Falc	13.0%	22.6%
Quaero Capital	4.9%	4.4%
Free float	62.2%	55.6%
Liquidity agreement	0.1%	0.0%
TOTAL	100.00%	100.00%

* Gross voting rights

➤ Further awards of NACON bonus shares in 2020

On 26 October 2020, NACON SA's Board of Directors awarded 43,282 NACON bonus shares to certain key managers of studios newly acquired by the NACON group. The vesting of those shares after a 3-year period is subject to an ongoing presence condition. Based on the number of NACON bonus shares vested, an issue of new NACON shares will take place through the capitalisation of reserves, and a special appropriated earnings account equal to the total par value of the 43,282 shares awarded, i.e. €43,282, was set up at the time of the award.

➤ Notice of an Ordinary Shareholders' General Meeting

Bigben Interactive SA shareholders have been given notice of an Ordinary Shareholders' General Meeting to take place at 3pm on 11 December 2020. The meeting will take place behind closed doors, in accordance with current public health rules. In accordance with the Company's articles of association, the purpose of the meeting is to authorise the Board of Directors to carry out one or more bond issues, at the times and on the terms that it deems appropriate, in a maximum amount of €100 million. The Board would have the power to decide to make some or all of the bonds exchangeable for the existing shares of a Bigben Interactive SA subsidiary.

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

Bigben expects a busy second half of 2020/21, with strong growth for NACON - Gaming and an improvement in the Audio/Telco segment.

Growth drivers in the second half of 2020/21

NACON - Gaming

Business levels are expected to grow sharply in the second half due to:

- the co-existence of two generations of consoles (current gen: *PlayStation®4 / Xbox one*, and next gen: *PlayStation®5 / Xbox Series X|S*), for which almost all of NACON's upcoming productions will be available simultaneously;
- growth in digital sales and the release of next-gen versions of *WRC® 9*, *Tennis World Tour®2* and *Hunting Simulator® 2*, along with the release of five new games;
- headset orders placed by US retailers for the holiday season;
- the release of *Revolution X* and *Pro Compact* controllers for the new Microsoft console, and a special *MG-X Series* range for cloud gaming.

Bigben - Audio/Telco

The continued recovery in sales in the Bigben - Audio/Telco segment will be driven by the following factors.

- **Mobile:** the release of iPhone 12 models and numerous 5G mobiles, which should spur demand for new accessories, and the launch of new Bigben wireless earbuds (True Wireless - TWS).
- **Audio:** further roll-out of the *AromaSound®*, *Lumin'Us* and *Bigben Party* ranges, with distribution expanded to include new trend-led channels, representing almost 500 additional outlets.

At a time when the retail sector is under serious pressure, Bigben is confident of achieving its forecasts for the second half of its financial year, because:

- the second lockdown was less restrictive for Bigben - Audio/Telco's sales channels, and the first signs of recovery had already been seen in the second quarter of 2020/21,
- NACON - Gaming's strong momentum should continue, delivering a major positive contribution.

Full-year guidance

The Bigben group's good first-half results and the increased revenue target for the NACON - Gaming segment (now €160-170 million) mean that the Group has:

- confirmed its full-year 2020/21 revenue guidance of €270-290 million (vs. €263.5 million in 2019/20) and
- raised its recurring operating margin target from "over 10%" to "over 12%" (vs. 9.0% at 31 March 2020).

3 > CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

3.1 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3.1.1 Statement of financial position

<i>in thousands of euros</i>	Notes	30 September 2020	31 March 2020
Goodwill	1	63,903	63,903
Right-of-use assets		4,994	4,904
Other intangible assets	2	89,627	81,332
Property, plant and equipment	3	12,877	13,179
Shares in associates	4	0	43
Other financial assets		1,661	1,447
Deferred tax assets	5	3,077	3,369
Non-current assets		176,138	168,178
Inventories	6	70,742	66,054
Trade receivables	7	88,485	65,082
Other receivables	8	12,703	16,672
Current tax assets		5,200	6,578
Cash and cash equivalents	9	131,250	118,147
Current assets		308,381	272,531
TOTAL ASSETS		484,519	440,709
Share capital		39,939	39,437
Share premiums		44,463	34,463
Consolidated reserves		156,006	147,659
Net income for the period		7,537	16,115
Exchange differences		(355)	917
Equity attributable to equity holders of the parent		247,591	238,592
Non-controlling interests		46,069	43,772
Total equity		293,660	282,364
Long-term provisions	10	1,401	1,306
Long-term financial liabilities	11	46,857	52,825
Long-term lease liabilities	12	2,524	2,474
Other non-current liabilities			
Deferred tax liabilities	5	3,761	4,107
Non-current liabilities		54,543	60,713
Short-term provisions	10	575	564
Short-term financial liabilities	11	41,884	21,878
Short-term lease liabilities	12	2,464	2,426
Trade payables		56,469	37,777
Other payables	13	30,033	31,164
Current tax liabilities		4,891	3,823
Current liabilities		136,316	97,632
Total equity and liabilities		484,519	440,709

3.1.2 **Statement of profit or loss and other comprehensive income**

(in thousands of euros)	Notes	First half 2020/21	First half 2019/20
Revenue	15	135,754	127,038
Purchases consumed	16	(78,449)	(72,161)
Gross profit	3.2.2.	57,305	54,877
Other operating revenue		438	824
Other purchases and external expenses	17	(11,415)	(15,217)
Taxes other than income tax		(523)	(804)
Personnel costs		(11,963)	(11,142)
Other operating expenses		(492)	(843)
Gains or losses on disposals of non-current assets		22	0
EBITDA	3.2.2.	33,372	27,695
Depreciation and amortisation of non-current assets		(16,440)	(14,296)
Recurring operating income	3.2.2.	16,932	13,399
Bonus share and stock-option plans	18	(2,260)	(1,205)
Other non-recurring operating items	19	0	(287)
Income from associates - Similar activity	20	0	(1)
Operating income		14,672	11,906
Financial income		916	411
Financial expense		(2,125)	(1,368)
Net financial income/expense	21	(1,209)	(957)
Pre-tax income		13,463	10,949
Income tax		(3,739)	(2,614)
Net income for the period		9,724	8,336
Exchange differences		(724)	276
Comprehensive income for the period		9,000	8,612
of which attributable to non-controlling interests		2,099	
of which attributable to equity holders of the parent		6,901	8,612
Net income for the period		9,724	8,336
of which attributable to non-controlling interests		2,186	0
of which attributable to equity holders of the parent		7,537	8,336
Earnings per share			
Basic earnings per share (in euros)	22	€0.38	€0.43
<i>Weighted average number of shares</i>		19,727,752	19,507,079
<i>Net income attributable to equity holders of the parent</i>		7,537,065	8,335,646
Diluted earnings per share (in euros)	22	€0.38	€0.42
<i>Average number of shares after dilution</i>		19,848,027	19,799,411
<i>Net income attributable to equity holders of the parent</i>		7,537,065	8,335,646

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 2019		19,500,119	39,000	43,439	81,305	605	164,350	0	164,350
Income in the first half of 2020/21					8,336		8,336	0	8,336
Gains and losses recognised in other comprehensive income						276	276		276
Comprehensive income					8,336	276	8,612	0	8,612
Dividends paid to the parent company's shareholders	23				(3,898)		(3,898)		(3,898)
Liquidity agreement - Treasury shares					104		104		104
Bonus share plan	22	198,585	397		808		1,205		1,205
Other					(336)		(336)		(336)
Non-controlling interests					(33)		(33)		(33)
Equity at 30 Sep. 2019		19,698,704	39,397	43,439	86,287	881	170,005	0	170,005
Equity at 31 March 2020		19,718,503	39,437	43,439	154,798	917	238,592	43,772	282,364
Income in the first half of 2020/21					7,537		7,537	2,186	9,724
Gains and losses recognised in other comprehensive income						(636)	(636)	(87)	(724)
Comprehensive income					7,537	(636)	6,901	2,099	9,000
Dividends paid to the parent company's shareholders					0		0		0
Liquidity agreement - Treasury shares					62		62	(26)	36
Bonus share plan	22	251,155	502		1,333		1,835	425	2,260
Other					201		201	(201)	0
Non-controlling interests							0		0
Equity at 30 Sep. 2020		19,969,658	39,939	43,439	163,931	280	247,590	46,069	293,660

3.1.4 Consolidated cash flow statement

<i>in thousands of euros</i>		First half 2020/21	First half 2019/20
Net cash flow from operating activities	Notes		
Net income for the period		7,537	8,336
<i>Elimination of income and expenses that have no cash impact or are unrelated to operating activities</i>			
• Attributable to non-controlling interests		2,186	
• Income from associates		0	1
• Additions to depreciation, amortisation and impairment		16,440	14,296
• Change in provisions		147	6
• Net gain or loss on disposals		(9)	
• Cost of share-based payments			
• Net financial income/expense		571	655
• Other non-cash income and expense items		2,260	1,492
• Income tax expense		3,739	2,614
Funds from operations		32,872	27,399
Inventories		(4,801)	(12,002)
Trade receivables		(18,757)	(6,465)
Trade payables		20,895	1,643
Change in WCR		(2,664)	(16,824)
Cash from operating activities		30,208	10,575
Income tax paid		(3,943)	(1,846)
Interest paid			(313)
NET CASH FLOW FROM OPERATING ACTIVITIES		26,265	8,416
Cash flow from investing activities			
Purchases of intangible assets		(25,574)	(18,782)
Amortisation included in development costs		0	
Purchases of property, plant and equipment		(600)	(403)
Disposals of property, plant and equipment and intangible assets		67	1
Purchases of non-current financial assets		(249)	(283)
Disposals of non-current financial assets		53	3
Disbursements relating to acquisitions of subsidiaries net of net cash acquired		0	(7,054)
NET CASH FLOW FROM INVESTING ACTIVITIES		(26,304)	(26,518)
Cash flow from financing activities			
Dividends paid to the parent company's shareholders		0	(3,898)
Sales / purchases of own shares		38	
Interest paid		(559)	(342)
Increase in lease liabilities		1,321	
Decrease in lease liabilities		(1,860)	(1,595)
Cash inflows from borrowings		15,000	22,369
Repayments of borrowings and debts		(5,264)	(4,502)
NET CASH FLOW FROM FINANCING ACTIVITIES		8,676	12,032
Impact of changes in exchange rates		(324)	49
Net change in cash and cash equivalents		8,313	(6,021)
Cash and cash equivalents at start of period	9	113,051	9,285
Cash and cash equivalents at end of period	9	121,364	3,264

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 2020. 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 2020 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 2020 (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 2020 as those applied to the year ended 31 March 2020.

The Group’s condensed consolidated interim financial statements for the six months ended 30 September 2020 and the related notes were finalised by the Board of Directors in its meeting on 30 November 2020.

↪ **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 2020, 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 2020, except for standards that have come into force since 1 April 2020, 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 2020

New IFRS texts	EU adoption date (periods starting on or after)
Amendments to IAS 1 and IAS 8 – Definition of Material	01/01/2020
Amendments to references to the conceptual framework in IFRS standards	01/01/2020
Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform, phase 1	01/01/2020
Definition of a business (amendment to IFRS 3)	01/01/2020
Temporary amendment of IFRS 16 - Covid-19-related rent concessions	09/10/2020

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 2021 or 2022

The Group has not opted for early adoption of other standards and amendments that may be adopted early or that will be mandatory in 2021/22 or 2022/23.

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 16 "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 2020/21	First half 2019/20
Recurring operating income		16,932	13,399
Amortisation of customer relationships		558	558
Recurring operating income before amortisation of customer relationships		17,490	13,956
<i>Recurring operating income before amortisation of customer relationships as a % of revenue</i>		<i>12.9%</i>	<i>11.0%</i>

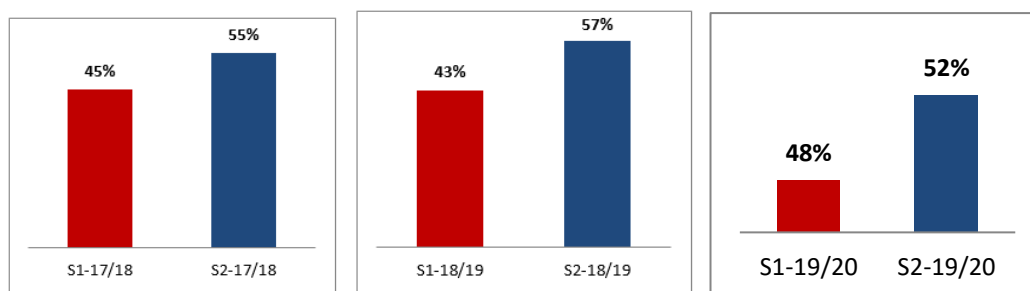
In the first half of 2020/21, amortisation related to customer relationships in the mobile phone accessories business recognised when Modelabs was acquired on 1 September 2011 in a gross amount of €22,300 thousand. Since then, those customer relationships have been amortised on a straight-line basis 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 first-half revenue representing around 48% of prior-year revenue in 2020/21, and 45% on average over the last three financial years.

Proportion of revenue generated in the first half of the financial year



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 Z.O.O	Poland	100.00%	Full consolidation
NACON Gaming entities			
NACON SA	France	76.67%	Full consolidation
Bigben Belgium SA	Belgium	76.67%	Full consolidation
BIGBEN NEDERLAND BV	Netherlands	76.67%	Full consolidation
NACON HK Ltd	Hong Kong	76.67%	Full consolidation
Bigben Interactive GmbH	Germany	76.67%	Full consolidation
NACON GAMING ESPAÑA SL	Spain	76.67%	Full consolidation
BIGBEN ITALIA SRL	Italy	76.67%	Full consolidation
GAMES.FR SAS	France	76.67%	Full consolidation
KYLOTONN SAS	France	76.67%	Full consolidation
CYANIDE SAS	France	76.67%	Full consolidation
CYANIDE AMUSEMENT Inc	Canada	76.67%	Full consolidation
EKO SOFTWARE SAS	France	76.67%	Full consolidation
SPIDERS SAS	France	76.67%	Full consolidation
LUNAR GREAT WALL STUDIOS Srl	Italy	33.08%	Full consolidation
NACON GAMING INC	United States	76.67%	Full consolidation
NACON PTY Ltd	Australia	76.67%	Full consolidation

↪ Change in scope

Bigben USA, which had been dormant for several years, was wound up on 17 August 2020. That company, which the Group had accounted for under the equity method, was therefore deconsolidated and was no longer part of the Group's scope of consolidation at 30 September 2020.

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 "Bigben - Audio/Telco" and "NACON - Gaming".

- ◆ **The "NACON - Gaming" segment** comprises the development, publishing and distribution of video games along with the design and distribution of accessories for games consoles and PCs. The Video Games and Gaming Accessories businesses address the same market and have the same economic characteristics, and this segment represents the NACON group's current scope.
- ◆ **The "Bigben - Audio / Telco" segment** comprises the design and distribution of accessories for smartphones and tablets (Mobile business) and the design and distribution of Audio products (headphones, speakers etc.) under the *Bigben*, *Lumin'Us*, *AromaSound* and *Thomson* (Audio) brands; it represents the Bigben group's scope excluding the NACON group.

The information presented below is that 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 Group President 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. 2020			
	Gaming	Mobile	Audio	Group
Total revenue	84,601	41,128	10,025	135,754
Bigben - Audio/Telco	215	40,359	8,575	49,149
NACON - Gaming	84,386	769	1,450	86,605

in thousands of euros	Six months ended 30 Sep. 2019			
	Gaming	Mobile	Audio	Group
Total revenue	62,167	52,814	12,056	127,038
Bigben - Audio/Telco	752	52,428	10,150	63,330
NACON - Gaming	61,416	386	1,906	63,707

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 - Audio/Telco segment still includes some non-Audio/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;
- Audio, 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 2020/21	First half 2019/20	First half 2020/21	First half 2019/20
Revenue	135,754	127,038	100%	100%
of which Gaming	84,601	62,167	62%	49%
Mobile	41,128	52,814	30%	42%
Audio	10,025	12,056	7%	9%

➔ **Revenue by geographical zone**

in thousands of euros	6-month total		Contribution	
	First half 2020/21	First half 2019/20	First half 2020/21	First half 2019/20
Revenue	135,753	127,038	100.0%	100.0%
of which France	82,404	72,092	61%	57%
Export	53,349	54,946	39%	43%

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

Revenue and earnings by business segment

(in thousands of euros)	Group total	NACON - Gaming	Bigben - Audio/Telco	Group total	NACON - Gaming	Bigben - Audio/Telco
	First half 2020/21	First half 2020/21	First half 2020/21	First half 2019/20	First half 2019/20	First half 2019/20
Revenue	135,754	86,605	49,149	127,038	63,708	63,330
Purchases consumed	(78,449)	(41,302)	(37,147)	(72,161)	(24,497)	(47,664)
Gross profit	57,305	45,303	12,002	54,877	39,211	15,666
Gross margin (% of revenue)	42.2%	52.3%	24.4%	43.2%	61.5%	24.7%
Other operating revenue	438	257	181	824	287	537
Other purchases and external expenses	(11,415)	(8,332)	(3,082)	(15,217)	(10,002)	(5,215)
Taxes other than income tax	(523)	(125)	(398)	(804)	(442)	(362)
Personnel costs	(11,963)	(6,367)	(5,596)	(11,142)	(5,047)	(6,095)
Other operating expenses	(492)	(333)	(160)	(843)	(466)	(377)
Gains or losses on disposals of non-current assets	22	19	3	0		0
EBITDA	33,372	30,422	2,950	27,695	23,542	4,153
EBITDA margin (% of revenue)	24.6%	35.1%	6.0%	21.8%	37.0%	6.6%
Depreciation and amortisation of non-current assets	(16,440)	(14,693)	(1,747)	(14,296)	(12,867)	(1,429)
Recurring operating income	16,932	15,729	1,203	13,399	10,674	2,724
Recurring operating margin (% of revenue)	12.5%	18.2%	2.4%	10.5%	16.8%	4.3%
Bonus share and stock-option plans	(2,260)	(1,822)	(438)	(1,205)	(971)	(234)
Other non-recurring operating items	0	0	0	(287)	0	(287)
Income from associates - Similar activity	0	0	0	(1)	(1)	0
Operating income	14,672	13,907	765	11,906	9,703	2,204
Financial income	916	468	448	411	324	87
Financial expense	(2,125)	(1,253)	(872)	(1,368)	(775)	(593)
Net financial income/expense	(1,209)	(785)	(424)	(957)	(452)	(505)
Pre-tax income	13,463	13,122	341	10,949	9,251	1,698
Income tax	(3,739)	(3,570)	(169)	(2,614)	(2,741)	127
Net income for the period	9,724	9,551	172	8,336	6,510	1,826
Net margin (% of revenue)	7.2%	11.0%	0.4%	6.6%	10.2%	2.9%

Recurring operating income before amortisation of customer relationships

(in thousands of euros)						
Recurring operating income	16,932	15,729	1,203	13,399	10,674	2,724
Amortisation of customer relationships	558	0	558	558	0	558
Recurring operating income before amortisation of customer relationships	17,490	15,729	1,761	13,956	10,674	3,282
Recurring operating income before amortisation of customer relationships as a % of revenue	12.9%	18.2%	3.6%	11.0%	16.8%	5.2%

3.2.5 Additional notes

➔ Additional notes to the balance sheet

Note 1 Goodwill

The allocation of goodwill was reviewed within each business segment and did not show any indication of impairment at 30 September 2020.

in thousands of euros	Total Bigben - Audio/Telco	Total NACON - Gaming	TOTAL
Goodwill at 30 September 2020	34,831	29,072	63,903
Impairment loss	0	0	0
Discontinued operations	0	0	0
Goodwill at 31 March 2020	34,831	29,072	63,903

Description of transactions in the first half of 2020/21

No transactions took place in the first half of 2020/21.

Transactions that took place in 2019/20 that may affect the current period

The Group carried out the following transactions in 2019/20:

- on 29 July 2019, it acquired a 43.15% stake in Italian development studio Lunar Great Wall Studios Srl, which is better known under its trade name RaceWard;
- on 3 September 2019, it acquired 100% of the shares and voting rights in Spiders SAS.

RaceWard (Lunar Great Wall Studios Srl)

The business combination took place on 29 July 2019, the date on which the Bigben group acquired a 43.15% stake in Italian development studio Lunar Great Wall Studios Srl, which is better known under its trade name RaceWard. The transaction amount was paid entirely in cash. The NACON group, to which that stake was transferred through the spin-off on 31 October 2019, had an option, exercisable at any time until 31 December 2021, to acquire an additional 10% stake in Lunar Great Wall Studios Srl. It exercised that option on 19 October 2020.

The IFRS 10 approach is based on the ability to exert control. Given the absence of obstacles to control being exerted and given the parties' respective commercial interests, the conclusion was that the NACON group had exercised control over Lunar Great Wall Studios since 29 July 2019 and that the company should be consolidated.

In accordance with IFRS 3 rules, €0.3 million of goodwill was therefore recognised under "Intangible assets" on the balance sheet at 31 March 2020.

	<i>In thousands of euros</i>
Intangible assets	0
Property, plant and equipment	56
Receivables	66
Deferred tax assets	457
Prepaid expenses	0
Cash and cash equivalents and miscellaneous	0
Provisions for contingencies	-11
Liabilities	-950
Total identifiable net assets acquired	-383
Proportion of identifiable net assets acquired	-165
Goodwill	345
Fair value of the consideration transferred	180

This goodwill determination was definitive at 30 September 2020.

Spiders SAS

The business combination took place on 3 September 2019, when the Bigben group acquired the shares in Spiders SAS. The purchase price was paid entirely in cash. Spiders SAS was transferred to NACON as part of the spin-off on 31 October 2019.

Two earn-out payments relating to two development projects currently underway at Spiders may be made, entirely in cash, between 2022 and 2024. Those payments are capped and contingent on the achievement of a certain quality level and volume of future games sales.

In the interim financial statements for the six months ended 30 September 2019 and in the full-year financial statements for the financial year ended 31 March 2020, a €2.4 million earn-out payment was included in the calculation of the consideration transferred. The estimated fair value of these earn-out payments at the acquisition date is based on the NACON group's best estimates regarding the fulfilment of the conditions for making those earn-out payments, and particularly take into account Spiders' historical sales figures as at the acquisition date and the Metacritic score for its most recent game Greedfall, which came out in September 2019, on the assumption that the next few games developed by Spiders will have at least the same success.

Since the earn-out payments that may be made by the NACON group could result in a variable amount of cash, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date gave rise, in accordance with IFRS 3 "Business combinations", to the recognition of a financial liability in the Group's financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled, which will be in 2024 at the latest.

Allocation of the purchase price of Spiders SAS

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

	<i>In thousands of euros</i>
Intangible assets	4,622
Property, plant and equipment	29
Financial assets	13
Deferred tax assets	781
Receivables	524
Cash and cash equivalents and miscellaneous	204
Prepaid expenses	10
Provisions for contingencies	-59
Debt	-131
Miscellaneous liabilities	-424
Fair value of outstanding performance obligations	-4,440
Total identifiable net assets acquired	1,127
Goodwill	5,273
Fair value of the consideration transferred	6,400

This goodwill determination was definitive at 30 September 2020.

Goodwill impairment tests

At 30 September 2020, 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 2020	31 March 2020
Gross value	185,788	161,292
Amortisation	(91,007)	(74,451)
Impairment	(159)	(605)
Net value	94,621	86,237

The main intangible assets are as follows:

- The “customer relationships” item, which corresponds to customer relationships in the mobile phone accessories business recognised when ModelLabs 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 is currently €12,172 thousand.
- 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 2020, game development costs had a gross value of €139,685 thousand and amortisation totalled €72,913 thousand, giving a net value of €66,773 thousand. The increase in development costs is due to growth in the Publishing business.
- At 30 September 2020, the “Trademarks” item mainly consisted of trademarks owned by the development studio Cyanide and the RIG™ trademark belonging to the NACON group, following the acquisition of Cyanide in the year ended 31 March 2019 and the acquisition of RIG™ assets from Poly in the year ended 31 March 2020. At 30 September 2020, the net carrying amount of trademarks was €9,743 thousand, unchanged relative to 31 March 2020.
- 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 €4,994 thousand at 30 September 2020.

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 2020	31 March 2020
Gross value	32,400	32,063
Depreciation	(19,523)	(18,884)
Impairment		
Net value	12,877	13,179

- The Group’s real estate assets, corresponding to the buildings housing its registered office (Lesquin) and its logistics site (Lauwin-Planque), are 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 cost price of the land and buildings was €14,413 thousand and depreciation has totalled €6,378 thousand, giving a net carrying amount of €8,035 thousand at 30 September 2020. For the logistics system, computerised lift trucks and shelving, the cost price was €3,223 thousand and depreciation has totalled €2,967 thousand, giving a net carrying amount of €256 thousand at 30 September 2020.
- Other property, plant and equipment mainly consists of IT hardware and logistics equipment, along with moveable fittings.

Note 4 Shares in associates

At 30 September 2019, this item included the fair value of Bigben Interactive USA shares. The company was dormant and was wound up in the first half of 2020/21. Group companies accounted for under the equity method were not listed and so did not have any publicly listed price. There are no longer any companies accounted for under the equity method in the Group’s scope of consolidation.

Note 5 Deferred tax assets/(liabilities)

in thousands of euros	30 September 2020	31 March 2020
Deferred tax assets relating to tax loss carryforwards	830	1,307
Deferred tax liabilities relating to timing differences	(1,514)	(2,045)
NET DEFERRED TAX	(685)	(738)

in thousands of euros	1 April 2020	Recognised	Used	30 September 2020
Cyanide SAS	1,106		(375)	731
Kylotonn	175		(75)	100
NACON Gaming Inc	26		(26)	(0)
TOTAL DEFERRED TAX ASSETS RELATING TO TAX LOSS CARRYFORWARDS	1,307	0	(477)	830

These tax loss carryforwards were recognised on the basis of the entities' short-term taxable earnings prospects. See also Note 1 concerning deferred tax assets related to the acquisitions of development studios.

Note 6 Inventories

in thousands of euros	30 September 2020	31 March 2020
Gross value	91,522	87,019
of which physical inventories	83,059	85,452
of which goods in transit	8,463	1,567
Impairment loss	(20,780)	(20,965)
Net value	70,742	66,054

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. That was the case at 30 September 2020. At 30 September 2019, the gross carrying amount of inventories was €88,115 thousand and its net carrying amount was €69,600 thousand.

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 7 Trade receivables

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

in thousands of euros	30 September 2020	31 March 2020
Trade receivables and notes	89,404	65,955
Impairment losses	(919)	(873)
TOTAL TRADE RECEIVABLES	88,485	65,082

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 2020 were included in the "Trade receivables and notes" item. They amounted to €15.2 million (versus €17.3 million at 31 March 2020). 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 2020		31 March 2020	
Trade receivables not due	77,010	86%	38,852	59%
Trade receivables due	12,394	14%	27,103	41%
in less than 30 days	5,352	43%	3,369	12%
in less than 90 days	1,988	16%	17,678	65%
in less than 1 year	4,266	34%	5,401	20%
in more than 1 year	(127)	-1%	(101)	0%
doubtful receivables	916	7%	756	3%
Trade receivables and notes	89,404		65,955	

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 8 Other receivables

in thousands of euros	30 September 2020	31 March 2020
Central and local government (excluding income tax)	6,335	8,627
Personnel	195	206
Rebates receivable from suppliers	2,132	1,972
Prepaid expenses	2,091	1,657
Advances and downpayments on orders	1,277	3,108
Miscellaneous receivables	673	1,102
TOTAL	12,703	16,672

Note 9 Cash and cash equivalents

in thousands of euros	30 September 2020	31 March 2020
Bank facilities	(9,886)	(5,096)
Marketable securities	600	750
Cash and cash equivalents	130,650	117,397
Net cash and cash equivalents	121,363	113,051

Cash and cash equivalents at 30 September 2020 consisted mainly of €80 million in an 18-month term deposit account, in which the Group placed funds raised from the IPO of Bigben Interactive SA subsidiary NACON SA. The interest rate on that account rises every six months. If some or all of the money is withdrawn early, only the interest for the current quarter is lost. Interest calculated in previous quarters is accrued.

Note 10 Provisions

<i>in thousands of euros</i>	01/04/2020	Change in scope	Additions	Reversals		Exchange differences	Other	30/09/2020
				used	unused			
Non-current	1,307		103		(9)			1,401
Provisions for contingencies	345							345
- <i>workforce-related</i>								
- <i>tax-related</i>	345							345
Provisions for losses - other								
Provisions for pension liabilities	962		103		(9)			1,056
Current	564		11					575
Provisions for contingencies	564		11					575
- <i>commercial</i>	(0)							(0)
- <i>workforce-related</i>	34							34
- <i>other</i>	530		11					541
Provisions for losses - other								
TOTAL	1,870		114		(9)			1,976

Industrial property dispute

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

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

However, in 2015, a French court ordered NACON to pay €530 thousand on the ground of unfair competition. Accordingly, a provision in that amount was set aside on 31 March 2015. No additional provisions were set aside in the Group's financial statements on 30 September 2020. This position is similar to the one adopted at 31 March 2020.

Bigben Connected tax inspection

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

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

On 8 January 2018, Bigben Connected accepted part of the reassessments and made a payment of €610.9 thousand, but on 30 January 2018 began proceedings against the DVNI (France's national and international tax audit department), disputing all other claims made against it regarding VAT. The matter has been brought before the Lille administrative court after the DVNI rejected the dispute proceedings on 31 July 2018. In the first half of 2020/21, the company sent its submissions to the authorities to defend its position.

Based on advice from the Company's advisors and recent judgments in similar cases, management is confident it will be able to resolve this tax dispute without any financial loss for the Group.

Other proceedings

The Group has also commenced other non-material proceedings against some of its suppliers and competitors, which may be resolved in its favour.

- In 2019/20, the Group commenced proceedings against an accessories supplier for wrongful termination of a procurement contract. On 19 November 2019, the Berlin appeal court proposed a settlement favourable to NACON based on the value of inventories acquired by NACON. However, subsequently during the proceedings, the Berlin appeal court proposed a new settlement that was this time accepted by the parties, resulting in their dispute being settled out of court. This involved the supplier paying compensation, which was received on 3 November 2020, ending the dispute definitively.
- There is a dispute between a Canadian publisher and one of NACON SA's studios regarding a purported breach of a video game development contract. The case was brought before the Superior Court of Quebec in December 2017. NACON SA, in its defence filed in April 2018, argued that the publisher's claim was manifestly ill-founded and asked the Court to find that the publisher's claim is improper and require it to pay damages in the form of its lawyers' fees and other costs.
- Finally, there is a dispute between NACON SA as publisher and a foreign development studio, regarding purported breaches of contract and in particular intellectual property claims that NACON SA regards as questionable. The legal proceedings are still in progress before the French courts.

Bigben Interactive tax inspection

It should be noted that Bigben Interactive SA was subject to an inspection by the tax authorities regarding its financial years from 1 April 2013 to 31 March 2018, including the Bigben Interactive SA gaming business that was transferred to NACON SA on 1 October 2019. A reassessment proposal was received on 2 March 2020. In October 2020, Bigben Interactive SA replied to the tax authorities within the timeframe allowed within the context of the Covid-19 crisis, disputing most of the proposed reassessments.

Under the spin-off transaction, Bigben Interactive SA and NACON SA are jointly and severally liable for taxes relating to the gaming business arising from taxable events prior to the transaction. The transferee may dispute the merits of the tax reassessments concerned before the tax authorities and courts to the extent of the sums for which it may be found jointly and severally liable, and the transferor may also dispute the collection of tax in the same way as the transferee.

If the reassessments were confirmed, the financial consequences would be very limited since the additional tax charged by the tax authorities would be deducted over the subsequent years.

Note 11 Financial liabilities by category

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. 2020	88,741	41,884	46,075	782
Borrowings that were long-term at inception	75,733	30,878	44,073	782
Finance lease liabilities	3,019	1,017	2,002	
Bank facilities	9,886	9,886		
Accrued interest not matured	70	70		
Other financing	33	33		
Total financial liabilities at 31 March 2020	74,703	21,878	51,359	1,466
Borrowings that were long-term at inception	65,994	15,682	48,846	1,466
Finance lease liabilities	3,520	1,007	2,513	
Bank facilities	5,096	5,096		
Accrued interest not matured	58	58		
Other financing	35	35		

► **Bank borrowings**

Between 1 April 2020 and 30 September 2020, the Group took out two new state-guaranteed bank loans totalling €15 million to fund the working capital requirement of the Audio/Telco segment, which has been affected by the Covid-19 crisis. The loans are presented under current liabilities given the Group's current intention to repay them after one year if this is possible given the consequences of the Covid-19 crisis.

For some loans transferred to NACON at the time of the spin-off, NACON has undertaken to comply with the following annual financial covenants:

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

At 30 September 2020, there was no evidence that the financial ratios concerned would not be met at 31 March 2021.

► **Bank borrowings connected to finance leases**

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.

► **Other financing**

At 30 September 2020, "Other financing" consisted mainly of €15.2 million of factored receivables resulting in a cash advance from the factor.

Note 12 Lease liabilities

This item relates to lease liabilities arising from the adoption of IFRS 16, as explained in Note 3.

<i>in thousands of euros</i>	01/04/2020	Acquisitions	Repayments	30/09/2020
Lease liabilities	4,900	1,321	(1,233)	4,988

Note 13 Other payables

<i>in thousands of euros</i>	30 September 2020	31 March 2020
Central and local government (excluding income tax)	5,301	4,276
Employees and social security agencies	6,359	5,758
Client discounts and trade payables	12,345	11,930
Derivative financial instruments	924	
Liabilities relating to non-current assets	318	4,407
Prepaid income	1,519	2,461
Miscellaneous creditors	3,266	2,332
TOTAL	30,033	31,164

Fair value of derivative financial instruments: see Note 25.

Note 14 Deferred tax liabilities

Deferred tax liabilities correspond mainly to the balance at 30 September 2020 of deferred tax recognised on “Accessories” customer relationships in relation to the ModeLabs acquisition.

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

➔ **Additional notes to the income statement**

Note 15 Revenue

In the first half of 2020/21, consolidated revenue from continuing operations amounted to €135.8 million, up 6.9% compared with reported revenue for the first half of 2019/20.

in thousands of euros	6-month total		Contribution	
	First half 2020/21	First half 2019/20	First half 2020/21	First half 2019/20
Revenue	135,754	127,038	100%	100%
of which Gaming	84,601	62,167	62%	49%
Mobile	41,128	52,814	30%	42%
Audio	10,025	12,056	7%	9%

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

- Sales of retail games and accessories and Audio/Telco products: Revenue generated by sales of physical video games and accessories and Audio/Telco products is recognised on the date on which the products 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 16 Purchases consumed

in thousands of euros	First half 2020/21	First half 2019/20
Merchandise	(83,250)	(84,163)
Change in merchandise inventories	4,615	11,331
Change in impairment	186	671
TOTAL	(78,449)	(72,161)

Purchases consumed comprise:

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

For the Gaming business, the cost of producing physical games and the cost of sales relating to gaming accessories.

The change in impairment consists of the change in additions to impairment on inventories.

Note 17 External expenses

in thousands of euros	First half 2020/21	First half 2019/20
Purchases not held in inventory	(339)	(772)
Subcontracting	(333)	74
Rent	(212)	(162)
Maintenance and repairs	(602)	(567)
Insurance premiums	(264)	(241)
Other external services	(35)	(14)
Fees	(2,490)	(2,185)
R&D expenses	(292)	(312)
Advertising	(3,022)	(4,997)
Transportation of goods sold	(2,295)	(3,100)
Travel costs	(207)	(1,431)
Communication costs	(506)	(623)
Bank fees and services	(121)	(171)
Other external expenses	(459)	(376)
External personnel	(238)	(340)
TOTAL	(11,415)	(15,217)

Note 18 Share-based payment - Bonus share and stock-option plans

In the first half of 2020/21, a IFRS 2 expense of €2.3 million, corresponding to the fair value of bonus share plans existing at 30 September 2020, was recognised with a balancing entry under reserves (versus €1.2 million in the first half of 2019/20).

See also Note 22, which covers the number of bonus shares vested or awarded during the period.

Note 19 Other non-recurring operating items

No non-recurring operating items were recognised in the first half of 2020/21.

The €0.3 million of non-recurring operating items recognised in the first half of 2019/20 related to the revision of the Cyanide SA earn-out payment.

Note 20 Income from associates

In 2019/20, the Company recognised a €1 thousand expense corresponding to its share in the net income/losses of associate Bigben Interactive USA. That joint venture was wound up in the first half of 2020/21. As a result, no income from associates was recognised in the first half of 2020/21.

Note 21 Net financial income/expense

in thousands of euros	First half 2020/21	First half 2019/20
Interest and similar income	103	22
FINANCIAL INCOME	103	22
Interest expense on medium-term funding	(585)	(642)
Other interest expense	(13)	(35)
FINANCIAL EXPENSE	(598)	(677)
NET FINANCIAL INCOME/EXPENSE EXCLUDING FOREIGN EXCHANGE GAINS/LOSSES	(495)	(655)
Foreign exchange gains	813	389
Foreign exchange losses	(1,527)	(691)
<i>of which value of financial instruments</i>	<i>(924)</i>	<i>(94)</i>
Foreign exchange gains and losses	(714)	(302)
NET FINANCIAL INCOME/EXPENSE	(1,209)	(957)

The mark-to-market value of derivative financial instruments was €924 thousand at 30 September 2020, as opposed to €94 thousand at 30 September 2019 (see Note 24).

Note 22 Earnings per share

in euros	First half 2020/21	First half 2019/20
Net income attributable to equity holders of the parent	7,537,065	8,335,646
Weighted average number of shares	19,727,752	19,507,079
Dilutive effect of bonus shares*	120,275	292,332
Average number of shares after dilution	19,848,027	19,799,411
Par value of shares (in euros)	€2.00	€2.00
Basic earnings per share	0.38	0.43
Diluted earnings per share	0.38	0.42

Weighted average number of shares used to calculate earnings per share

in euros	First half 2020/21	First half 2019/20
Ordinary shares in issue at 1 April	19,718,503	19,500,119
Number of shares issued, adjusted on a <i>pro rata temporis</i> basis	20,930	16,549
Treasury shares	11,681	9,589
Number of shares at period-end	19,727,752	19,507,079

* 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).

As regards the first half of 2020/21:

- The performance conditions of the bonus shares initially awarded in 2019 were fully or partly met by all Group entities at 31 March 2020. 251,155 bonus shares were awarded definitively to 485 employees on 7 September 2020 subject to a condition that they remain employed by the NACON group.
- On 7 September 2020, Bigben Interactive SA's Board of Directors also awarded 120,275 bonus shares, mainly to employees and corporate officers of the Group's Audio/Telco entities, i.e. 220 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.

The shares issued in the first half of 2019/20 resulted from the following event:

- On 3 September 2019, 198,585 bonus shares under the 2018 bonus share plan vested mainly in the employees and corporate officers of Bigben group entities (including 150,616 shares in the employees and corporate officers of recently acquired NACON group entities). Since all Group entities met their performance conditions, 198,585 new Bigben shares were issued through the capitalisation of Bigben reserves on 3 September 2019.

Entitlements to NACON bonus shares were also awarded:

- On 7 September 2020, NACON SA's Board of Directors awarded 1,123,983 bonus shares, mainly to employees and corporate officers of NACON group entities, i.e. 512 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.

The dilutive effect of these entitlements to NACON bonus 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.

3.2.6 Other information

Note 23 Dividends

Despite the Group's strong results in the 2019/20 financial year and taking into account uncertainties about how the Covid-19 crisis would affect the Bigben group's business, the Board of Directors in its 25 May 2020 meeting, for social responsibility reasons, decided not to put any dividend payment with respect to 2019/20 to the vote in the Shareholders' General Meeting of 30 July 2020. As a result, no dividends were paid in the first half of 2020/21.

Shareholders in the General Meeting of 19 July 2019 approved the payment of a dividend of €0.20 per share with respect to 2018/19. The shares went ex-dividend on 24 July 2019 and the dividend was paid on 26 July 2019. The total amount of that dividend was €3.9 million.

Note 24 Financial instruments

➔ **Currency hedging**

At 30 September 2020, the group was a party to FX TARN contracts. FX TARNs/accumulators are complex structured derivatives through which the Group undertakes to buy or sell USD according to a schedule and at rates defined when the contract is signed. The use of TARNs/accumulators is based on a strategy that aims to accumulate USD at an exchange rate that is better than currently available spot and forward rates in return for uncertainty about the total amount of USD that may be accumulated, although there is a predetermined maximum amount. In the event of a large change in the EUR/USD exchange rate (upward or downward respectively depending on whether the Company is buying or selling USD), long or short exposure may increase and cause foreign exchange losses to be recognised on these instruments.

The table below sets out positions at 30 September 2020:

Type of contract	Currency	Position	Status	Subscription date	Maturity date	Nominal in USD (thousands)	Strike	At 30 September 2020, in thousands				
								Amount of USD purchased	Amount of USD sold	Amount of USD purchased net of USD sold	Maximum amount of USD still to be purchased	Mark-to-market value in euros
TARN	USD	Buy	Active	May 2020	June 2021	10,600	1.1375	3,000	3,000	0	7,000	214
TARN	USD	Buy	Active	May 2020	May 2021	10,600	1.165	700	700	0	0	355
							1.11	2,400	2,400	0	6,800	
TARN	USD	Buy	Active	May 2020	June 2021	10,800	1.166	400	400	0	0	355
							1.1325	1,100	1,100	0	0	
							1.114	1,400	1,400	0	7,400	
											924	

► **Valuation:**

The mark-to-market value of these financial instruments was negative at €924 thousand at 30 September 2020, as opposed to €94 thousand at 30 September 2019.

► **Sensitivity:**

Foreign exchange gains and losses were simulated taking into account various EUR/USD exchange rate assumptions. Regardless of the exchange rate, the commitments related to these instruments barely cover 33% of USD-denominated purchases in the half-year period, which means that there is no risk of overexposure.

⇒ **Interest rate hedging**

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

Note 25 Contractual repayment schedule

⇒ **Liabilities excluding provisions and equity**

The following table sets out, for financial liabilities recognised at 30 September 2020 (excluding current bank facilities, factoring and current interest not yet due), the contractual schedule for the repayment of principal and interest, excluding any discounting to present value.

in thousands of euros		MONTHS			YEARS					TOTAL
		0-1 months	1-3	3-12	1-2	2-3	3-4	4-5	More than 5	
Borrowings and debts	Principal	980	2,928	26,969	16,374	14,476	9,054	4,169	782	75,732
	Interest	37	129	431	411	233	103	31	4	1,378
Finance leases	Principal	84	168	765	1,006	996	0	0	0	3,019
	Interest	6	12	45	39	15	0	0	0	116
Financial liabilities		1,107	3,238	28,209	17,830	15,719	9,157	4,200	786	80,246
Trade payables		48,581	4,002	3,886	0	0	0	0	0	56,469
Other payables		13,616	533	11,231	3,452	0	1,200	0	0	30,032
Current tax liabilities				4,891						4,891
Lease liabilities		260	379	1,807	1,169	551	304	304	231	5,006
Total financial liabilities		63,563	8,152	50,024	22,452	16,270	10,662	4,504	1,017	176,644

Note 26 Breakdown of debt by maturity and type

At 30 September 2020:

in thousands of euros	YEARS						TOTAL
	Less than 1	1-2	2-3	3-4	4-5	More than 5	
Fixed rate	30,940	16,406	14,476	9,054	4,169	782	75,826
% / total 1	41%	22%	19%	12%	5%	1%	100%
Floating rate	954	975	996	0	0	0	2,925
% / total 2	33%	33%	34%	0%	0%	0%	100%
TOTAL	31,894	17,381	15,471	9,054	4,169	782	78,751

Note 27 Currency risk on supplies

in thousands of euros	First half 2020/21	First half 2019/20
Purchases made by subsidiaries from Bigben and NACON Hong Kong		
Audio/Telco	(14,910)	(16,998)
Gaming	(11,362)	(11,928)
TOTAL	(26,272)	(28,926)
Sensitivity to the USD exchange rate		
+10% = benefit	2,388	2,649
-10% = additional cost	(2,919)	(3,238)

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 28 Off-balance sheet commitments► **Guarantees given****BY BIGBEN INTERACTIVE SA:**

Commitments given (in thousands of euros)	By	To	30 September 2020	31 March 2020	Purpose of the commitment
Bank guarantee	Bigben Interactive SA	HSBC Hong Kong	9,383	9,971	USD 11,000 thousand bank guarantee - combined facility for Bigben Interactive HK and NACON HK
Bigben Connected loan	Bigben Interactive SA	CIC	0	83	Joint and several guarantee provided to CIC for Bigben Connected's loan
Stand-alone guarantee (1)	Bigben Interactive SA	Huawei Technologies France SASU	1,300	1,300	Bigben Connected counter-guarantee
Guarantee (2)	Bigben Interactive SA	Bigben Connected	3,397	3,397	Bigben Connected counter-guarantee
Joint and several guarantee (3)	Bigben Interactive SA	Various financial institutions	11,980	12,574	Joint and several guarantee for borrowings transferred through the spin-off
Joint and several guarantee (4)	Bigben Interactive SA	CIC	2,550	2,850	Joint and several guarantee provided to CIC for NACON SA's loan (underlying loan from the EIB)
Joint and several guarantee (4)	Bigben Interactive SA	CIC	2,550	2,850	Joint and several guarantee provided to CIC for NACON SA's loan (underlying loan from BFCM)
Bank guarantee (5)	Bigben Interactive SA	La Banque Postale (LBP)	4,346	4,837	Joint and several guarantee provided to LBP for NACON SA's loan

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

BY THE GROUP'S NACON SA SUBSIDIARY

Commitments given (in thousands of euros)	By	To	30 September 2020	31 March 2020	Purpose of the commitment
Bank guarantee	Cyanide SAS	BRED	228	500	Pledge of Cyanide SAS business assets
Bank guarantee	Cyanide SAS	HSBC	239	500	Pledge of Cyanide SAS business assets
Bank guarantee	NACON SA	CIC	2,750	5,000	Pledge of Cyanide SAS shares
Bank guarantee	NACON SA	Banque Postale	2,864	5,000	Pledge of Cyanide SAS shares
Bank guarantee	NACON SA	CIC	1,215	2,000	Pledge of Kylotonn SAS shares
Bank guarantee	Kylotonn SAS	HSBC	247	358	Pledge of Kylotonn SAS business assets
Bank guarantee	NACON SA	CIC	3,200	4,000	Pledge of Spiders SAS shares
Bank guarantee	NACON SA	BPI	773	773	Amounts withheld as security in relation to several loans taken out between 2017 and 2019

► **Other commitments given**

Given its business activity, the Company holds negotiations with its suppliers several months before products are released.

Note 29 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.

Note 30 Post-balance sheet events

➔ Acquisition of an additional stake in Lunar Great Wall Studios Srl (RaceWard)

On 29 July 2019, Bigben Interactive acquired a 43.15% stake in Italian development studio Lunar Great Wall Studios Srl, which is better known under its trade name RaceWard, with an option, exercisable at any time until 31 December 2021, to acquire a further 10% stake.

That stake, along with all of the Group's other stakes in video game studios, was transferred to the Group's NACON subsidiary through the spin-off that took place on 31 October 2019, and on 7 October 2020 NACON exercised the aforementioned option, taking its stake in RaceWard to 53.15% and paying for the additional shares in cash.

➔ Acquisition of 100% of Neopica

On 19 October 2020, NACON acquired all of the capital and voting rights of development studio Neopica for cash. Earn-out payments based on the quality and commercial potential of that studio's next two developments may be paid in the 12 months after the games are released. Those payments are capped and contingent on the achievement of a certain quality level and volume of future games sales.

Neopica Srl will be consolidated within the Group's financial statements in the second half of 2020/21. The acquisition of Neopica is not material for the Group, and so no detailed proforma financial information will be required.

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 2020 to 30 September 2020 as enclosed with this report;
- examined information provided in the interim business report.

The condensed consolidated interim financial statements were finalised by your Board of Directors on 30 November 2020 based on information available at that date against the background of the rapidly developing Covid-19 crisis and the difficulty of gauging its impact and the future outlook. 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 Board of Director's interim business report, finalised on 30 November 2020, commenting on the condensed consolidated interim 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, 1 December 2020

KPMG Audit IS

Stéphanie Ortega
Partner

Roubaix, 1 December 2020

Fiduciaire Métropole Audit

François Delbecq
Partner