

BIGBEN

BIGBEN INTERACTIVE

Société anonyme governed by a Board of Directors with share capital of €38,911,576

Registered office: 396/466, Rue de la Voyette, CRT 2, 59273 Fretin, France

Registration number: 320 992 977 RCS Lille Métropole
(the "Company")

UNIVERSAL REGISTRATION DOCUMENT



This universal registration document (URD) was filed on 6 July 2021 with the Autorité des Marchés Financiers ("AMF") as the competent authority in respect of regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.



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

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

This is a translation into English of the universal registration document of the Company issued in French and it is available on the website of the Issuer

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

GENERAL INFORMATION

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

The URD, prepared in accordance with appendix I of Commission delegated regulation (EU) no. 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, presents the statutory financial statements for the period ended 31 March 2021 and the corresponding consolidated financial statements.

It incorporates by reference the consolidated financial statements for the periods ended 31 March 2020 and 31 March 2019, which are presented in the registration document filed with the AMF respectively on 7 July 2020 under approval number D. 20-0656 and 19 June 2019 under approval number D. 19-0581. Those financial statements were the subject of an audit report issued by the Company's statutory auditors.

Forward-looking statements

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

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

Information about the market and the competition

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

Risk factors

Investors are invited to read carefully the risk factors presented in Section 3 "Risk factors" of this URD before making any investment decision. If some or all of these risks were to occur, that could have an adverse impact on Bigben Interactive's activities, results, financial position or outlook. In addition, other

risks not yet identified or not considered material by the Company at the date of the URD could also have an adverse impact.

Rounding

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

Convention

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

Contents	4
1. PERSONS RESPONSIBLE	6
1.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT	6
1.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT	6
1.3 PERSON RESPONSIBLE FOR FINANCIAL REPORTING	6
1.4 INFORMATION FROM THIRD PARTIES	6
1.5 APPROVAL OF THE UNIVERSAL REGISTRATION DOCUMENT	6
2. STATUTORY AUDITORS	7
2.1 STATUTORY AUDITORS	7
2.2 INFORMATION ABOUT STATUTORY AUDITORS THAT HAVE RESIGNED, BEEN REMOVED OR NOT BEEN RE-APPOINTED	7
3. RISK FACTORS	8
3.1 RISKS RELATED TO THE BUSINESS	10
3.2 RISKS RELATED TO THE COMPANY'S FINANCIAL POSITION	15
3.3 MARKET RISK	18
3.4 RISKS RELATED TO THE COMPANY'S ORGANISATION	21
3.5 REGULATORY AND LEGAL RISKS	23
3.6 NON-FINANCIAL RISKS	27
3.7 INSURANCE AND RISK COVERAGE	28
4. INFORMATION ABOUT THE COMPANY	29
4.1 CORPORATE NAME OF THE ISSUER	29
4.2 PLACE OF REGISTRATION AND REGISTRATION NUMBER	29
4.3 DATE AND TERM OF INCORPORATION	29
4.4 REGISTERED OFFICE, LEGAL FORM, LEGISLATION GOVERNING THE BUSINESS..	29
5. BUSINESS OVERVIEW	30
5.1 MAIN ACTIVITIES	30
5.2 MAIN MARKETS	50
5.3 SIGNIFICANT EVENTS IN THE GROUP'S TIMELINE	54
5.4 STRATEGY AND OBJECTIVES	57
5.5 RESEARCH AND DEVELOPMENT, PATENTS, LICENCES, TRADEMARKS AND DOMAIN NAMES	64
5.6 COMPETITIVE POSITION	69
5.7 INVESTMENTS	71
NON-FINANCIAL STATEMENT (NFS)	73
6. ORGANISATION STRUCTURE	123
6.1 LEGAL STRUCTURE	123
6.2 GROUP COMPANIES	125
6.3 MAIN INTRA-GROUP TRANSACTIONS	128
7. EARNINGS AND FINANCIAL POSITION	131
7.1 FINANCIAL POSITION	131
7.2 OPERATING INCOME	137
8. CASH POSITION AND CAPITAL	140
8.1 INFORMATION ON THE COMPANY'S SHARE CAPITAL, LIQUIDITY AND FUNDING SOURCES	140
8.2 CASH FLOW	144
8.3 INFORMATION ON THE COMPANY'S BORROWING TERMS AND FUNDING STRUCTURE	146
8.4 RESTRICTIONS ON THE USE OF CAPITAL	147
8.5 FUNDING SOURCES REQUIRED FOR THE FUTURE	147
9. REGULATORY ENVIRONMENT	148
10. TRENDS	151
10.1 MAIN TRENDS SINCE THE START OF THE CURRENT FINANCIAL YEAR	151
10.2 TRENDS, UNCERTAINTIES, CONSTRAINTS, COMMITMENTS OR EVENTS THAT MAY MATERIALLY AFFECT THE BIGBEN INTERACTIVE GROUP'S OUTLOOK	151
11. EARNINGS FORECASTS AND ESTIMATES	152
11.1 ASSUMPTIONS	152

11.2	GROUP FORECASTS FOR THE YEAR ENDED 31 MARCH 2022	153
12.	ADMINISTRATIVE AND MANAGEMENT BODIES	154
12.1	DIRECTORS AND EXECUTIVE OFFICERS	154
12.2	CONFLICTS OF INTEREST IN THE ADMINISTRATIVE AND MANAGEMENT BODIES	163
13.	REMUNERATION AND BENEFITS	164
13.1	REMUNERATION AND BENEFITS.....	164
13.2	AMOUNTS SET ASIDE BY THE COMPANY FOR THE PAYMENT OF PENSIONS, RETIREMENT BENEFITS AND OTHER BENEFITS TO CORPORATE OFFICERS.....	179
14.	OPERATING PROCEDURES OF THE ADMINISTRATIVE AND MANAGEMENT BODIES ...	180
14.1	MANAGEMENT OF THE COMPANY	180
14.2	INFORMATION ON AGREEMENTS BINDING THE COMPANY'S EXECUTIVES AND/OR CORPORATE OFFICERS AND THE COMPANY OR ANY OF ITS SUBSIDIARIES.....	180
14.3	BOARD OF DIRECTORS, BOARD COMMITTEES AND CORPORATE GOVERNANCE	180
14.4	STATEMENT ON CORPORATE GOVERNANCE	182
14.5	INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES	183
15.	EMPLOYEES.....	188
15.1	NUMBER OF EMPLOYEES AND BREAKDOWN BY COMPANY	188
15.2	EQUITY INTERESTS AND STOCK OPTIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT	189
15.3	OWNERSHIP OF THE COMPANY'S SHARE CAPITAL BY EMPLOYEES	189
16.	MAIN SHAREHOLDERS	191
16.1	OWNERSHIP OF THE SHARE CAPITAL AND VOTING RIGHTS	191
16.2	VOTING RIGHTS OF THE MAIN SHAREHOLDERS	192
16.3	CONTROL OF THE COMPANY	193
16.4	AGREEMENTS THAT MAY LEAD TO A CHANGE OF CONTROL	194
16.5	PLEDGES	194
17.	TRANSACTIONS WITH RELATED PARTIES	195
17.1	INTRAGROUP TRANSACTIONS AND TRANSACTIONS WITH RELATED PARTIES ...	195
17.2	STATUTORY AUDITOR'S REPORT ON REGULATED AGREEMENTS	195
18.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, FINANCIAL POSITION AND EARNINGS	196
18.1	HISTORICAL FINANCIAL INFORMATION	196
18.2	INTERIM AND OTHER FINANCIAL INFORMATION	292
18.3	AUDIT OF HISTORICAL FINANCIAL INFORMATION	292
18.4	PROFORMA FINANCIAL INFORMATION	302
18.5	DIVIDEND POLICY	302
18.6	LEGAL AND ARBITRATION PROCEEDINGS	303
18.7	MATERIAL CHANGE IN THE FINANCIAL OR TRADING POSITION	303
18.8	OTHER INFORMATION	304
19.	ADDITIONAL INFORMATION	307
19.1	SHARE CAPITAL	307
19.2	MEMORANDUM AND ARTICLES OF ASSOCIATION	312
20.	MATERIAL AGREEMENTS.....	314
21.	DOCUMENTS AVAILABLE TO THE PUBLIC.....	315
22.	DRAFT RESOLUTIONS ON THE AGENDA OF THE NEXT SHAREHOLDERS' GENERAL MEETING.....	316
23.	GLOSSARY	335
24.	CROSS-REFERENCE TABLES.....	337

1. PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Fabrice Lemesre, Chief Executive Officer of the Company.

1.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

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

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

Fretin,
6 July 2021

Fabrice Lemesre
Chief Executive Officer of the Company

1.3 PERSON RESPONSIBLE FOR FINANCIAL REPORTING

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

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

1.4 INFORMATION FROM THIRD PARTIES

None.

1.5 APPROVAL OF THE UNIVERSAL REGISTRATION DOCUMENT

This universal registration document (URD) was filed on 6 July 2021 with the Autorité des Marchés Financiers ("AMF") as the competent authority in respect of regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.

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

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

2. STATUTORY AUDITORS

2.1 STATUTORY AUDITORS

Principal Statutory Auditors

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

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

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

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

Deputy Statutory Auditors

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

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

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

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

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

None.

3. RISK FACTORS

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

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

Method of analysing risk factors:

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

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

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

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

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

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

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

- Low
- Average
- High

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

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

3.1 RISKS RELATED TO THE BUSINESS

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

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

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

	2018/19	2019/20	2020/21
In-house developments	5	14	22
Outsourced developments	12	5	11

Risks related to delays in the development of a game

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

The Company may decide to delay or extend the development of a game if the quality of its developments is judged to be inadequate or if the Company believes it more appropriate, for example for marketing reasons, to coincide the release of a new game with an external event to improve its visibility (e.g. sports games such as Tennis marketed at the same time as a high profile competition or tournament). In 2020/21, for example, Nacon announced the postponement of two games (*Vampire: The Masquerade*® – *Swansong* and *Blood Bowl 3*®) in order to improve them and align them to Nacon's expected quality standards. Furthermore, Nacon may decide to delay the release of a finished game for timing reasons (for example, waiting for a time when no other major rival games are being released).

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

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

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

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

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

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

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

For in-house developments:

- compliance with a strict production process whereby the Publishing team is informed of any

- difficulty experienced by the development teams;
- maintaining a high level of expertise in handling the game engines used by the development teams.

For outsourced developments:

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

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

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

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

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

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

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

Materiality of this risk

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

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

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

Despite efforts made, a game that requires heavy investment in development (about €5 to 15 million) could fail to achieve the expected sales given the expenditure incurred. In this case, it could affect the Company's financial position, earnings, objectives and growth outlook.

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

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

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

year, since digital revenue in future years could then partially or totally offset the initial investment).

3.1.3 Risks related to technological changes affecting video game development

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

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

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

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

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

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

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

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

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

In terms of accessories and Audio products, the Group is 'fables' (i.e. it does not have its own manufacturing plants) and does not operate any manufacturing facilities. The Company uses more than 40 sub-contractors based in Asia for the manufacture, assembly and shipment of its products. In order to comply with the Group's manufacturing and product quality criteria, the Company also appoints on a voluntary basis external inspection firms to perform regular audits of the manufacturing facilities it uses.

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

This risk materialised during the Covid-19 health crisis. In early 2020, Chinese production plants operated on go-slow for a month before returning to normal in Spring 2020. Then in 2021, the container ship stuck in the Suez canal paralysed global freight traffic for several weeks, transport services were not readily available and therefore costs increased, and there was a shortage of electronic components (e.g. semiconductors), which caused production delays. To limit this risk in the future, the Group is making efforts to preserve or further diversify its supply and transportation sources as well as adapt its R&D development processes to the constraints imposed by component shortages, for example by changing

the components in the circuit boards used in its products.

The top five suppliers represented 41% of the Group's total purchases and external charges in 2020/21 (40% in 2019/20). Of those five suppliers, three Asian manufacturing plants accounted for 21.8% of the Group's total purchases and external charges (7.5% in 2019/20). The change from one year to the next depends on product releases.

The increase in the weighting of the top five suppliers was driven mainly by the new industrial partnerships forged by the Group for large production volumes of RIG™ headsets.

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

- the Company has carefully selected the partners to which it sub-contracts the manufacture and shipping of its products and has alternative options should one of them fail;
- the Company has a dedicated supplier relationship management team in Asia;
- unlike many sector players, the Company was able to anticipate its supply needs to overcome the components shortage and in fact currently has enough stocks to supply its customers, thus generating additional sales.

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

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

3.1.5 Risks related to inventories and their management

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

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

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

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

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

In thousands of euros	Gaming	Mobile	Audio	2020/21	2019/20
Gross value	37,680	39,204	11,820	88,704	87,019
of which physical inventories	34,070	39,156	11,760	84,986	85,452
of which goods in transit	3,610	48	60	3,717	1,567
Impairment loss	(12,494)	(9,223)	(1,202)	(22,920)	(20,965)
Net value	25,186	29,981	10,618	65,784	66,054

Inventories remained stable at end-March 2021.

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

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

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

3.1.6 Seasonal variations in business during the year

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

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

- in 2014/15, the third quarter represented 40% of annual revenue;
- in 2015/16, the third quarter represented 36.8% of annual revenue;
- in 2016/17, the third quarter represented 35% of annual revenue;
- in 2017/18, the third quarter represented 32.6% of annual revenue;
- in 2018/19, the third quarter represented 33% of annual revenue;
- in 2019/20, the third quarter represented 32% of annual revenue;
- in 2020/21, the third quarter contribution fell to 30% of annual revenue.

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

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

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

- the probability of occurrence is considered to be 'average' for Games and Accessories, but particularly Accessories and Audio products:
 - o as regards video games, its subsidiary Nacon has an increasingly large back catalogue and a release schedule for new games spread across the year, which contributes to mitigating the seasonal effects outside of the Christmas period;
 - o as regards accessories and Audio products, the Company believes that premium accessories are aimed at experienced consumers with the financial resources to purchase them at any time of the year.
- as regards the magnitude of this risk: the estimated impact of seasonal variations on the

Company's revenue and profitability is taken into account when preparing the Company's budgets and targets. However, should the seasonal effect be stronger than expected:

- for accessories and Audio products: its impact would be assessed as "high" because although premium accessories are aimed at experienced consumers with the financial resources to purchase them at any time of the year, sales of accessories nonetheless remain highly correlated with sales of consoles and smartphones, which occur mostly during the Christmas period; lower-than-expected sales during that period could therefore have a significant impact on accessory sales;
- for games: the impact is assessed as 'low'.

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

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

3.2 RISKS RELATED TO THE COMPANY'S FINANCIAL POSITION

3.2.1 Risks related to acquisitions

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

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

3.2.1.1 Risks related to the Company's external growth strategy

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

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

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

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

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

Note that past acquisitions made by the Company have not had a highly dilutive effect on existing shareholders. Any post-acquisition contingent consideration has always been paid in cash to avoid any subsequent dilution of existing shareholders. As an indication, the estimated amount of contingent consideration the Company could have to pay for acquisitions already made is €3.0 million at 31 March 2021.

It should be noted that the growth policy of Bigben Interactive and its subsidiary Nacon does not necessarily focus exclusively on external growth and therefore new acquisitions have not been factored

into their business plan and associated targets. They are currently focusing on strengthening their teams.

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

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

3.2.1.2 Risk of goodwill impairment

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

The goodwill carried on Bigben Interactive's consolidated financial statements arises very largely from the acquisition of Telco ModeLabs (now Bigben Connected) in 2011 and of development studios since 2018.

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

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

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

- the studio acquisitions were made recently in line with market prices and the video games market is growing, while the Audio/Telco market, although temporarily affected by Covid-19, remains buoyant, thus reducing the probability of occurrence to 'low';
- were the risk to occur, its negative impact (impact on the Company's non-recurring expenses, profitability and intangible assets) would be 'average' in light of its net earnings.

However, the Company will remain vigilant and may raise the risk level to 'high' should the Gaming and Audio/Telco markets begin to decline.

3.2.2 Liquidity risk

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

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

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

At 31 March 2021, following the €87.3 million of funds raised from the issue of bonds convertible into Nacon shares and the €103 million (after expenses) from its subsidiary Nacon's IPO the previous year, the Group's cash amounted to €177.8 million and its total net cash after debt to €32.2 million.

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

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

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

The covenants to be met by Nacon SA at 31 March 2021 were:²

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

The Group considers that it complied with the applicable covenants at 31 March 2021. Consequently, debt is positioned in line with its short-term and medium-term due dates in the consolidated financial statements.

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

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

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

3.2.3 Currency risk

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

The proportion of revenue billed in currencies other than the euro (mainly USD and GBP in the United Kingdom) represented about 24% of Bigben's total 2020/21 revenue and 21% of its total 2019/20 revenue. 56% of the Group's purchases in 2020/21 and almost 50% in 2019/20 were also denominated in USD. The Group's debt is exclusively denominated in euros.

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

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

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

Their mark to market value was €312 thousand at 31 March 2021 (versus zero at 31 March 2020). It is

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

recognised as a liability under "other creditors".

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

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

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

3.3 MARKET RISK

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

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

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

- 4.4% of revenue in 2018/19;
- 4.6% of revenue in 2019/20;
- 5.6% of revenue in 2020/21.

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

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

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

For accessories – risk related to closed console systems

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

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

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

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

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

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

The release of 9th generation consoles (PS5, Xbox Series X, etc.) at the end of 2020 has generated additional costs but the Company believes they are manageable.

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

On the other hand, the revenue generated by those games may be higher as they can be sold on two platforms at the same time (PS4 and PS5 for example).

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

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

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

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

For Games

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

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

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

For Accessories

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

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

- it proposes very advanced projects during the concept approval phase;
- throughout the development process, it complies scrupulously with the precise specifications

- drawn up by the console manufacturer and tests a number of prototypes before submitting one to the console manufacturer;
- it prepares a detailed licensing agreement for each region before the marketing phase.

Materiality of this risk

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

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

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

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

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

3.3.2 Risks related to the competitive environment

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

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

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

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

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

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

- there are few operators in the gaming and mobile market and the probability of occurrence is therefore broadly 'low':
 - o for Nacon gaming accessories, which are based on leading-edge, duly patented technologies, the probability of occurrence is assessed as 'low';
 - o for Games: the AA market is made up of niches usually addressed by a single operator at a time, given the revenue potential. If a competitor were to develop a game with a similar theme to a Nacon game and market it before Nacon, this would reduce Nacon's revenue. This has happened in the past, though very rarely, and the probability of occurrence is therefore also assessed as 'low';

- for Mobile Accessories and Audio products, for which the Group invests heavily in marketing and innovation to set them apart from the many other similar products on the market, the probability of occurrence is assessed as 'average'.
- however, were it to occur, this risk would have a 'high' negative impact (on the Company's revenue and profitability), as consumers would only buy one of the games that are similar.

3.4 RISKS RELATED TO THE COMPANY'S ORGANISATION

3.4.1 Risks related to attracting and retaining key personnel

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

Risks related to seeking and retaining talent

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

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

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

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

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

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

- actively seeking experienced people through professional databases and networking;
- regularly taking on interns from the best schools and universities (engineers, video games, 3D, etc.);
- employee empowerment and autonomy;
- an attractive compensation policy, where necessary retaining key people through free shares awards with a continuing presence condition;
- pleasant, friendly workplace, personalised decoration by employees, numerous team building events to involve people in joint projects, meals, festive events, trips abroad to international trade fairs, scouting trips, etc. These activities were, of course, suspended in 2020 and early 2021 due to the health crisis.

Broadly, staff turnover in the Nacon Group was 13.3% at 31 March 2021³ versus 12.9% at 31 March

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

2020. More specifically, staff turnover in studios within one year of their acquisition by the Group was low. Thus, turnover for all Nacon's studios acquired the previous year (i.e. excluding Neopica) is 13.5%, which is below sector averages (between 20% and 25% according to the Company).

As explained in Section 15.1, the studios (apart from Neopica) have also seen their headcount increase from 334 to 421 employees from 31 March 2020 to 31 March 2021, while Nacon's "excluding studios" scope has risen from 178 to 203 employees.

Risk related to acquisitions: integration of employees

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

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

The risk is even greater for Nacon, Bigben Interactive's subsidiary in charge of the Gaming division, as its workforce is 19% made up of employees who were not with the Group at 31 March 2020, 40% who were not with the Group at 31 March 2019 and 76% who were not with the Group at 31 March 2018. These employees are likely to have less attachment to the Group.

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

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

Risk of reliance on key Management Committee members

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

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

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

Overall materiality of the risk

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

- the probability of occurrence is assessed as 'average' due to:
 - o strong retention policies for employees and key people (see Sections 13 "Remuneration" and 15 "Employees" of Bigben Interactive's and Nacon's URDs), in particular through free share awards (contingent, as applicable, on a continuing service condition and/or the achievement of various performance conditions);
 - o low staff turnover in studios acquired by Nacon;
 - o the presence of Alain Falc as Chairman of Bigben Interactive and Chairman and CEO of Nacon and the fact that he is a leading shareholder in Bigben Interactive means that he has

- a very strong involvement and vested interest in the Group;
- however, if the events described in this Section were to occur, this could prevent the Company from achieving its objectives and could have a material adverse impact on its revenue and profitability ('high' impact).

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

At 31 March 2021, the Company's two main shareholders were the Bolloré Group via Nord Sumatra, with 19.8% of the share capital and 17.5% of the gross voting rights) and Alain Falc, with 13.0% of the share capital and 22.6% of the gross voting rights directly and indirectly.

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

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

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

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

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

3.5 REGULATORY AND LEGAL RISKS

3.5.1 Risks related to the loss of certain tax incentives

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

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

France:

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

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

- increase in the cap on European sub-contracting costs included in the tax credit calculation from €1 to 2 million a year.

Canada:

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

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

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

These tax credits are a substantial source of funding for the Group's development studios. The Group's studios recorded tax credits totalling €2.4 million at 31 March 2021 compared with €3 million at 31 March 2020 and €1.5 million at 31 March 2019 (prorated to the number of months the studios were owned by the Group).

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

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

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

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

3.5.2 Risks related to intellectual and industrial property and licensing agreements

Industrial property risk

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

Other than for its licensed games and accessories, for which its subsidiary Nacon negotiates separate licence agreements, and for the few games distributed or co-published (*Bee Simulator*, *AO Tennis 2*, *Session*, *Lord of the Rings - Gollum*, etc.), Bigben Interactive and Nacon hold the full intellectual property rights to its trademarks and games. Patents, trademarks and models are owned by Bigben Interactive SA and Nacon SA while licences are held by Bigben Interactive (HK) Ltd and Nacon (HK) Ltd.

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

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

Licensing risks

Over the past few years, the Group signed some major licensing agreements with Sony for the development of accessories for PlayStation® 3 and PlayStation® 4. As described in risk 3.3.1. "Risk related to closed console systems", it should be pointed out that its subsidiary Nacon was reliant to a certain, albeit limited, degree on licences granted by Sony and agreements between the two partners, a notable example being the Revolution controllers. The agreements between Nacon and Sony are not exclusive. All developments and associated patents belong exclusively to Nacon. The decision to work primarily with Sony was taken in light of the market configuration at the time and the opportunities offered by a partnership between the two companies. During 2020/21, its subsidiary Nacon signed a major new licence agreement with Microsoft for the design and distribution of official accessories for the Xbox® One and Xbox® Series X|S (range of Revolution X and Pro Compact controllers as well as a special MG-X range for Cloud gaming) and PC. Again, all developments and associated patents belong exclusively to Nacon.

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

Group's revenue from sales of Sony accessories

- 2020/21: €47.0 million (46% of Nacon's 2020/21 Gaming Accessories revenue and 5.6% of the Bigben Group's revenue);
- 2019/20: €30.2 million (57% of Nacon's 2019/20 Gaming Accessories revenue and 11.4% of the Bigben Group's revenue);
- 2018/19: €30.7 million (56% of Nacon's 2018/19 Gaming Accessories revenue and 12.5% of the Bigben Group's revenue).

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

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

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

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

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

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

Risks related to video games

Risk of piracy and copyright infringement

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

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

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

Distribution platforms such as Steam (PC), Playstation Network (PS4, PS5), Xbox Live (Xbox® One, Xbox® Series X|S, etc.) and Epic require users to log in to benefit from the tools proposed, exchanges and discussions with other gamers through text or voice messages, trophy and avatar display, capture and sharing tools and social media connections. These log-in and ID requirements limit the risk of piracy.

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

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

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

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

3.5.3 Risks related to legal and administrative proceedings

In the normal course of its business, the Company may be involved in legal, administrative, criminal or arbitration proceedings, particularly as regards competition and intellectual or industrial property. The most significant actions pending that could have an impact on the Company are described in Section 18.6 of the URD. At 31 March 2021, litigation provisions totalled €2,334 thousand (see Note 14 to the 2020/21 consolidated financial statements in Section 18.1 of the URD and Note 13 to the 2020/21 statutory financial statements in Section 18.1.1 of the URD).

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

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

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

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

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

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

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

As it is not particularly affected by these regulations, the Company assesses the materiality of this net risk as 'low'. However, the Company will remain vigilant and may raise the risk level to 'average' should its distribution methods change significantly.

3.6 NON-FINANCIAL RISKS

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

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

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

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

Non-financial risk included in the risk factors analysed above

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

Low materiality non-financial risks

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

3.6.1 Employee-related risks:

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

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

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

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

Overall materiality of the risk

Following the emergence of Covid-19, this risk has been upgraded by Management from 'low' to 'high'. Although many measures described in Section 5.7.4 have been taken to stop the spread of the virus among employees (working from home, social distancing, providing employees with masks, hand sanitizer, gloves, etc. upon their return to the workplace after lockdown), the probability of occurrence and the impact of such a risk occurring remain 'high'.

3.7 INSURANCE AND RISK COVERAGE

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

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

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

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

4. INFORMATION ABOUT THE COMPANY

4.1 CORPORATE NAME OF THE ISSUER

The Company's corporate name is Bigben Interactive.

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

4.2 PLACE OF REGISTRATION AND REGISTRATION NUMBER

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

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

Its legal entity identifier (LEI) is 9695008GVA59G8SVGO83.

4.3 DATE AND TERM OF INCORPORATION

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

4.4 REGISTERED OFFICE, LEGAL FORM, LEGISLATION GOVERNING THE BUSINESS

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

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

Its contact details are as follows:

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

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

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

5. BUSINESS OVERVIEW

5.1 MAIN ACTIVITIES

5.1.1 General presentation

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

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

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

Benefits of the spin-off

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

5.1.1.1 The Group's businesses and expertise

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

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

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

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



5.1.1.1.1 BIGBEN INTERACTIVE: Developer and publisher of AA video games

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

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

Since 2018, Bigben Interactive has acquired several development studios in France and abroad selected for their creative expertise and sector approach, including Kylotonn Racing, Cyanide Studio, Eko Software, Spiders, Lunar Great Wall (RaceWard) and, more recently, Neopica, Big Ant Studios and Passtech Games. Today, Nacon has more than 500 developers across 11 operating sites (seven in France, one in Belgium, one in Italy, one in Canada and one in Australia), supported by a 60-strong Publishing team.

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

11 development studios in France, Belgium, Italy, Canada and Australia
500 developers



5.1.1.1.2 BIGBEN INTERACTIVE: Designer of physical products

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

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

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



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

**More than 60 engineers,
designers and product
managers**

**More than 500 brands,
models and patents**

5.1.1.1.3 BIGBEN INTERACTIVE: product distributor

Logistics

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

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



Network

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

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

5.1.1.2 Presentation of the Management Committee

5.1.1.2.1 Management Committee

The Group Management Committee is as follows:



Fabrice LEMESRE
CHIEF EXECUTIVE OFFICER
HEAD OF AUDIO



Michel BASSOT
CHIEF OPERATING OFFICER
CHAIRMAN BBC TELCO



Anne-Catherine MOULIN
CHIEF FINANCIAL OFFICER



François BOZON
CORPORATE SECRETARY



François PENIN
HEAD OF LOGISTICS

5.1.1.2.2 A highly-experienced top management team

An experienced Management Committee:

Fabrice Lemesre, Chief Executive Officer



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

Michel Bassot, Chief Operating Officer



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

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

François Bozon, Corporate Secretary



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

He is a graduate of the Institute Politiques de Paris and holds a law degree from Paris Assas university. He began his career in industrial risk with German insurer Gerling-Konzern. He then worked in various financial roles with international responsibilities at Banque Worms from 1983 to early 1995 when he joined the investment banking division, specialising in market and financial transactions for issuers in France and elsewhere until 2000. In this role, he was responsible for Bigben Interactive's initial public offering in 1999.

Anne-Catherine Moulin, Chief Financial Officer



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

François Penin, Head of Logistics



François Penin holds an engineering degree (ISA 1992). He began his career in the agri-foods business and then spent five years in the retail industry before moving back into the industrial sector. He joined Bigben Interactive in 2002.

As head of Logistics and was responsible for developing the system serving customers and the group's various subsidiaries in Europe.

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

5.1.2 Presentation of the product offering by market addressed

5.1.2.1 Gaming

Bigben Interactive's subsidiary, the Nacon Group, produces accessories for gaming consoles (controllers, headsets, keyboards, mouse devices, microphones, memory cards, protective covers, cases, etc.), publishes and develops video games and distributes products either on an exclusive or non-exclusive basis. These Gaming activities contributed about 58.8% of consolidated revenue in 2020/21, i.e. about €172.3 million (versus €123.9 million the previous year, a significant 39.0% increase).

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

Developer and publisher of video games in buoyant niches
Specialist in the Racing, Sports, Simulation and Adventure genres



Specialist in up-to-the-minute equipment:
Sony-licensed controllers, headsets & accessories



COMPREHENSIVE GAMING RANGE

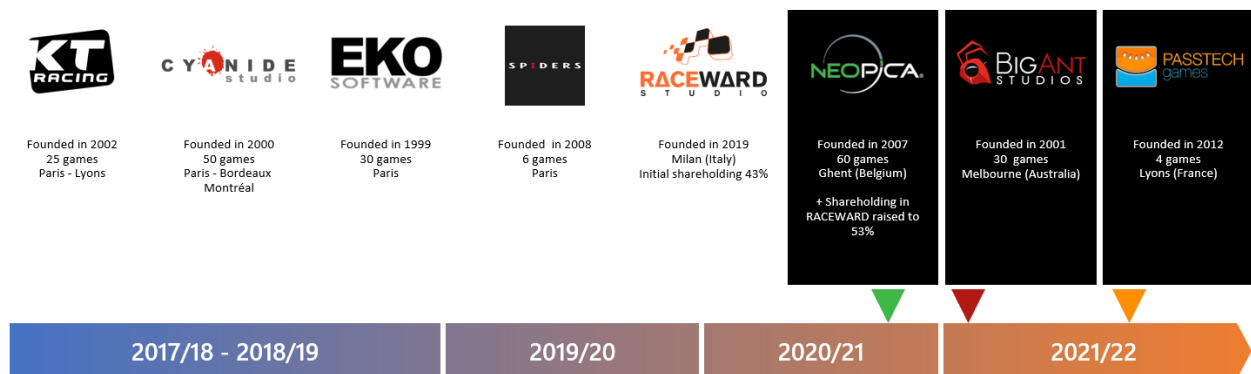


5.1.2.1.1 Developer and publisher model and video games range

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

Bigben Interactive's investment in video games development studios

Acquisition of 8 companies with 11 studios over the last four years
Studios' identities preserved and technological synergies implemented



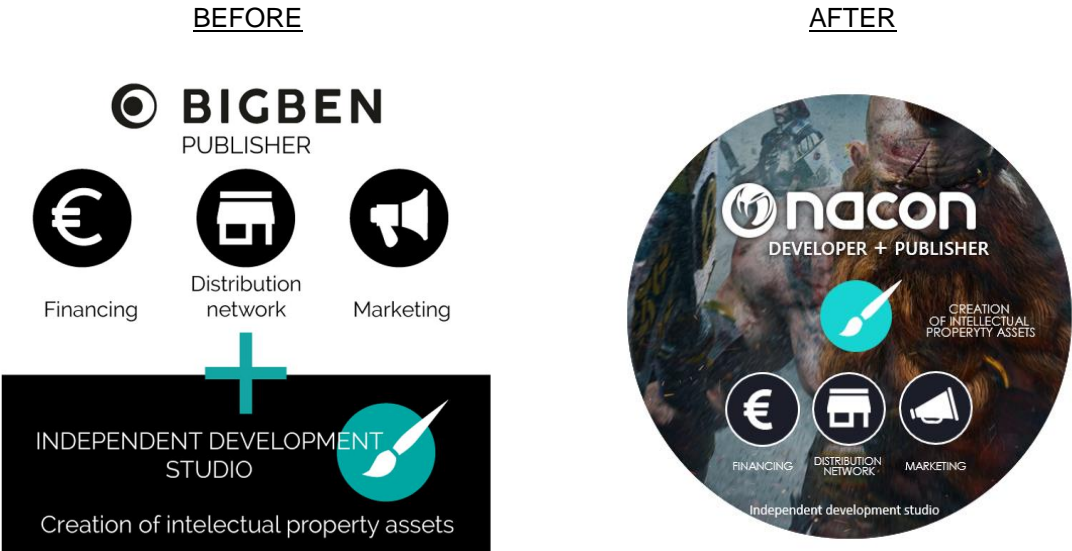
The Big Ant Studios deal announced in January 2021 was closed after the year-end. Furthermore, in early April 2021, again after the year-end, the Group announced the acquisition of French studio Passtech Games, thus increasing the number of in-house studios to 11.

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

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

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

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



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

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

Its acquisition strategy since 2017 is based on integrating studios with recognised expertise in the genres targeted by the Group (Racing, Sports, Simulation, Adventure, Action, RPG⁴ and Narrative) and

⁴ Role-playing games.

technical expertise such as the proprietary KT Engine developed by the KT Racing studio.

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

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

Faced with growing demand for content in the video games market, this proactive strategy will enable Bigben Interactive to increase its production capacity and offer a broad range of high-quality games and build up a strong, diversified catalogue. In order to achieve this, the Nacon Group works with ten or so other partner studios in addition to the 11 integrated studios that work exclusively for the Group. This enables it to release 10 to 15 new games a year, with a total of more than 30 games under development at any one time.

A broad and balanced line-up

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

Bigben Interactive's Gaming line-up in 2020/21 was based on four strategic ranges:

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

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

More recently, as announced along with its current year release line-up, Bigben Interactive is now focusing on a fifth strategic range, known as Triple i (3i) games. Sector operators in this category are seeking to emulate the AAA games segment, sales of which typically reach more than 5 or even 10 million copies, but relying on independent studios (hence the 'i') with lower development budgets. The games will be of high quality and quite aggressively priced (from €20 to 30 per game), which the Group expects to generate high sales volumes and margins. Bigben Interactive plans to sell two games in this range during 2021/22 - *RogueBooks* and *RogueLords*.

Digital sales

Apart from the opportunity of exploiting the most open segment addressed by the mid-publishers, the boom in sales of video games in digital form offers the Group some undeniable advantages. Digital sales, which account for 62% of software sales for consoles in France (source: SELL, February 2021), imply immediate 24/7 availability for customers of all products published, included the oldest back catalogue titles, which are generally more available in physical retail stores.

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

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

Capitalising on game series

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



Building a profitable line-up

The line-up in 2020/21 was as follows:

	APR '20	MAY '20	JUNE '20	JULY '20	AUG '20	SEPT '20	OCT '20	NOV '20	DEC '20	JAN '21	FEB '21	MARCH '21
RACING		TT Isle of Man 2 14/05 Switch				WRC 9 03/09 PS4/X1/PC	MONSTER TRUCK CHAMPIONSHIP 15/10 : PS4/X1/PC 19/11 : Switch	WRC 9 10/11 PS5/Xbox X S				WRC 9 Switch MONSTER TRUCK CHAMPIONSHIP 18/03 PS5/XBOX X S
SPORTS		Le Tour de France PRO CYCLING MANAGER 2020 04/06 PS4/X1/PC			TENNIS 2 WORLD TOUR 24/09 PS4/X1/PC		TENNIS 2 WORLD TOUR 15/10 Switch	HANDBALL 21 12/11 PS4/X1/PC				TENNIS 2 WORLD TOUR 25/03 PS5/XBOX X S
ADVENTURE							CHAOSBANE 10/11 PS5/XBOX X S			WEREWOLF 04/02 PS4/PS5/X1 XX/PC		
SIMULATION		FARMERS DYNASTY 11/06 Switch	HUNTING 2 25/06 PS4/X1/PC				HUNTING 2 15/10 Switch					HUNTING 2 11/03 PS5/XBOX X S

The officially announced line-up for 2021/22 is as follows:

LINE UP 2021/22

	APR '21	MAY '21	JUNE '21	JULY '21	AUG '21	SEPT '21	OCT '21	NOV '21	DEC '21	JAN '22	FEB '22	MARCH '22
RACING				WRC 10 THE OFFICIAL GAME PSS/PS4/X1/XSX/PC: 02/09 Switch: TBC	RIMS RACING PSS/PS4/X1/XSX/PC/Switch: 19/08							
SPORTS		PRO CYCLING MANAGER 2021 PS4/X1/PC 03/06	Le Tour de France	Le Tour de France PSS/XSX 01/07			Game not yet announced	Game not yet announced		RUGBY 22 PS4/PSS/X1/XSX/PC		
ADVENTURE		GREEDFALL PSS/XSX	BLOOD BOWL III Closed Beta PC	BLOOD BOWL III Early Access PC/Xbox						VAMPIRE PSS/PS4/X1/XSX/PC: 03/02 SWANSONG	BLOOD BOWL III PS4/X1/PC/PSS/XSX: 10/02 Switch: TBC	
SIMULATION				TRAIN A LIFE A RAILWAY SIMULATOR Early Access PC						TRAIN A LIFE A RAILWAY SIMULATOR PC	TRAIN A LIFE A RAILWAY SIMULATOR PS4/PSS/X1/XSX Switch: Mar	
TRIPLE I		ROGUEBOOK PC: 17/06		ROGUE LORDS PC	ROGUEBOOK PS4/PSS/X1/XSX/Switch					ROGUE LORDS PS4/X1/Switch		

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

5.1.2.1.2 Gaming accessories

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

Accessories for handheld consoles

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



Accessories for home consoles and PCs

The Group now, of course, also makes accessories for Sony and Microsoft platforms and its product range covers all functionalities in those environments. The accessories market is driven by the massive popularity of video games and the large number of consoles and platforms in use. However, in the past, the closed systems of the latest generations of Sony's PlayStation® 4 and Microsoft's Xbox One released in 2014 had put a brake on the independent accessory manufacturers like Bigben Interactive.

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

Birth of the Nacon® brand

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

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



Blue-chip partnerships, first with Sony and now Microsoft

Premium segment:

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

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



Revolution Unlimited Pro Controller, the brand's flagship product

Entry level segment:

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

Since their launch, combined sales of the entry level Compact and Asymmetric Wireless controllers have reached almost 2 million and they continue to be one of the Group's bestsellers, especially now that worldwide sales of PS4® consoles have exceeded 115 million (114.9 million at end December 2020 - Source Sony).

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

The fact that one of the major names in video games, Sony, has chosen to work with Nacon is a guarantee of quality. Moreover, this partnership goes beyond a classic partnership as Nacon staff work directly with Sony's technical, design and marketing teams to make sure they comply with Sony's specifications. Nacon has thus become one of Sony's main European and global partners. Nacon does not distribute Sony products but develops products under Sony licence.

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

New partnership agreement with Microsoft

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

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

New range of Pro Compact controllers for Microsoft's Xbox products



The new RIG™ headset range

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



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

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

eSport

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

The eSport phenomenon



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

5.1.2.2 Mobile accessories

In early 2010, and then with the acquisition of the ModeLabs group in 2011, the Group entered the mobile telephony accessories and connected objects market. This market is very active and driven by the success of Apple products (iPhone and iPad) and more broadly by Samsung smartphones due to replacement purchases with 4G and then 5G.

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

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

In the last few years, the telephony market has continued to evolve, driven by the success of smartphones, which has led to a growing demand for accessories especially in protection and convergence (sound, data, games). However, since 2018/19, the market has been affected by a relative decline in sales of smartphones due to a tendency for consumers to keep their smartphones for longer, but has remained supported by value.

On the other hand, the success of Force Glass® protective screens, the ramp-up of Force Case® protective cases and the successful launch of the high-performance Force Power® battery charger and cable range confirm the strong momentum of premium accessory sales as consumers seek to protect their ever-more costly smartphones.

**Range of
Force Case® brand
accessories:**



Range of Force Power® brand mobile accessories:



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

Range of Just Green® brand mobile accessories:



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

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

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

Always responsive regardless of the circumstances, during the Covid-19 health crisis Bigben Interactive quickly developed and released a range of disinfectants capable of eliminating 99% of germs found on smartphones and other everyday objects such as keys, spectacles, etc.



To meet the high demand (more than 30,000 kits sold), Bigben secured substantial volumes in order to make them available to its resellers as quickly as possible.

Also in 2020/21, the telephony sector saw the release of the first foldable phones, notably by Samsung, as well as Apple's iPhone 12. Bigben Connected of course accompanied these new model releases with compatible accessories ranges under the Group's various brand names:

iPhone 12 compatible ranges under the Group's various brand names:



just green



FORCE



BIGBEN



ARTEFAKT
PARIS

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

Bigben® True Wireless Slim Pods:



In the future, the roll-out of 5G technology should create a more favourable market environment for the Mobile business.

The many events planned for 2021/22 include additions to the Just Green® product ranges and above all, the June 2021 launch of *Force Power Lite®* products.

just green

Expansion of the range on all 360° uses

The case
100% recyclable



The waterproof casing
100% recyclable



The screen protector
100% eco-designed



The shoulder strap
100% recyclable



The cables and chargers
100% recyclable-recycled



The car holder
100% recyclable



The cleaning and disinfectant spray
100% recyclable



A merchandising
100% green



FORCE

Launch of
FORCE  POWER *lite*

LAUNCH
June
2021

A unique promise of lifetime guarantee
on this price segment

A price positioning in line with the democratisation of premium smartphones (new entrants Xiaomi, Oppo)

A promise of lifetime guarantee maintained across the whole range

A 100% eco-responsible packaging : Zero Plastics & FSC Cardboard

Power Delivery technology



5.1.2.3 Audio products

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

It now develops and sells a broad range of products including connected speakers, hi-fi systems, multimedia towers, sound bars, mp3 players, micro sound systems, radios, radio CD players, turntables, etc. Apart from its expertise in product development, the Group also uses its marketing capability for the Audio business, focusing on the functionalities and original features of its products to set them apart from the competition.

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

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

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



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

Several AromaSound® products launched in 2020:



Deployment of the range

1st comprehensive range of aromatherapy devices offering audio functions



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

In 2021/22, the Audio business intends to consolidate its "kids and teens" segment by launching new products that will expand its Bigben Kids and Bigben Party ranges yet further, and to continue to promote its Thomson licensed products.

Consolidation of sales on the KIDS-TEENS segment

2 BRANDS
With a strong potential of commercial development and sales opportunities

5 REFERENCES
To come in 2021 in order to develop sales in this new segment

5.1.3 Global presence

5.1.3.1 Group entities

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

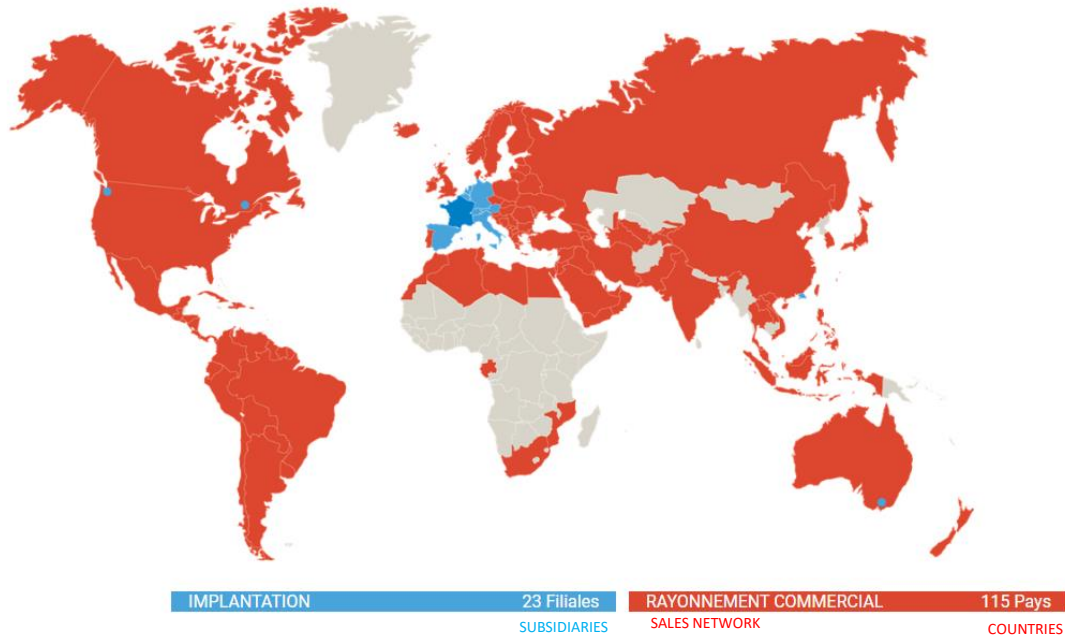
A global presence

- 🇫🇷 BIGBEN CONNECTED SAS
- 🇵🇱 BBC POLSKA
- 🇪🇸 BIGBEN INTERACTIVE ESPANA
- 🇭🇰 BIGBEN INTERACTIVE HK Ltd
- 🇫🇷 NACON SA
- 🇫🇷 GAMES.FR
- 🇫🇷 CYANIDE SAS
- 🇫🇷 KYLOTONN SAS
- 🇫🇷 EKO SAS
- 🇫🇷 SPIDERS SAS
- 🇫🇷 PASSTECH GAMES SAS
- 🇮🇹 BIGBEN INTERACTIVE ITALIA SRL
- 🇨🇳 LUNAR GREAT WALL STUDIOS Srl (RACEWARD STUDIO)
- 🇪🇸 NACON ESPANA SL
- 🇩🇪 BIGBEN INTERACTIVE GmbH
- 🇧🇪 BIGBEN INTERACTIVE BELGIUM SA
- 🇧🇪 NEOPICA SRL/BV
- 🇳🇱 BIGBEN INTERACTIVE NETHERLANDS BV
- 🇺🇸 NACON GAMING Inc
- 🇺🇸 NACON Pty Ltd
- 🇦🇺 BIGANT STUDIOS Pty Ltd
- 🇮🇳 AMUSEMENT CYANIDE INC
- 🇭🇰 NACON HK Ltd

≈920 EMPLOYEES
 23 SUBSIDIARIES

5.1.3.2 Extensive commercial coverage:

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



5.2 MAIN MARKETS

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

5.2.1 The Gaming market

5.2.1.1 Digital as a means of growth

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

The gaming market in which Nacon operates is now considered to be the second largest market after television in the entertainment economy in terms of value. With more than \$179.7 billion of revenue in 2020 and growth of about 20% compared to 2019, the video games market has overtaken cinema and music combined (source IDC – January 2021).

Like music and video, the gaming market has evolved radically in the past ten years. Digitalisation has changed habits permanently. It is by making video games constantly more accessible through an increasing number of digital content distribution platforms on PC and console and through the rapid growth in mobile gaming, which now represents almost 50% of the global market. The contribution of digital sales to global video games sales rose from 41.2% in 2015 to 64.4% in 2018 and this trend is expected to continue and reach 79.2% in 2023 according to IDG September 2019 estimates (which will probably be outstripped and/or accelerate due to the impacts of the Covid 19 health crisis on consumer behaviour).

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



Source: IDG – global sales (September 2019 - data pre Covid-19 effect)

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



The increasing number of distribution channels emerging as a result of these changes is likely to lead to more intense competition with the arrival of new digital platforms (Epic Games Store, Google Stadia, Apple, Amazon, etc.) alongside historical players like Steam in the PC gaming universe and Sony's PlayStation Store and Microsoft's Xbox Live in the console universe. This change will generate growing demand for exclusive content, which will be a decisive factor differentiating the operators from the competing platforms.

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

5.2.1.2 A market expected to grow significantly in the years ahead

The gaming market has been through a period of major transition over the past few years, with each period of transition traditionally coming with the release of a new generation console, in this case the eighth since consoles first came on the market.

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

- The Covid-19 pandemic and in particular the lockdowns imposed across the world (Asia followed by Europe and then the USA) led consumers to switch massively to online and digital purchasing. This was particularly the case for games publishers, who sold more and more products on digital platforms (Steam, PlayStation Store, Xbox Live, Google Stadia, etc.).
- There was a resurgence in console sales following the November 2020 release of the new generation PlayStation 5 and Xbox Series X|S, with significant growth in sales recorded in November and December 2020.

Growth in sales in the various video game markets



Apart from consoles, the market is largely supported by the resurgence of PC gaming and by the boom in smartphone and tablet gaming, with mobile gaming representing almost 50% of the market in 2020.

All segments of the gaming market grew in 2020 and growth is expected to continue in 2021,

Albeit more slowly due to the tensions in supply of electronic components, which has impacted the console and accessories markets. Furthermore, as the effects of the Covid-19 health crisis recede following the current vaccination campaigns in Europe and the USA in particular, this should also have an impact on consumer demand.

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

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

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

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

5.2.2 The Mobile market

5.2.2.1 A mature consumer market, including for smartphones:

In France and Europe, the mobile telephony market, in particular smartphones, has been stagnating if not retreating for the past few years, after several years of hypergrowth.

In 2016, the market actually fell for the first time ever, with total sales of 23.1 million units in France, a tangible decline of 6%. Smartphone sales in France totalled 20.2 million units, also down compared with 2015 due to competition from reconditioned phones, sales of which totalled about 1.9 million units in 2016. This trend continued in 2017, with a further 4% decline in smartphone sales to 19.4 million units in France (2 million reconditioned phones). The decline continued in 2018 and 2019 with sales of 18.2 million units (down 6% versus 2017) and 17.3 million units (down 5% versus 2018).

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

In Europe, trends were even more pronounced than in France. According to Counterpoint estimates, sales amounted to 185.9 million units in 2020 compared with 216.1 million in 2019, a 14% market contraction.

The global smartphone market remained under pressure in 2018 and 2019, with sales volumes of about 1.4 billion units (source: IDC), down 4.1% in 2018 and 1.4% in 2019, due to a more pronounced decline of 10% in the Chinese market. Under the impact of Covid-19, the downward trend seen over the past few years accelerated and the market contracted by 5.9% over the year, although the end of 2020 benefited from the market release of 5G smartphones.

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

5.2.2.2 Mobile accessories, a market correlated with smartphones and tablets

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

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

After a period of use, consumers may also wish to buy new accessories for new uses, such as Bluetooth earbuds, cable or PC dongle to save folders and photos to a PC, car mounts, etc. Each smartphone or tablet has its own accessory requirements. In general, a smartphone has a range of between three and 12 dedicated accessories, i.e. specific to that model. It also has a range of compatible generic accessories.

Thus, while there has been no further growth in the mobile telephony business since 2016, the trend for dedicated accessories (protection, chargers, etc.) remained positive with 2% growth to €450 million in France in 2017 (versus €435 million in 2016 and €400 million in 2015). This is all the more the case for companion accessories (headsets, speaker docks, wearables) with revenue of €310 million in 2017, up 15% versus 2016 (GfK data, February 2018). The dedicated accessories market declined to €420 million in 2018 and to €407 million in 2019. The decline accelerated in 2020, with a decrease of 20% due to the Covid-19 pandemic and the shutdown of distribution networks for this type of product, in particular the operators' networks (GfK data, February 2021).

Despite the decline in accessories due to declining sales of smartphones, Bigben Interactive remains fully confident in its Mobile accessories in particular given the continued premiumisation of the smartphone market (steady rise in the average price of a smartphone from €358 in 2016 to €374 in 2017, €419 in 2018, €420 in 2019 and €423 in 2020). In this environment, smartphone owners are bound to continue buying dedicated accessories.

5.2.3 The Audio market

Apart from Bigben Interactive's activities in Gaming and Mobile accessories, it is important to note that the Audio business contributed €31.1 million representing 10.6% of the Group's total revenue in 2020/21.

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

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

More recently, 2019 was the year of audio headsets, with sales of 11.2 million units in France worth a total of €539 million according to GfK, representing more than 30% growth in value.

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

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

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

5.3 SIGNIFICANT EVENTS IN THE GROUP'S TIMELINE

5.3.1 Background

Bigben Interactive, based in Fretin-Lesquin, northern France, was created 40 years ago. On the URD's filing date, it had a workforce of almost 920 employees. It was initially a distributor of electronic goods and audio products before successfully diversifying into multimedia and video games and building up an international reputation.

In 1981, Alain Falc launched a business in the design, sub-contracted manufacturing and distribution of

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

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

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

In 2011, Bigben Interactive acquired Paris-based company ModeLabs, which specialised in smartphone accessories (covers, travel cases, etc.). This was a fruitful strategy as smartphone accessories, now sold by Bigben Connected, now account for a significant proportion of the Group business (30.5% of 2020/21 revenue) and are a showcase for its partnerships with leading global brands.

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

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

In early 2020, Nacon acquired the RIG™ brand from Plantronics Inc. (Poly), an iconic global brand in the gaming headsets market. The integration was highly successful, propelling the Group into the Top Three in gaming headset sales in the USA as of the first year.

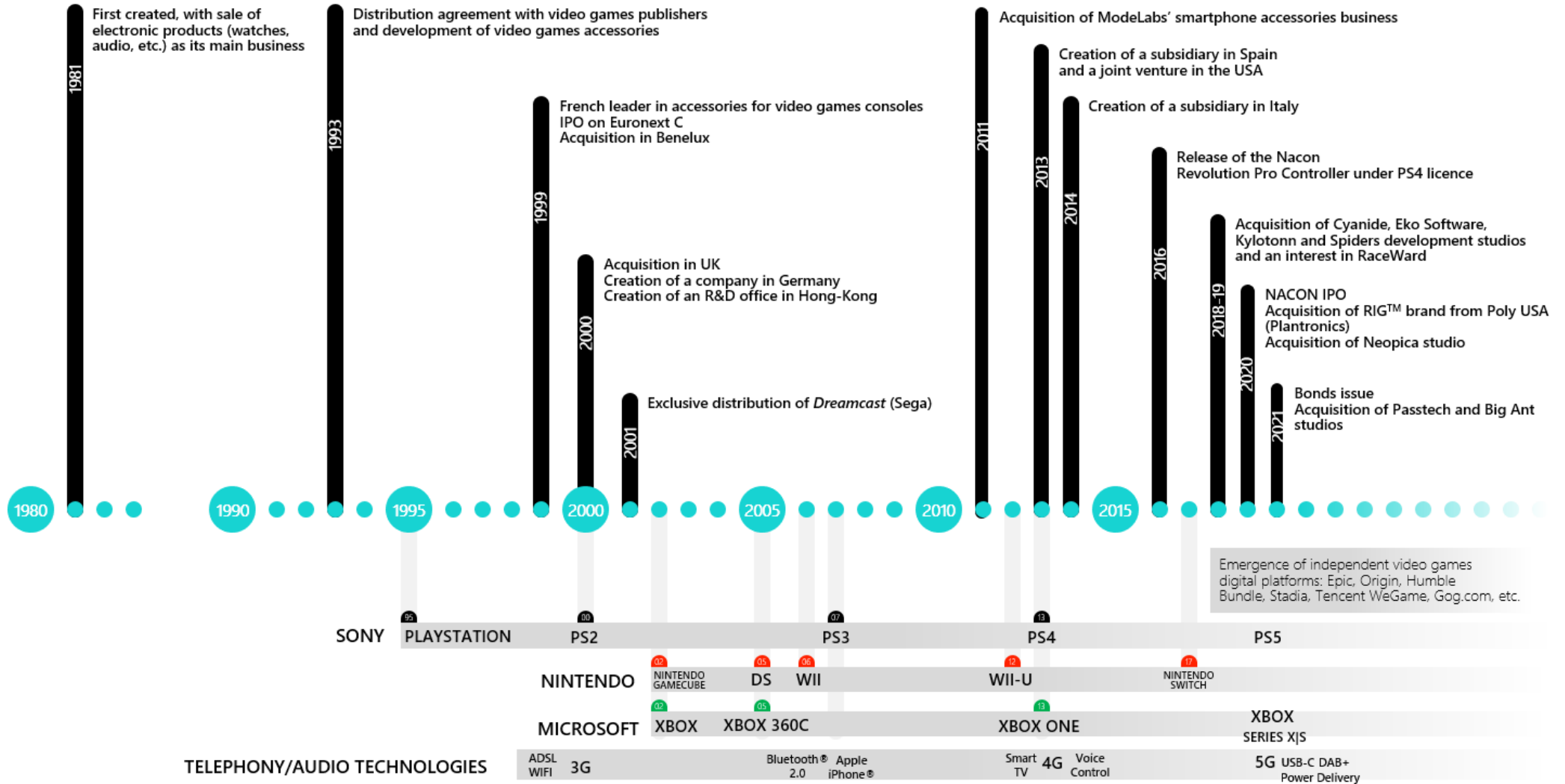
More recently, Bigben Interactive, still through its subsidiary Nacon, has further rounded out its capabilities in games development studios with the acquisition of Neopica (Belgium) in 2020/21, Passtech Games (France) in April 2021 and Big Ant Studios (Australia) in May 2021. Furthermore, in July 2020, a major new partnership was signed with Microsoft to sell gaming accessories for the Xbox One and Xbox Series X|S platforms.

5.3.2 Significant events in the Bigben Group's development

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

⁵ Source: Company.

Significant events in the Bigben Group's timeline



5.4 STRATEGY AND OBJECTIVES

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

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

The acquisition of the ModeLabs Group in 2011 and several video games development studios since 2018 gave the Group a solid presence in three market segments, Gaming, Mobile Accessories and Audio Products.

Today the Group has:

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

- intellectual property assets, with strong own brands (Nacon®, Force Glass®, Force Case®, Force Power®, Force Moov®, AromaSound® and Just Green®), major licence agreements (Thomson and Sony's PlayStation® 4) and, more recently, proprietary video game titles following the acquisition of Cyanide, Eko Software and Spiders (*Pro Cycling Manager*, *Styx*, *The Council*, *How to Survive 1 & 2*, *Greedfall*, *Werewolf: the Apocalypse - Earthblood*, etc.), with a strengthened culture in terms of patents;

- internal organisation assets, with short decision-making channels and the agility to respond swiftly to developments in its markets. Furthermore, Bigben Interactive has significantly developed its international capabilities over the past few years.

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

- in the Gaming segment: promotion of about 100 AA video game titles, benefiting from vertical integration of the value chain (design, development and distribution), plus new innovations in accessories under the Nacon® and RIG™ brands;

- in the Mobile segment: the booming market in protection products under the Force Glass®, Force Case®, Force Power® and Just Green® brands;

- in the Audio segment: revamp of Bigben Interactive's product ranges, continued sales of Thomson licensed products, development of new product segments in the same vein as the end-2019 launch of AromaSound®, roll-out in 2020 and 2021 of the ColorLight home decor ranges and emergence of Bigben Party products for teenagers.

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

5.4.1 Strategic plan out to 2023

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

5.4.1.1 GAMING:

Vertical integration for control over game "content" creation

Having integrated more than 500 developers in the past three years, Bigben Interactive has major ambitions and, through its Gaming subsidiary Nacon, aims to become a global leader in the AA segment thanks to its integrated positioning as developer and publisher. By covering the entire value chain from design through to sale of a game, Nacon is following market trends and capturing the entire financial value of the game. The acquisition of well-known independent studios has also given it the core expertise of talented developers and strategic assets.

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

- achieve critical mass:
 - o by continuing its studio acquisition strategy
 - o or through organic growth of existing studios
- continue its strategy of content creation by investing massively in creating proprietary content (developments costs of around €60 million a year in the coming years, which will lead to a change in the average budget per game). This content will enable Nacon to:
 - o enrich its back catalogue
 - o and thus generate digital sales and additional recurring revenue
 - o which could potentially significantly improve its profitability
- editorial diversification: new genres and new niches
- seize the opportunities provided by digitalisation:
 - o exclusivity agreements with distribution platforms
 - o step up 'live ops' - monetisation of existing games through downloadable content (DLC), additional content and functionalities, microtransactions, additional avatars/cars/accessories, subscriptions, etc.
 - o move into cloud gaming

Increase in profitability

Digital opportunities: back catalogue, new platforms, paymium and cloud gaming

Capitalisation on the Nacon brand

Have the Publishing business unit benefit from Nacon awareness in Accessories, from its sales force and its retail distribution network



Acceleration of IP investments

Creation of proprietary content
Acquisition of new studios
Increase in average budgets for selected games

Specialisation and diversification of Publishing

Search for new high-potential genres
Development of new niches

**Continuation of the product leadership strategy in gaming accessories
International expansion**

Meanwhile, the Group will capitalise on its major strategic partnerships with Sony to gain market share in the gaming accessories market. Lastly, the acquisition of the RIG™ brand from Plantronics Inc (Poly) in early 2020 (gaming headsets) has given the Group a strong foothold in the North American gaming accessories markets, where it took third place in the gaming headsets segment in the USA as of 2020. Its international expansion will be accelerated by the 2020 signing of a major new partnership with Microsoft to sell accessories for the Xbox One and Xbox Series X|S platforms.

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

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



5.4.1.2 AUDIO/TELCO

5.4.1.2.1 MOBILE:

In line with the Bigben 2022 and then the Bigben 2023 plan, Bigben Interactive stands apart from the competition by providing a turnkey product and service offering rather than just an accessory. This connected retail approach consists of optimising the profitability of the shelf space devoted to accessories in large retail stores, telecoms operators' stores and specialised mobile telephony stores by combining an unrivalled line-up of more than 3,500 active items with predictive in-store replenishment and on-the-ground management of the sales forces.

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

PREMIUMISATION

with the creation of premium own brands to capitalise on the increase in market value

SUSTAINABLE DEVELOPMENT

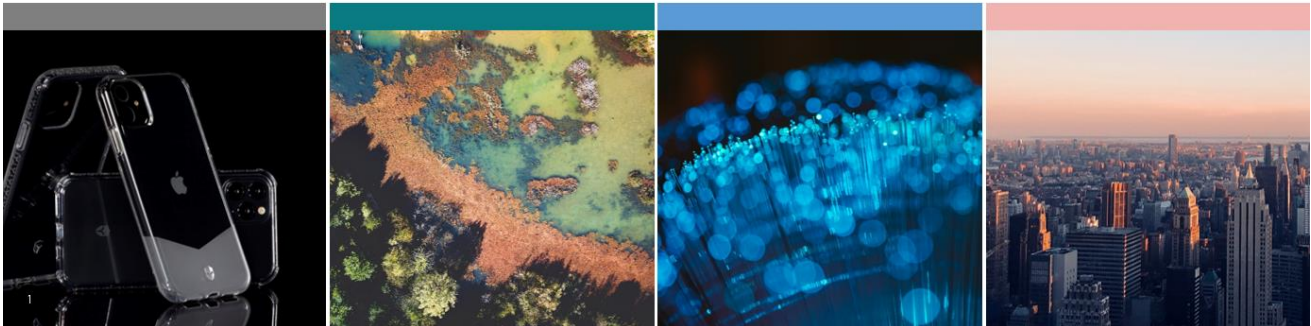
thanks to a cross-cutting CSR plan covering all product ranges to meet growing consumer demand

NEW 5G TECHNOLOGIES

and upgrade of smartphones by operators which will boost the market for smartphones & connected objects

INTERNATIONALISATION

thanks to the turnkey product and service offering to manage shelf space devoted to accessories in stores



While the Force Glass®, Force Case® and Force Power® brands have a solid position in France, success will now come from growth in new brands such as Just Green®, from international expansion through stronger partnerships with the leading global mobile telecoms manufacturers and from the development of online sales through B2C stores offering the Group's entire product range.

Market trends

Market trends confirm the strategy of moving upmarket



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

- the arrival of 5G technology and its gradual roll-out should prompt consumers to replace their phones and thus invest in new protection products and charging devices;
- the decision of major operators Apple and Samsung to no longer include power adapters with their phones opens up massive potential in this segment, hence the Group's launch of its *Force Power Lite*® range. The Group is leveraging its *Force Power*® brand to verticalise its product range and thus reach all consumers;
- the wide-scale roll-out of USB-C and adoption of Power Delivery for all electric charging devices for smartphones, tablets and laptops opens up new opportunities in terms of product categories for which Bigben Interactive will be able to supply dedicated accessories.

International

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

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

Bigben Interactive won the Orange Poland contract partly because of the richness and quality of its product catalogue and partly because of the excellence and innovative nature of its supply chain model. It has unique know-how in supply chain management thanks to its substantial investment in developing its Vendor Management Inventory (VMI) solution adapted to Orange Poland's technical and commercial requirements. Unique in the market, this solution enables all Orange Poland stores to be replenished automatically guaranteeing permanent product availability.

Launched in 2010 by subsidiary Bigben Connected, the VMI solution is widely used by Bigben Interactive's customers in France. More than 1,000 sales outlets currently use this key innovation in connected retail in France and worldwide.

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

New distribution channels

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

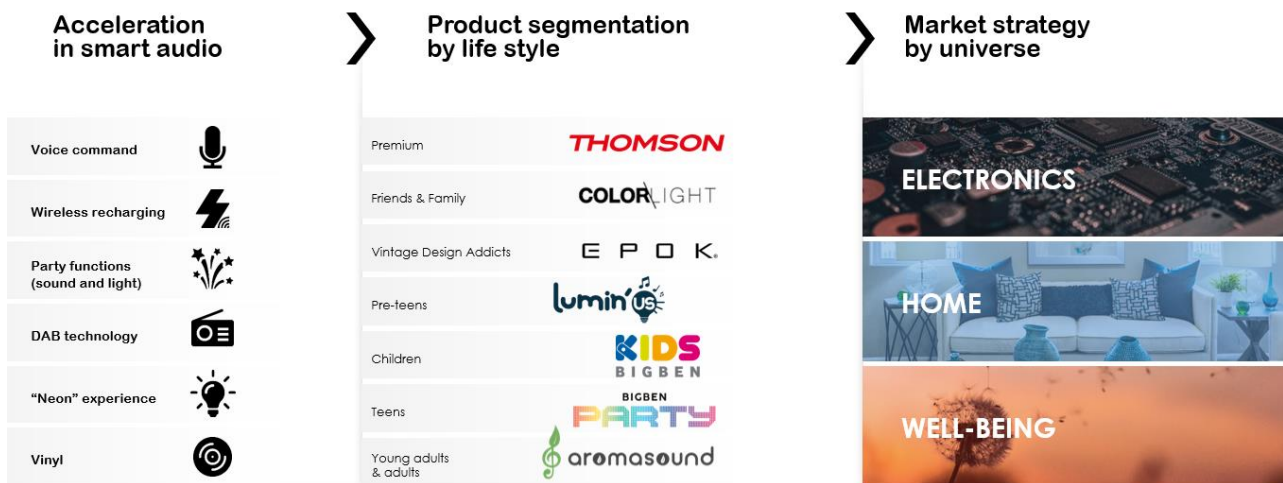
These new channels offer the Group a potential of 700 retail outlets in France.

5.4.1.2.2 AUDIO:

New uses - new channels

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

An Audio strategy focusing on new networks



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

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

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

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

The Lumin'Us and AromaSound brands already have an online store dedicated to their products.

5.4.1.2.3 AUDIO/TELCO - Embracing sustainability

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

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

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

The Group intends to step up its efforts to meet these demands, mainly through a widespread roll-out of the eco-design approach used to develop its new products and also by promoting the Green Act! scale created by Bigben Interactive last September. Green Act! is an environmental scorecard based on more than 70 criteria evaluating the environmental, social and ethical impacts of a product.



5.4.2 Objectives

Based on these broad strategic outlines, Bigben Interactive is targeting revenue of €360 to 390 million and an EBIT margin of more than 14% in 2022/23, targets recently unveiled by the Group upon the announcement of its annual results for 2020/21.

In the shorter term, for the current year Bigben Interactive has announced revenue and EBIT guidance of €300 to 320 million and 13% respectively.

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

5.5.1 R&D capability and expertise

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

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

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

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

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

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

5.5.2 Profile of Bigben's R&D teams

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

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

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

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

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

5.5.3 Bigben Interactive's know-how and technology

5.5.3.1 Tried and tested technical expertise

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

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

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

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

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

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

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

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

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

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

5.5.3.2 Video games - insourcing of development capability

The Group's approach to video games development has evolved in the last three years, mainly following its acquisition of several development studios (Kylotonn Racing, Cyanide Studio, Eko Software, Spiders, Lunar Great Wall and, more recently, Neopica, Passtech Games and Big Ant Studios). Thus apart from the hardware expertise referred to above, Bigben Interactive is now a major player in terms of development capability for AA video games.

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

Bigben Interactive's studios, via the Nacon Group, now have more than 500 developers who use a broad range of widely available off-the-shelf tools commonly used in the video games world. They may also develop their own software components in-house, which can then be re-used in future projects.

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

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

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

All of this software is easily available in the market, either through single-use or per-project licences, with or without a time limit, with or without royalties payable on the basis of various indicators such as the number of copies of the game sold.

Alongside this off-the-shelf software, the Company also designs and produces a number of middleware components⁶ or suites of tools for complete development of games in segments where it has strong expertise (racing games at Kylotonn, RPGs at Spiders, Hack'n Slash⁷ and sports games at Eko). By developing specialised in-house tools in a particular games segment, the Group can achieve a very high quality of production as they are used to develop genres which each have highly specific constraints. The same is true of game engines (KT Engine for example) and the related universes (e.g. *Greedfall*).

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

5.5.3.3 R&D, a key differentiating factor

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

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

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

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

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

⁷ RPG involving battling against hordes of monsters.

and Audio products (Thomson).

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

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

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

5.5.4 Patents, models, licences and trademarks

5.5.4.1 Patents and models

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

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

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

All in all, at 31 March 2021 the Group had 120 separate patents, including 70 covering the Revolution controller.

In addition to its registered patents and patent applications, the Group also protects its designs by registering many models of its products available in the market. Thus Bigben Interactive now has more than 200 proprietary models covering controllers, protective covers or cases for handheld consoles, keyboards, earbuds and headphones, hi-fi systems, radios, loudspeakers, DVD players, alarm clocks, etc. The latest patented models are all highly successful ranges: in mobile accessories, the smartphone protection range built around the concept of 'Force', encompassing Force Glass® tempered glass screen protectors, Force Case® cases and Force Power® high-performance battery chargers and cables, as well as the Lumin'Us range of Bluetooth luminous speakers in Audio products.

5.5.4.2 Licences

Gaming accessories

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

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

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

Video games

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

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

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

As a general rule, the licences held today by Bigben Interactive through the Nacon Group cover Europe with an extension for other countries in the PAL region (Australia, New Zealand, Gulf countries, Asia and Japan).

Audio/Telco

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

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

5.5.4.3 Trademarks

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

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

All in all, at 31 March 2021 the Group had more than 180 trademarks covering various countries, including 82 for its gaming accessories or known trademarks in the video games universe, 48 for its Mobile accessories and 54 for its Audio products.

Video games

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

Own trademarks:

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

Licensed trademarks:

- *Warhammer*®
- *WRC*® for its Rally games (agreement with FIA/WRC Promoter until 2023);
- *Tourist Trophy Isle of Man*®
- *Tennis World Tour*
- *Werewolf*
- *Test Drive's* 100 licensed prestige car marques

- Many known brands (Winchester rifle, etc.) used in fishing and shooting games
- Top 14/Pro D2 in rugby games.

Highly reputed studio tradenames:

- Big Bad Wolf and Rogue Factor (two of Cyanide's secondary studios based in Bordeaux and Canada, each specialising in a different type of game);
- KT Racing (Kylotonn);
- RaceWard (Lunar Great Wall Studios);
- Eko Software;
- Spiders
- Neopica
- Passtech
- Big Ant
- = studios with expertise in their field giving gamers a genuine gaming experience for the type of game they like.

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

Gaming accessories

Since 2014 the Group has restructured its product range and premiumised its products, culminating in the creation of the Nacon® brand. Thus, having built the reputation of the Bigben® brand on the values of simplicity, accessibility and innovation in order to provide a range of useful, sleek yet affordable products to as many consumers as possible, the Group then invested in the premium segment for each of its markets and core segments. The Nacon® and RIG® brands are now firmly positioned in the premium segment, while continuing to appeal to the mass market, therefore guaranteeing the stability of its business.

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

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

Trademarks and partners in the Mobile and Audio segments:

Mobile and Audio:

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



5.6 COMPETITIVE POSITION

5.6.1 Gaming universe

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

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

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

5.6.1.1 Nacon's positioning in the AA video games segment

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

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

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

Nacon also competes with indie studios that are also publishers, such as French studios Quantic Dream and DontNod Entertainment.

5.6.1.2 Bigben Interactive's positioning in gaming accessories through Nacon

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

Nacon considers its major competitors to be:

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

5.6.2 Mobile universe

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

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

Ascendeo and H4 are among the Group's competitors in the smartphone protection and accessories universe.

5.6.3 Audio universe:

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

Although Bigben Interactive does not have market data for France, it believes it has a market share of about 4% to 5% of the French market in volume.

5.7 INVESTMENTS

5.7.1 Main investments made by the Group

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

Nacon's main investments have thus been in:

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

5.7.1.1 Development studio acquisitions

The Group initially developed its video games publishing business with external development studios, but its approach has evolved in the last three years following its acquisition of several development studios (Kylotonn Racing, Cyanide Studio, Eko Software, Spiders, Lunar Great Wall and, more recently, Neopica, Passtech Games and Big Ant Studios).

The biggest deal in terms of value was the acquisition of Big Ant Studios, which was completed in May 2021. The main terms were acquisition of 100% of the share capital and voting rights of Big Ant Studios for a maximum total consideration of €35 million:

- a net price of €15 million (after deduction of the acquiree's cash and debt) paid in full in cash upon closing;
- contingent consideration payable 50% in cash and 50% in new Nacon shares, based on performance until 31 March 2024.

See notes to the 2020/21 consolidated financial statements "Change in scope".

5.7.1.2 R&D expenditure

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

Development costs amounted to €38.1 million in 2019/20 and €53.4 million in 2020/21.

These budgets were divided into three main items:

- Staff costs of employees assigned to the research and development of new products and the related additional charges, amounted to €3.9 million in 2020/21 (versus €3.9 million in 2019/20 and €2.9 million in 2018/19). None of these expenditures are capitalised, nor are mould costs (€0.3 million in 2020/21 versus €0.8 million in 2019/20 and €1.1 million in 2018/19), which are directly included in the cost price of the goods;
- Development costs of games published by its subsidiary Nacon, whether developed in-house or outsourced, which amounted to €48.5 million in 2020/21 (versus €32.8 million in 2019/20). Investments should continue to increase, reaching around €60 million in the coming years.

Trends in development costs

Costs in € millions	2020/21	2019/20	2018/19
Game development costs	48.5	32.8	29.4

Average development costs per game are estimated at about €3 million in 2020/21.

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

Apart from video games development, other Group investments in the last few years have focused on:

- For the Nacon Group: developing innovative products in the Gaming Accessories business

(Nacon® controller for PC and Revolution Pro Controller under licence for Sony's PlayStation® 4, Revolution X Pro Controller under licence for Microsoft's Xbox One and Xbox Series X|S) as well as acquiring reproduction rights relating to the video game Publishing business (*Warhammer®*, *Tennis World Tour*, etc.);

- For the Audio/Telco entities: acquiring licences (Thomson, etc.).

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

5.7.1.3 Other investments

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

This deal has given the Nacon Group, and thus Bigben Interactive, a foothold in the world's largest market for this type of product and the ability to market all its Gaming products effectively.

5.7.2 Main ongoing or future investments

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

More particularly, Bigben Interactive, through the Nacon Group, has an ambitious programme to invest in developing video games already in its line-up as presented in Section 5.1.2.1.1, and releasing new games currently under development or future games not yet announced. At 31 March 2021, Nacon thus had 33 games under development, including 22 in-house in its own studios and 11 in external studios, for a total amount of €50 million.

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

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

5.7.3 Information about equity interests

Apart from its wholly owned subsidiaries, the 76.7% interest in the Nacon sub-group and, therefore, the 40.8% interest in RaceWard studio (Lunar Great Wall Studios), Bigben Interactive does not own any interests in companies likely to have a significant impact on the valuation of its assets and liabilities, its financial position or its earnings.

5.7.4 Environmental factors

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

As of 2021/22, the company intends to focus on forward-looking data in its non-financial statement in order to draw up a road map for its environmental and social strategy.

NON-FINANCIAL STATEMENT (NFS)

1. INTRODUCTION

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

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

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

Bigben Interactive SA, as parent company of the Bigben Group, has been a member of the UN Global Compact since 2016 and renewed its membership in 2020 and 2021. All of the Group's subsidiaries are covered by its membership.

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

- In October 2016, the Group became a member of the UN Global Compact, thus endorsing the ten principles regarding human rights, international labour standards, environmental protection and anti-corruption. Bigben Connected has expressed this engagement to stakeholders through its 'Responsible Purchasing Policy'.
- In the past few years, Bigben Connected has created a genuine corporate culture based on social and environmental responsibility, first by creating a CSR project team responsible for suggesting ways to raise CSR awareness of all employees, then in 2018 by taking a number of initiatives (e.g. recycling), circulating a social policy and an environmental policy on the intranet accessible to all employees, and maintaining the momentum and enthusiasm created through regular newsletters and encouraging statistics circulated by general management. This culture has been extended to all its partners, as reflected in its 2021 greetings card message, which highlighted the message of "building a more circular with its partners and contributing to a year of greater togetherness".
- Bigben Connected made its first efforts in this regard in 2018, obtaining an EcoVadis score of 58/100 and a silver medal, representing one of the best scores in its sector.

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

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

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

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

Bigben Connected's desire to reduce its impact on the environment is reflected by:

- the launch of "made in France" production in October 2014 and "made in Europe" production in 2017;
- the launch of its *Justgreen*[®] mobile accessories brand in September 2019, which is fully recyclable and now sold in more than 15 countries;
- in September 2020, all its own brands had eco-designed packaging meeting the following requirements:
 - Zero plastic
 - 20% lighter
 - 100% recyclable
- in 2021, the proportion of "made in France" ranges was increased, incorporating "French origin guaranteed" certification for new product lines.

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

In November 2020, Bigben Connected SAS – the leading name in its sector – felt the duty to make all members of the production chain responsible in ensuring the widespread use of eco-design in products launched on the French, European and worldwide market, opening up its GREEN ACT! label to all tech categories in addition to just smartphone accessories. The aim is to unite all electronic equipment brands with the aim of guiding consumers to make more responsible choices when buying technology products. All the Bigben Group's own brand products (mobile, audio and gaming) will obtain this label. Mobile products are all duly rated, while the rating process for the Group's audio products has begun and is due to be completed by the end of 2021.

Learning from this experience, the Group's other subsidiaries also stepped up their efforts in 2020/21 with regard to:

- Taking CSR aspects more into account when creating a product and establishing various associated product strategies duly highlighted during discussions with business partners (CSE presentations to partners, etc.);
- Following on from the work done by Bigben Connected in terms of recycling with "zero plastic" packaging for mobile accessories, Bigben Interactive's Audio business unit continued with its efforts and by 31 March 2021 could boast that almost all its own brand Audio products were in "zero plastic" packaging, while the transition for other Audio products and Gaming accessories is well under way and should be completed this year;
- Paper manuals for most of the group's products have now been replaced with manuals in digital format that can be downloaded by users;
- Soy ink now commonly used on packaging;
- Raising employee awareness about CSR issues (recycling, distribution of reusable water bottles to staff, etc.).

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

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

2. BUSINESS MODEL

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

2.1. THE BIGBEN GROUP'S MARKETS



The Bigben Group addresses the following markets:

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

2.2. MARKET TRENDS

GAMING

Rapid market digitalisation

The diagram illustrates the progression of gaming market digitalisation through three stages:

- Yesterday:** Retail. Represented by an icon of a storefront and an image of a physical game store aisle.
- Today:** Retail + Digital. Represented by icons of a storefront and a laptop, and an image of a game case and a digital download.
- Tomorrow:** Retail + Digital + Cloud gaming/5G. Represented by icons of a storefront, a laptop, and a cloud, and an image of a game controller.

MOBILE

A premium-oriented market

The diagram highlights three key trends in the mobile market:

- Gradual rollout of 5G over several years:** Accompanied by an image of a hand holding a smartphone with a 5G signal icon.
- No charger included in new smartphones sold by Apple and Samsung:** Accompanied by an image of a smartphone and its charging cable.
- Mass adoption of the USB-C standard for charging smartphones:** Accompanied by an image of a USB-C charging cable.

AUDIO

A rapidly evolving Audio market



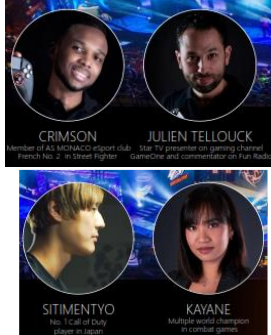

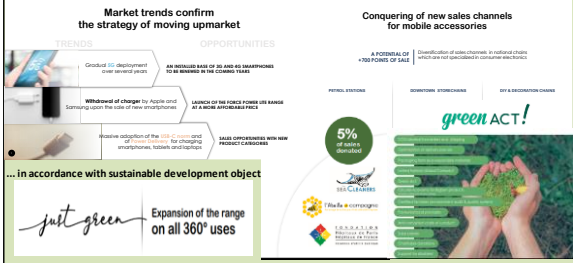
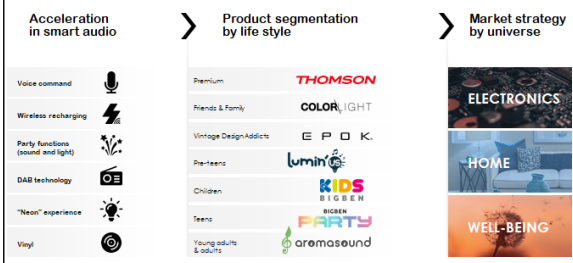
More and more embedded technologies

The diagram illustrates the shift in the audio market:

- Growing demand for Smart Audio connected products:** Represented by a blue arrow pointing to a smart speaker. Accompanied by icons for Wi-Fi connection and voice command.
- Less and less interest in traditional audio:** Represented by an orange arrow pointing away from a traditional speaker. Accompanied by icons for FM radio, CD, and cassette.

Pending arrival of new technologies (DAB, etc.)

2.3. THE BIGBEN GROUP'S VALUE CREATION MODEL

RESOURCES	OPERATIONAL EXCELLENCE	GROWTH STRATEGY	VALUE CREATION
<p>Human capital</p> <p>853 employees across 11 countries Training budget: 0.4% of payroll</p>	<p>Product and marketing innovation: a core component of the Group's strategy since the outset</p> <p>Thanks to the dedicated R&D and Marketing teams with their in-depth understanding of consumer needs and talented development studios with recognised expertise in the target genres: Racing, Sports, Simulation, Adventure, Action, RPG and Narrative.</p> <p>The quality of the games is reflected in customer satisfaction and Metacritic scores: e.g. <i>WRC series</i></p> 	<p>GAMING STRATEGY: Build the foundations for future growth to generate €230-260 million of revenue by 2023</p> 	<p>Human capital</p> <p>244: number of new hires between March 2020 and March 2021</p>
<p>Intellectual capital</p> <p>A large R&D team and substantial R&D expenditure</p>	<p>Bigben works with the best to develop its products.</p> <p>Example: An ambassador and influencer programme to strengthen credibility and pro gamer endorsement of the games to casual players. The ambassadors assist in product design: for example, pro gamer Kayane took part in designing the Daija Arcade Stick for the PS4™</p> 		<p>Intellectual capital</p> <p>Innovative, margin-generating products Many patents registered</p>
<p>"Manufacturing" capital</p> <p>Heavy annual investment in developing new games Production capacity of 11 in-house studios and several partner studios capable of developing almost 30 games on a continuous basis and launching 10-15 games per year 28,000 m² logistics facility (capacity of 36,000 pallets for 11,000 line items)</p>	<p>Financial capital</p> <p>A robust financial structure Net cash surplus of 32.2 million</p>	<p>MOBILE STRATEGY: internationalisation and continued innovation in sustainable development</p> 	<p>"Manufacturing" capital</p> <p>Category management for our customers thanks to an in-house tool Excellent scores (Metacritic, etc.) for recently-released video games</p>
<p>Social capital</p> <p>Many internships and work/study contracts available Many partnerships with local organisations (schools, associations, etc.) A global supplier network An anti-corruption code of conduct in preparation</p>	<p>Environmental capital</p> <p>Purchase of ROHS and REACH compliant products Hybrid vehicles accounted for 31% of the two main French subsidiaries' fleet in 2020/21</p>	<p>AUDIO STRATEGY: Focusing on new networks</p> 	<p>Financial capital</p> <p>Target revenue of €360-390 million and EBIT margin of >14% in March 2023 Continue dividend distribution</p>
<p>Environmental capital</p> <p>Purchase of ROHS and REACH compliant products Hybrid vehicles accounted for 31% of the two main French subsidiaries' fleet in 2020/21</p>	<p>Social capital</p> <p>As a reminder, Bigben was a pioneer in: <i>Gaming accessories:</i> - NACON Revolution controller: development of a suitable algorithm to gain access to new capacities specific to the pro gaming world - multiplayer radio-controlled wireless controllers - early development of induction-based battery charging for Gaming accessories <i>Mobile:</i> - range of smartphone accessories with a lifetime warranty - range JustGreen: eco-designed (biodegradable, etc.) <i>Green Act! scale</i> <i>Audio:</i> - multimedia towers - Bluetooth luminous speakers (Lumin'Us) - Aromasound organic oil diffusers with connected speakers - Revival recordable turntable</p>	<p>Social capital</p> <p>Many indirect jobs created in the upstream activities of the value chain (suppliers and service providers) An anti-corruption code of conduct in preparation - circulation to all Group employees and major commercial partners in 2021</p>	<p>Environmental capital</p> <p>Bigben Connected's EcoVadis score: Silver medal with 58/100 in 2019 Reduction in business travel through increased use of confcalls; home working arrangements during lockdown Preference for sea freight</p>

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

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

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

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

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

Non-financial risks, policies and key performance indicators

Risk	Description of risk	Materiality of net risk	Policies pursued to manage those risks	Key performance indicators	Units	Period	Scope
EMPLOYEE-RELATED							
Health and safety of employees and third parties in the workplace	Deterioration of well-being at work and health and safety conditions leading to accidents or illness among employees or third parties	High	During Covid-19 (from March 2020): Home working or other arrangements for employees during lockdown (child care leave, etc.); Encouraging employees and third parties to take contact precautions in the workplace (social distancing obligatory, provision of hand sanitiser, distribution of masks, posters about washing hands, etc.)	N/A	N/A	From end-March 2020	Group
			Continuous attention to safety standards both in the warehouse and office premises	Number of occupational accidents with time off work	No.	01/04/2020 to 31/03/2021	
Development of human capital	See Section 3.4.1 Departure of talent, management of unsuitable skills and human resources	High	New NACON SA Paris office opened in 2019 to attract and retain talented people in the Paris area; Recruitment of a new head of Human Resources for NACON SA employees; Employees of all business activities at the heart of the Group companies' human resources policies; The rise in the "number of joiners" indicator shows that the Group is still attractive.	Total headcount at 31 March 2020 and breakdown by gender	No.	01/04/2020 to 31/03/2021	
				Number of joiners	No.		
				Number of leavers	No.		
				Staff turnover	%		
				Average compensation per employee	€		
				Average number of training hours per employee	Hours		
Quality of life at work and diversity	Discrimination, deterioration of employee rights and working conditions	Low	The Group endeavours to avoid all forms of discrimination; Measures taken to improve the working surroundings of Group employees.	Headcount by gender, category, geographical area, age bracket	No.		
				Number of days absence / Absenteeism	No. / %		
				% of women by responsibility level	%		
				% of employees with disabilities	%		
				Monitoring of collective agreements having impacts on the company's financial performance and on employee working conditions	N/A		
ENVIRONMENTAL							
Energy management: over-consumption	Inefficient energy performance leading to excess consumption in buildings No renewable energy sources in energy consumption leading to a negative environmental impact	Low	No manufacturing plants. Only a logistics centre within Bigben Interactive; Limited energy costs.	Electricity consumption	kWh	01/04/2020 to 31/03/2021	Group
				Natural gas consumption	m ³		
				Water consumption	m ³		
Resources and waste management	High waste production, wastage, failure to factor in the life cycle of resources and raw materials used	Low	Main waste is packaging material (cardboard, etc.) which is already recycled; Circular economy; Combating food waste.	Paper and cardboard consumption	Kg		
Environmental impacts: high greenhouse gas emissions	Contribution to climate change through greenhouse gas emissions in all product supply chains: from the manufacturing plant to the end consumer	Low	Focus on sea freight; Hybrid cars make up most of the car fleets of the 3 French subsidiaries; Business travel policy; Goods transport management.	Scopes 1 and 2 CO ₂ emissions arising from energy consumption of buildings	TCO ₂ eq		
				CO ₂ emissions arising from external data centres	TCO ₂ eq		
				CO ₂ emissions arising from transportation of goods	TCO ₂ eq		
SOCIAL, ACTION IN FAVOUR OF HUMAN RIGHTS							
Supplier and service provider management	Failure to comply with responsible purchasing policies; social, environmental and ethical risks related to the activity of suppliers and sub-contractors; dangers for service providers	Low	Careful selection of suppliers (audits of manufacturing plants and selection of transport companies with excellent CSR scores); Membership of the UN Global Compact; Provisions of Sapin II anti-corruption law in course of implementation.	Monitoring manufacturing plant audits (social data)	N/A	01/04/2020 to 31/03/2021	Group
				Monitoring transport companies' CSR policies	N/A		
				Monitoring the UN Global Compact principles	N/A		

4. EMPLOYEE-RELATED RISKS, POLICIES PURSUED AND OUTCOMES

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

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

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

4.1.1. HEALTH AND SAFETY IN THE WORKPLACE

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

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

In France, Bigben Interactive and Bigben Connected continue their risk prevention approach, for Bigben Interactive mainly by updating a single risk assessment document ("DUERP") validated by the Social and Economic Committee (CSE) in order to define, assess and analyse the risks to which employees might be exposed. It should also be noted that Companies' activities engender risks that do not fall within the framework of the criteria of difficult working conditions as defined by law.

NACON, which was founded in the second half of 2020, has continued to pursue the risk prevention policies pursued by the Bigben Group, mainly by revising and updating a single document validated by the Social and Economic Committee. As a video games publisher and gaming accessories designer and developer, the physical risks that can be identified are related to the nature of the business (sedentary tertiary activity) and to business travel (accidents). Its French studios have done the same by updating their unique document each year, if necessary with their CSR teams. Furthermore, it is important to note that the business activities of these companies generate limited occupational risks.

The Group also continuously seeks to upgrade its equipment at the Lauwin-Planque logistics centre to improve working conditions and reduce musculo-skeletal disorders: In 2019/20, the Lauwin-Planque heating system was completely overhauled to increase the ambient temperature and thus improve working conditions for employees working in the warehouse.

Despite all the efforts of senior management and a firmly anchored safety policy regularly reiterated by managers, the Lauwin-Planque logistics centre suffered a fatal occupational accident in 2020/21 due to someone falling from a forklift truck. To prevent this happening again and make working processes safer for staff, the Bigben Group, working with the relevant bodies, has reinforced all existing preventive and support measures, including updating the assessment document, overhauling the traffic plan and reorganising movements within the warehouse.

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

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

- The German subsidiary Bigben GmbH is a member of the BAD association, which is responsible for ensuring that proper procedures are in place to avoid occupational accidents.
- In Belgium, the subsidiary is affiliated to CESI (external occupational prevention and protection service) for occupational health care. However, the subsidiary now only has employees who are not covered by the mandatory medical check-up requirement.
- In Italy, the risk assessment document (DVR) is updated regularly even though the risk is limited and employees regularly receive safety training and medical check-ups.

- In Spain, the subsidiary complies with law 311995 of 8 November 1995 which regulates occupational risks in the workplace and supervision of employee health. It has outsourced this service to FREMAP.
- In Asia, the company complies with the Occupational Safety and Health Council regulations.

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

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

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

- Putting its employees on home working as soon as possible or on short-time working arrangements as soon as the lockdown order was announced in each country in spring 2020 and introducing contact precautions, wearing of masks and social distancing for all employees whose jobs could not be done from home. This attitude continued as each country's governments decided on further lockdowns;
- Implementing a strict lockdown exit plan as soon as this was authorised by the respective governments to protect the health of its employees and third parties upon their return to the workplace and enabling a gradual resumption of business in compliance with health prevention regulations. The Group's lockdown exit strategy was based on various pillars:
 - Prevention and strict compliance with contact precautions
 - Communication and dialogue
 - Policy for mask wearing in the workplace
 - Adapting working arrangements and work spaces
 - Stepping up cleaning and disinfection measures by accredited companies
 - Closure of premises as soon as the number of employees with Covid-19 surpasses the cluster thresholds set by each country's public health authority.
- Donating 5% of revenue from its Justgreen® range of recyclable products to three charities, including the Fondation Hôpitaux de Paris - Hôpitaux de France
- Developing a range of health protection products (anti-bacterial protective covers, UV sterilisers for smartphones, masks, health kits, etc.) as part of a public health protection approach.

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

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

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

- At Bigben Interactive, Bigben Connected and NACON SA, a business continuity plan was adopted within the context of the Covid-19 crisis, with the appointment of internal Covid officers and the associated risks set out in the single document.
- A working from home charter (for Bigben Interactive and NACON) and a working from home agreement (for Bigben Connected) were drafted to set out procedures for this practice, launched in 2020. All these elements were subject to consultation and discussion with employee representative bodies.
- At Bigben Interactive, two safety officers were appointed in early 2020 to take care of site safety. Members of the CSE received health and safety training.

4.1.3. OCCUPATIONAL ACCIDENTS (FREQUENCY AND SEVERITY) AND ILLNESSES

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

BIGBEN GROUP		
<u>Occupational accidents (frequency and severity) and illnesses</u>		
	31/03/2021	31/03/2020
Number of accidents with time off work	1	3
Number of accidents without time off work	0	4
Number of commuting accidents	1	4

* These statistics exclude the fatal occupational accident at the Lauwin-Planque logistics centre in 2020/21 (see 4.1.1.).

4.2. DEVELOPMENT OF HUMAN CAPITAL

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

4.2.1. GENERAL TRENDS IN THE GROUP'S HEADCOUNT

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

At end-March 2021, Bigben Interactive had 853 employees versus 734 at end-March 2020. The headcount increased sharply as a result of the acquisition of Neopica, as well as the recruitment of new employees at other studios and the Publishing team from NACON's head office.

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

BIGBEN GROUP					
<u>Total headcount and breakdown by gender, age and geographical area</u>					
	31/03/2021		31/03/2020		
	Number	%	Number	%	
TOTAL HEADCOUNT	853		734		
Breakdown by business:					
Gaming	544	63.7%	434	59.1%	
Mobile	94	11.0%	91	12.3%	
Audio	17	1.9%	20	2.7%	
Logistics	76	8.9%	75	10.2%	
Administration	123	14.4%	116	15.7%	

4.2.2. JOINERS AND LEAVERS

Special attention is paid to recruiting new employees as they represent a strength for the company in a rapidly evolving business environment. New people were recruited during the year for the Publishing,

Mobile and marketing activities, more particularly at the Paris premises opened in September 2018 to facilitate recruitment in areas where good people are hard to come by.

In 2020/21, 244 employees joined the Group and 133 left, including 5 dismissals.

BIGBEN GROUP		
<u>Joiners and leavers</u>	31/03/2021	31/03/2020
Total number of external joiners	244	198
Leavers	133	106
<i>Of which dismissals:</i>	5	11
Staff turnover	0	0

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

The new staff turnover indicator shows a relatively low rate of 15.0% compared with 12.9% to 31 March 2020. As this includes fixed-term employment contracts coming to an end, the actual rate of turnover can be thought of as closer to 10-12%.

2020 remained an unusual year in terms of recruitment, with “stop and go” periods, more uncertain and impulsive behaviours among applicants, and above all more complicated conditions for integrating new joiners. However, this did not stem the increase in the Group’s headcount.

4.2.3. COMPENSATION AND TRENDS IN COMPENSATION

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

Salary increases are granted mainly as a result of individual negotiations, based on skills development and/or on new responsibilities assumed or their involvement in projects (in particular for development studios).

- At Bigben Interactive and NACON in France, salary increases are approved during mandatory pay negotiation meetings. Adjustments may also be made once a year in accordance with the agreed minimum levels. Furthermore, at Bigben Connected, 60% of managerial positions arise from internal promotions. In all these companies, the provisions of the French Labour Code apply and incentive plans and employee savings schemes are in place. Employees of the French subsidiaries therefore have a long-term vested interest in the development of their company and its results enabling them to build up a capital sum through a tax-efficient employee savings plan. Lastly, employees of Bigben Interactive SA, Bigben Connected and NACON SA were able to benefit from the so-called "Macron bonuses" in respect of 2019 and also on a number of occasions for 2020.
- In Benelux, salary increases are based on a government index and on individual negotiations. The company also belongs to Joint Committee 200 and complies with the agreements negotiated by it.
- In Germany, in the manufacturing sector, negotiations take place between the employer organisation WIGADI and the trade union VERDI. Bigben GmbH also has an annual appraisal system and organises two information and consultation meetings with staff a year.
- In Italy, salary increases are based on individual negotiations (annual appraisals based on responsibilities and skills development). Individual bonuses may also be granted based on the subsidiary's results. The company also complies with CCNL regulations (national collective employment agreement) applicable to the Retail sector.

- In Spain, the subsidiary complies with the collective agreement and conducts individual negotiations.
- In Asia, salary increases are based on inflation in the relevant countries and on individual performance.

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

BIGBEN GROUP		
<u>Salaries and promotions</u>		
<i>in thousands of euros</i>	31/03/2021	31/03/2020
Salaries for the year	33 534	24 843
Social security contributions	12 802	10 109
Average Salary by employee	39	34

The average gross annual salary of a Bigben Group employee was €39,000 in 2020/21 (compared with €34,000 in 2019/20). This is higher than the previous year due to the full-year contribution of the new studio employees.

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

Furthermore, employee share ownership is an excellent way for the Group to give all its employees the opportunity to share in the company's success. Thus, medium to long-term compensation may also be granted to the top-performing employees or to all employees as part of an active retention strategy. In the past (2008, 2010 and 2011), this has been reflected in the award of free shares or share warrants and was renewed in five new performance share plans covering all employees in 2016, 2017, 2018, 2019 and 2020, subject to continuing service and performance conditions. The Group may offer further plans of this type in the future.

4.2.4. TRAINING:

- **Training policies**

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

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

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

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

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

However, this year, the health crisis curtailed the rollout of the skills development plan in the first half of 2020.

The major recurring training themes in 2020 were technical training related to employees' areas of expertise or relating to safety – in particular for Bigben Interactive – and training in office systems and personal development.

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

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

- **Total number of training hours**

In 2020/21, training expenditure represented 0.4% of total payroll. Thus, 129 employees received at least one form of training, i.e., almost 15.1% of the Group's average headcount. The average number of training hours per employee was thus four hours.

	BIGBEN GROUP	
	31/03/2021	31/03/2020
% of payroll devoted to training	0.4%	0.7%
Training expenditure (€)	145,780	163,196
Total number of employees trained	129	138
% of average headcount trained	15.1%	18.8%
Total number of training hours	3,404	2,632
Average number of training hours per employee	4	4
% of employees receiving an annual appraisal	38.4%	13.4%

In general and across the Group as a whole, training expenditure was limited in 2020/21 due to the three lockdowns and the need to postpone training programmes normally held "face to face".

In order to secure working conditions and ensure the continuity of business, the Bigben Group had to refocus its employees' activities on the most "essential" tasks during the peak of the crisis.

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

4.3. QUALITY OF LIFE AT WORK AND DIVERSITY

The Group employs creative talent to publish original video games and develop innovative Audio products and Gaming and Mobile accessories. All employees are given the opportunity to develop their

skills and entrepreneurial capabilities, encouraged by people who are passionate about their business. This ongoing creativity is expressed not only in the development of new products, but also in the day-to-day working environment.

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

4.3.1. POLICIES PURSUED

- **An adapted working environment**

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

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

The Group fosters the well-being of its employees by organising and financing various social events during the year to create a genuine relationship with its employees ("Christmas sweater" day, Christmas party, seminars organised by some departments or companies, restaurant invitations, photo shoots with the children of volunteer employees, etc.). These activities were put on hold in 2020 and early 2021 due to the health crisis.

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

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

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

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

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

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

- **Working time arrangements**

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

In normal times:

- In France, the legal 35-hour working week applies to the company's employees. The organisation of this working week is defined in a 35-hour working week agreement and varies according to the company's departments.
- Under the agreement, flexible working time is applied in the Logistics department, comprising a high and low season reflecting the company's activity level. At the Lauwin-Planque site, this is reflected in 9 days off during the low season, which are recovered through longer working hours

in the high season. The number of working hours per week based on the legal requirement also means that other departments at Bigben Interactive and Bigben Connected can allocate days off in lieu.

- In Benelux, the week consists of five days of 7.6 hours, i.e. 38 hours a week. The reduction in working time is confined to 33% of the workforce per department in the form of a rolling schedule with the option of taking one day a week in home working.
- In Germany, the working week is 38.5 hours (agreement with VERDI/NRW trade union) with a daily break of 45 minutes.
- In Italy, the working week is five 8-hour days with a daily break of one hour.
- In Spain, the working week is 40 hours.
- In Asia, there are no regulations, as these countries are currently at the stage of drafting applicable laws. Bigben gives its Asian employees between 12 and 15 days annual leave.

During the Covid-19 lockdowns (in spring 2020, autumn 2020 and spring 2021), all subsidiaries took measures to protect the health of their employees, by encouraging home working or other job protection measures introduced by their respective governments (e.g., short-time working, sick leave, etc.).

In France, the Group reorganised its business during the Covid-19 crisis to protect the health and safety of its employees during the first lockdown in spring 2020. Departments that could continue to operate through home working arrangements did so. Other departments had to shut down during lockdown and therefore adopted short-time working arrangements. Short-time working reflected two different realities: either complete shutdown or a reduction in normal working hours.

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

The same trend was identified in the international distribution subsidiaries.

As soon as lockdown restrictions were relaxed and during the subsequent lockdowns (autumn 2020 and spring 2021), which had fewer restrictions, limited short-time working was required. Contact precautions at the Group's premises, social distancing for employees working on site and extended home working enabled the Group to maintain its rate of work (see 4.1.1.). The only absences reported related to the shielding of certain employees.

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

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

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

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

- In France, the various Macron laws have introduced a new staff representative body called the Social and Economic Committee (CSE). The CSE is a new organisation that combines the three

existing staff representative bodies: the trade union delegates, the works council and the health and safety committee. Its role is to express the voice of the employees and to take their interests into consideration in decisions relating to the company's management and business and financial developments, working arrangements, professional training and production techniques.

- Bigben Interactive and Bigben Connected employees have been represented by their CSEs since, respectively, January 2020 and November 2019. The CSE is informed and consulted in accordance with the applicable regulatory framework. Its members meet with the human resources department monthly to discuss the company's operation, trends and future directions. Collective agreements may be entered into with the CSE and the trade union delegate (Bigben Interactive).
 - At NACON, a CSE was created and its members elected for a four-year term in January 2020. Meetings take place every two months.
 - Lastly, three French studios duly elected their CSEs in 2019. Meetings take place every two months.
- In Germany, cooperation between the social partners such as employers and trade unions is of the utmost importance. The trade unions are free to negotiate and form alliances as they see fit. The company is included in the structure covering the tertiary sector. Negotiations take place between the employer organisation WIGADI and the trade union VERDI. Bigben GmbH organises two staff information and consultation meetings a year. Collective bargaining agreements are entered into with the trade union VERDI.

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

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

- **Report on collective agreements**

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

The following collective agreements were signed in 2020/21:

- By studio Kylotonn and its CSE: corporate agreement relating to the introduction of a local representative within the CSE.
- By Bigben Connected and its CSE: home working agreement in summer 2020 and agreement to promote the employment of disabled workers in March 2021.

No other collective agreements were entered into during the year.

4.3.2. OUTCOMES

- **Absenteeism**

The number of absences in absolute terms remained more or less stable relative to the previous year. The increase in sick leave in absolute terms compared with the previous year was mainly due to the change in scope of consolidation and the full-year effect of the acquisition of the new development studios, as well as the higher number of days of sick leave due to the health crisis. However, annual absenteeism remains extremely low at 2.8%.

	BIGBEN GROUP	
In days	31/03/2021	31/03/2020
TOTAL NUMBER OF DAYS ABSENTEEISM	5,674	5,913
Sick leave	4,108	3,494
Maternity leave	581	809
Occupational accidents and accidents between home and work	21	131
Unpaid leave	722	1,096
Paternity/parental leave	242	384
ABSENTEEISM	2.8%	3.4%

Days absence are defined in business days.

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

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

- **Equal treatment**

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

- **Policies to combat discrimination**

		BIGBEN GROUP			
<u>Total headcount and breakdown by gender, age and geographical area</u>		31/03/2021		31/03/2020	
		Number	%	Number	%
TOTAL HEADCOUNT		853		734	
Breakdown of headcount by:					
EMPLOYMENT TYPE	Full-time	807	94.6%	685	93.3%
	Part-time	46	5.4%	49	6.7%
GRADE	Managers	339	39.7%	296	40.3%
	Other	514	60.3%	438	59.7%
CONTRACT TYPE	Permanent	754	88.4%	660	89.9%
	Fixed-term	99	11.6%	74	10.1%
	Other (temporary staff, internship) ⁽¹⁾	53		28	
GENDER	Women	260	30.5%	238	32.4%
	Men	593	69.5%	496	67.6%
GEOGRAPHICAL AREA	France	662	77.6%	564	76.8%
	Rest of Europe	113	13.2%	99	13.5%
	Asia	30	3.5%	29	4.0%
	Other	48	5.6%	42	5.7%

⁽¹⁾ Not included in total headcount

The breakdown of headcount by employment contract type and by gender has changed radically over the period to address the Group's need to acquire the skills and people essential to its development, particularly in the gaming business core to its new strategy. This resulted in an increase in permanent contracts and managerial grade staff.

At 31 March 2021, the non-French subsidiaries represented about 22.4% of the Group's total workforce versus 23.2% at 31 March 2020. The employees of those subsidiaries have local employment contracts.

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

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

It operates in 11 countries across several continents and fosters the cultural diversity crucial to obtaining a sound understanding of consumer needs and better adjusting its products to cultural differences.

- **A balanced age pyramid**

The breakdown of the workforce by age is as follows:

<u>Age pyramid</u>		BIGBEN GROUP			
		31/03/2021		31/03/2020	
Age bracket	25 and under	110	12.9%	84	11.4%
	26 to 35	373	43.7%	306	41.7%
	36 to 45	228	26.7%	210	28.6%
	46 to 55	112	13.1%	104	14.2%
	56 and over	30	3.5%	30	4.1%

The Group has employees in all age brackets. However, 83.4% of them fall into the 20-45 age bracket reflecting a young workforce consistent with the young video games and mobile telephony industry.

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

○ **Gender equality measures**

Out of a total of 853 employees, 30.5% are women and 69.5% men. The proportion of women has fallen slightly compared with the previous year due to the acquisition of new development studio Neopica and the recruitment of developers at existing studios, where the majority of employees are men.

Men and women have the same access to training and skills development.

The Group is committed to equal treatment of men and women, and there is no discrimination either at the recruitment stage or in terms of promotion. Women account for 28% of managers.

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

Gender balance index

Since 1 March 2020, French companies with at least 50 employees are required to measure their gender balance as defined by the “Professional future” law of 5 September 2018.

The purpose of this index is to measure the company’s positioning in terms of professional equality between men and women on the basis of four indicators (for companies with fewer than 250 employees) defined by the French government:

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

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

The French subsidiaries of Bigben concerned all apart from one obtained a score of more than 75% in 2020. This encouraging initial performance confirms the commitments made by the Group in terms of professional equality.

As regards the subsidiary that obtained a score of less than 75%, the Group is in the process of analysing pay gaps to the detriment of women in order to identify more specifically the numerous reasons for the gap observed and to correct it within three years. A gender equality action plan has already been implemented and internal promotions of women made in April 2021 should have a positive impact on the subsidiary’s index in 2021/22.

Accessibility to key positions is also a key issue for Audio and Telco companies, where 53% of “top management” employees are women (in particular for Bigben Connected, where the percentage is 60%).

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

BIGBEN GROUP		
<u>Breakdown of headcount by gender</u>	31/03/2021	31/03/2020
% of women in top management positions	20.7%	22.6%
% of women in middle management positions	30.1%	36.4%
% of women with managerial grade	20.4%	23.4%
% of women with supervisory grade	33.9%	36.3%
% of women with clerical or administrative grade	35.6%	36.0%

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

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

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

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

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

The Bigben Group employs 12 people with disabilities.

BIGBEN GROUP		
<u>Employment of persons with disabilities</u>	31/03/2021	31/03/2020
Number of persons	12	13
Rate of employment	1.4%	1,80%

At 31 March 2021, the major French companies Bigben Interactive, NACON and Bigben Connected employed 8 people qualifying under the disability employment requirement.

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

Due to this change of calculation method, at the three major French subsidiaries Bigben Interactive, Bigben Connected and NACON concerned by the obligation to employ workers with disabilities, some companies did not fully meet their obligations and had to pay AGEFIPH financial compensation in 2020. NACON paid €17,000 and Bigben Connected paid €19,000.

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

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

Furthermore, Bigben Interactive SA forged a partnership with the association Game Lover in 2017 and the partnership has been continued since then. Game Lover, which is part of the Papillons Blancs association based in the Hauts de France region of northern France, initially brought together some ten people with disabilities who publish a news blog about video games. It has since grown in scale, becoming part of the *CapGame Testing* association. The partnership aims to address a number of impairments (visual, psychomotor, cognitive and mental, poor 3D perception, autism, etc.) suffered by some gamers in order to find ways of making video games more accessible for them. Additional expertise is provided by an accessibility specialist from the Conservatoire National des Arts et Métiers (CNAM). This is an altruistic and charitable approach on Bigben's part.

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

- In 2019/20, Eko Software and the company Pidiem organised a half-day of team awareness raising open to all employees and they have also arranged individual support for employees with an interest in issues involving disability and health in the workplace;
- Employees of Spiders undertook a one-day training programme in 2020/21 provided by Cap Games on accessibility in gaming;
- A number of studios, including Spiders and Cyanide, also use the services of support through work organisations as much as possible.

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

5. ENVIRONMENTAL RISKS, POLICIES PURSUED AND OUTCOMES

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

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

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

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

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

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

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

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

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

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

See EcoVadis.com for more information.

5.1. ENERGY MANAGEMENT: OVER-CONSUMPTION

5.1.1. POLICIES PURSUED

- **Sustainable use of resources**

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

- Air-conditioning and lighting in the head office and all subsidiaries are switched off at night and during the weekends;
- Several premises, including Bigben Interactive SA, NACON and Bigben Connected, have motion detectors or automatic light control systems to adjust lighting to employee needs;
- The Lauwin-Planque site is currently looking at the possibility of replacing its lighting with LED bulbs during 2021/22;
- Some premises have a policy of timer-based air-conditioning systems, particularly in the southern European subsidiaries where this is a key issue. The Spanish subsidiary's building is classified as an "intelligent centre" and has a natural, solar-powered air-conditioning system; Since June 2017, the Belgian subsidiary has rented offices in a co-working space. It no longer manages its own energy supply but makes sure that it switches off all its electrical and electronic devices;
- The subsidiaries are increasingly purchasing more energy-efficient equipment. Some, such as Germany, focus on LED lighting for its energy-efficient properties and its more efficient lighting.

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

In accordance with the French DADDUE law, which implements various provisions of European law and requires certain categories of company to undergo an energy audit, the French subsidiaries were also audited. The audit report drawn up by Akajoule was duly filed on the ADEME platform in July 2016, proving that the Group meets the regulatory requirements until July 2020. The recommendations made were duly analysed with a view to reducing future energy expenses. The audit will be repeated in 2021 when the Covid-19 lockdown restrictions have been lifted.

Lastly, the Group ensures that its suppliers also use resources sustainably (see 6.1) and introduced new indicators (see 5.3) to be able to assess its own carbon footprint in 2020/21, particularly as regards the use of external datacentres and more or less environmentally friendly means of transport).

5.1.2. OUTCOMES IN TERMS OF SUSTAINABLE USE OF RESOURCES

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

Group companies only occupy premises for office or warehouse use.

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

BIGBEN GROUP		
Water (m ³)	31/03/2021	31/03/2020
Head office	550	554
Logistics	1,145	945
Subsidiaries	296	376
TOTAL	1,991	1,875

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

The Group raises employee awareness about saving water.

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

Group companies only occupy premises for office or warehouse use.

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

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

	<u>Electricity (kWh)</u>	31/03/2021	31/03/2020
Internal consumption	Head office	295,612	425,532
	Logistics	919,15	918,715
	Subsidiaries	484,273	517,708
	TOTAL	1,699,035	1,861,955
<u>Gas (m³)</u>			
	Head office		
	Logistics	159,882	26,254
	Subsidiaries		
	TOTAL	159,882	26,254

The internal reduction in electricity costs is due to lower consumption during lockdown and the introduction of home working practices.

The following new indicator assesses not just electricity consumption resulting from the use of external servers but also the associated carbon footprint (see 5.3):

	<u>Electricity (kWh)</u>	31/03/2021	31/03/2020
External datacentres	TOTAL	118,814	

5.2. RESOURCE AND WASTE MANAGEMENT

5.2.1. POLICIES PURSUED

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

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

Employee awareness and training is organised locally by each subsidiary.

Initiatives taken by Bigben Interactive SA and NACON SA at their shared Lesquin head office include:

- In February 2018, a partnership with service provider Elise for selective sorting waste bins. This was accompanied by a communications and awareness campaign among their employees;
- In summer 2018, installation of a new HVAC system, reducing heating and air-conditioning expenditure in the offices;
- In March 2019, installation of air-conditioning in the common parts with a cold/warm air optimisation system to prevent energy loss due to the glass walls and to regulate the temperature of the courtyard, corridors and entrance hall. This not only provides greater comfort for employees but also reduces heating and air-conditioning consumption in the offices.
- Raising employee awareness about CSR, in particular by distributing free reusable water bottles to employees in 2020.

Initiatives taken by Bigben Connected SAS include:

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

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

- **Pollution prevention measures**

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

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

The Group:

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

Specifically, Bigben Interactive SA and NACON SA collect and recycle:

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

Bigben Connected:

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

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

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

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

- **Ground use**

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

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

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

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

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

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

- **Implementing a circular economy**

- **Waste prevention and management**

- ✓ **Measures to prevent, recycle, reuse, upcycle and eliminate waste**

Sharing the experience of subsidiaries that have made the most progress in recycling and seeking to emulate this experience have allowed for the development of a true sense of awareness of CSR issues at the Bigben Group. CSR aspects and recycling concerns are now given more consideration when creating a product and establishing the associated product strategy, which is duly highlighted during discussions with the various business partners. In its press release of 25 January 2021, the Group also publicly announced that its CSR commitment was an even more significant matter, having already been focusing for years on more socially responsible management.

An eco-approach to recycling from the outset

Eco-designed products:

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

Waste management is also a core issue for Bigben Connected. In September 2019, it launched the Justgreen® range of fully recyclable mobile accessories made a commitment to The SeaCleaners association, which works to reduce sea pollution.

Furthermore, instigated by Bigben Connected, the Group continued its recycling efforts in 2020/21:

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

Following on from the work done by Bigben Connected in terms of recycling with “zero plastic” packaging for mobile accessories, Bigben Interactive’s Audio business unit continued with its efforts and by 31 March 2021 could also boast that all its own brand Audio products were in “zero plastic” packaging, while the transition of Gaming accessories is well under way and should be completed by the end of this year;

- Paper manuals for most of the group’s products have now been replaced with manuals in digital format that can be downloaded by users;
- Soy ink now commonly used on packaging;
- Note that the plant in Asia, which manufactures most of the Group’s video game controllers, is also fitted with solar panels that do not generate any carbon emissions;

- This desire to minimise its impact on the environment is also reflected by the creation by Bigben Connected in September 2020 of GREEN ACT!, the first environmental rating scale for mobile accessories, defined on the basis of over 70 criteria assessing their environmental, social and ethical impact. The rating scale is based on the *Nutriscore* principle, which environmental performance denoted by the letter A, B, C, D, E on the packaging for each Bigben own brand mobile accessory.
- In November 2020, Bigben Connected SAS – the leading name in its sector – felt the duty to make all members of the production chain responsible in ensuring the widespread use of eco-design in products launched on the French, European and worldwide market, opening up its GREEN ACT! label to all tech categories in addition to just smartphone accessories. The aim is to unite all electronic equipment brands with the aim of guiding consumers to make more responsible choices when buying technology products. All the Bigben Group's own brand products (mobile, audio and gaming) will obtain this label. Mobile products are all duly rated, while the rating process for the Group's audio products has begun and is due to be completed by the end of 2021.
- Lastly, the Group's companies continued to raise employee awareness about CSR issues (recycling, distribution of reusable water bottles to staff, etc.).

Sensible paper consumption

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

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

- At Bigben Connected, the gradual introduction of paperless customer and supplier invoices began in 2016, as well as order taking via EDI, which customers are encouraged to use. In early 2017, customer invoices began to be sent by pdf, reducing the volume of paper and printing from 90% to 65% and thus reducing the company's carbon footprint.
- At Bigben Interactive and NACON, the same process was initiated in September 2020.
- In March 2020, these three companies also introduced expense report software, which allows users to scan their receipts and obtain approval directly in electronic format;
- In 2020/21, NACON, Bigben Interactive and Bigben Connected also introduced DocuSign signature software to avoid printing out legal documents such as contracts, which can be signed electronically.

Downstream management of recycling

The Lauwin-Planque warehouse has made the effort for many years to sort its products and separate the reusable or recyclable metal and plastic parts of its products and any reusable or recyclable packaging from the non-recyclable parts that will be destroyed.

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

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

As regards Bigben Connected SAS's unsaleable products (smartphone accessories), scrapping of product inventories in the distribution platforms is the direct responsibility of each site. It is organised by

the suppliers or by the sites' warehouse managers. The products are destroyed (by grinding and compacting) under the control of official organisations and sent to external companies for burning, burying or recycling.

In addition, as mentioned above:

- In February 2018, Bigben Interactive SA forged a partnership with service provider Elise for selective sorting waste bins at its Lesquin premises. Paper, plastic bottles, plastic cups, ink cartridges, aluminium cans and small WEEE are sorted. Despite employees being present less frequently because of health restrictions, 2,540 kg of cardboard, 132 kg of plastic and 37 kg of various metals were recycled in 2020/21 (compared with 2,887 kg of cardboard, 244 kg of plastic and 57 kg of various metals in 2019/20).
- In June 2018, Bigben Connected SAS introduced selective waste sorting with the company Les Joyeux Recycleurs. Recycling boxes (paper, plastic cups, coffee capsules, aluminium cans and plastic bottles) were installed in its premises. Les Joyeux Recycleurs:
 - o empties the boxes every two weeks;
 - o certifies that the waste has been properly recycled and posts a monthly report on quantities collected near the boxes;
 - o pays 5 euro cents to the inclusion association Ares Atelier for every kilo collected.Despite the health crisis and fewer employees being present at premises, 537 kg of various waste was recycled in 2020 (versus 626 kg in 2019 and 264 kg in 2018), which is the equivalent of four trees saved, 301 coat hangers, 37 fleeces, 6 scooters, 1,492 aluminium cans and 6 telephones. The subsidiary's target for the years ahead is to exceed 700 kg.

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

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

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

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

management. As of September 2020, the company has also started eliminating faulty products including batteries via the ECOEM Consortium;

- Lastly, all development studios introduced selective waste sorting (consumables, batteries, cardboard, etc.) several years ago.
 - **Combating food waste**

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

- **Biodiversity protection**

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

5.2.2. OUTCOMES

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

The increase in paper and cardboard consumption is due partly to an increase in the Group's packaging activity at the Lauwin-Planque site (packaging of more "small series" products), and partly to increased storage at the end of the year of packaging materials to protect against the risk of the current rise in cardboard prices.

<u>Paper and cardboard (kg)</u>		31/03/2021	31/03/2020
Consumption	Head office	508	1,524
	Logistics	210,833	169,231
	Subsidiaries	3,563	3,752
	TOTAL	214,904	174,507

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

<u>Paper and cardboard (kg)</u>		31/03/2021	31/03/2020
Recycling	Head office	2,54	2,887
	Logistics	238,87	181,6
	Subsidiaries	1,427	2,793
	TOTAL	242,837	187,28

5.3. ENVIRONMENTAL IMPACTS – HIGH GREENHOUSE GAS EMISSIONS

5.3.1. POLICIES PURSUED

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

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

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

- **Business travel policy**

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

The French subsidiaries, together with their fleet rental partners, take measures to reduce the carbon content of their vehicle fleet. Their policy is to limit the environmental impacts of their vehicle fleet by using less polluting models. For example, the French subsidiaries, Bigben Interactive, Bigben Connected and NACON, have 18 hybrid models in their fleet of 58 vehicles, representing 31% in 2020/21 (compared with 33% in 2019/20).

- Bigben Connected has 10 hybrid vehicles out of a total 30;
- Bigben Interactive has three out of a total nine;
- NACON has five out of a total 19.

Some international subsidiaries have also taken similar initiatives:

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

- **Use of environmentally friendly production plants**

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

- **Goods transport management**

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

Its manufacturing subcontractors are based in Asia or Europe, which therefore requires

- freight by sea, air or train between China and mainly Europe and the United States;
- and road freight in Europe.

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

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

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

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

- **Use of external datacentres**

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

5.3.2. OUTCOMES

<u>Carbon emissions (kg CO₂e)</u>	31/03/2021	31/03/2020
Emissions related to electricity (kg CO ₂ e)	8,608,182	169,778
<i>o/w relating to internal consumption</i>	161,263	169,778
<i>o/w associated with external servers</i>	15,444	N/A
<i>o/w associated with transportation</i>	8,431,476	N/A
Emissions related to gas (kg CO ₂ e)	351,740	57,759
TOTAL	8,959,922	227,536

No comparable has been calculated for the two new indicators used by the Group concerning carbon emissions from external servers and transportation.

The Group's target is to cut carbon emissions from transportation by reducing the proportion of air transportation.

6. SOCIAL RISKS, POLICIES PURSUED AND OUTCOMES

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

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

6.1. MANAGEMENT OF SUPPLIERS AND SERVICE PROVIDERS

6.1.1. POLICIES PURSUED

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

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

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

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

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

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

Selection of production plant subcontractors

The Group uses subcontractors for its product manufacturing needs.

Subcontractors are required to comply with all laws and regulations regarding the environment and social responsibility and are encouraged not to use environmentally hazardous materials or substances. In addition, they are also required to provide evidence of their compliance with safety and quality assurance regulations. All partners sign up to or provide BSCI, SMETA, REACH, ROHS and/or LABELCO2 certification.

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

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

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

Selection of transport providers

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

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

Selection of subcontractors excluding transport and production plants

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

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

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

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

- **Monitoring the UN Global Compact principles**

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

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

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

6.1.2. OUTCOMES

Production plants

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

As at 31 March 2021, 18 partner production plants were ISO 14001 certified (compared with 14 as at 31 March 2020).

As at 31 March 2021, of the 30 major production plants with which the Group's sourcing subsidiaries in Hong Kong generate 83.79% of their revenue:

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

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

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

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

Transport providers

In 2020/21, the Group mainly worked with the following transport firms, all of which have an exemplary CSR policy:

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

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

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

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

- Based on four main areas for action:
 - o Offering clients sustainable supply chain solutions;
 - o Ensuring ethical and responsible business practices in the logistics value chain;
 - o Acting as an employer that is committed to its employees;
 - o Strengthening ties with its stakeholders on a regional level.
- Based on the ISO 26000 standard for assessing stakeholders' CSR criteria, it involves all members of the company in supporting core 11 commitments and achieving quantitative targets to be achieved by 2030;
- Through this international programme, Bolloré Logistics contributes to the UN's Sustainable Development Goals.
- Its objective is to increase Bolloré Logistics' environmental and social value throughout the supply chain. As a local growth driver in over 100 countries, Bolloré Logistics endeavours to support its customers in their sustainable international growth and to underline its commitment to sustainable world trade.

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

The Group's third transport partner, 59 Express, a subsidiary of Geodis, was again recognised for its CSR achievements in 2019 by the world's main CSR rating agency, EcoVadis, which assesses the social and environmental performance of global supply chains, awarded Geodis "gold medal" status with an overall score of 72/100 for its CSR approach, recognising it as a "Smart Freight Leader". This is the highest EcoVadis score ever achieved. Geodis was also awarded an A- rating by the CDP (Carbon Disclosure Project), the highest score ever obtained. Geodis intends to go even further in terms of CSR. In early 2018, it announced a global target of reducing its greenhouse gas emissions by 30% by 2030.

The Group's fourth transport company, Kühne & Nagel, places a strong focus on environmental issues. Its Net Zero Carbon plan aims to reduce CO₂ in its transport and logistics services worldwide. Since 2020, the company has offset direct carbon emissions that cannot be avoided, and then proactively addresses the carbon footprint of transportation service provided by its suppliers (airlines, shipping companies and transportation companies) in order to become net carbon zero by 2030.

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

- innovative vehicles and buildings
- employee engagement

- an effective operational model (optimisation of its network, delivery routes and transport methods, anticipation of a shift in urban policies towards sustainable urban logistics)

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

Energy consumption related to the transportation of the Group's products amounted to 8,431 tonnes of CO₂ in 2020/21 on the basis of information provided by transportation providers and extrapolated to the Group as a whole.

Subcontractors excluding transport and production plants

External datacentres:

Energy consumption related to database hosting for the Group's main operating entities amounted to 118,814 kWh (15.4 tonnes of CO₂) in 2020/21 on the basis of the number of servers concerned and their annual utilisation time.

6.2. REGIONAL INCLUSION

6.2.1. POLICIES PURSUED AND OUTCOMES

- **Employment and regional development**

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

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

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

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

- ✓ A policy of encouraging apprenticeship, work/study and internship contracts has been developed by the French subsidiaries for the past few years. At end-March 2021:

- Bigben Connected had three work/study employees, six apprentices and three interns, making a total of 12 young people in training. It also took in 12 interns on job shadowing experience. The interns and work/study employees mainly come from local schools.
- Bigben Interactive has one apprentice and one work/study employee and over the course of the year also took in interns on long-term placements, on job shadowing experience or under the operational preparation for collective employment (POEC) scheme, primarily in logistics positions.
- During the year, NACON received one middle school pupil on job shadowing experience and 11 interns for a period of more than one month. At present, the company has two apprentices and five interns. Interns and work/study employees come from local schools such as CESI, Supinfo Games and ISEN, as well as business schools elsewhere in France such as Neoma and ESC Clermont.
- The studios took on many interns during the year to train them in the video game development business (there were still 33 of them at end-March 2021, compared with 20 at end-March 2020) and many internships have resulted in a fixed-term or permanent contract.

In addition, the French subsidiaries renewed their commitment in 2020/21 to several actions specifically aimed at students and young graduates, such as:

- Bigben Connected
 - There are many partnerships between the Paris teams and various schools:
 - The head of Customer Accounts has a close relationship with the Privé Passy Saint Honoré Paris XV high school (examiner for the oral exam on customer and supplier relationship management for the SME Management Assistant vocational diploma).

Gaming:

- NACON SA
 - There are many partnerships between the Gaming Publishing teams at the Lesquin head office and Rubika (SupInfoGame and ISD), a school belonging to the Valenciennes Chamber of Commerce:
 - Lectures on marketing and business given by the Publishing division's head of Marketing to students in the 5th year of the Masters 2 programme at SupInfoGame in 2017/18. This experience will be repeated in the future. One or more members of the Publishing division were also end-of-year jury members or speakers. In 2020/21, employees of the Producer division in Lesquin took part in open days.
 - Many design and development projects have been run with ISD students in the past 10 years (e.g., development of accessories for the PS Vita, simulator projects, "made for iPhone controllers" project, etc.).
 - The Lesquin head office has recruited many ISD students to the Publishing and Accessory Design departments in past years, and have taken on others as interns. For example, a young intern was hired on a permanent contract as Associate Producer in 2020/21.
 - The Accessories Design department also works regularly with EDNA (Nantes Atlantique School of Design) and recruited one of its students in January 2018.
 - NACON SA partners the AMOS sports management school, which includes an eSport training module and which inaugurated its new buildings in Lille on 20 March 2018. An employee from the Gaming Publishing team also gives lectures in sports marketing to Masters 1 and 2 students. A student from the school was hired on a permanent contract and a number of internship opportunities are offered to students.
 - Partnerships are also being forged with:
 - ECV Bordeaux: participation in the 2020 Video Games jury;
 - Pole III D, where a member of the Publishing team was also the examiner in 2018/19;
 - ILEM, in partnership with the Cyanide studios (talk from a producer employee)

- participation of two people from the Publishing Paris division in the ISART event.
- The studios acquired in 2018 have also committed to partnerships with various schools:
 - Eko Software's creative director lectures at ISART Digital, an international school for Video Games and 3D-FX Animation based in Paris, Montreal and Tokyo;
 - Cyanide and Big Bad Wolf employees are involved with various schools, such as the IEM.

Marketing:

There are many partnerships between the DTP department and various schools:

- With Esupcom school of communications in Lille
 - In the past, the head of DTP has been involved with the school as member of the jury that assesses the end-of-course projects presented by Masters students;
 - Working groups have been proposed regularly to students in the past to get them involved in concrete topics.
 - Participation in speed recruitment in 2020
- With ISCOM, Aston Lille and IAE:
 - In the past, recruiting students on apprenticeship or work/study contracts
- With MJM Graphic Design
 - In the past, participation in speed recruitment
- NACON SA partners Paris Gaming School, a training school for jobs in e-Sport based in Paris. In 2017/18, this partnership gave the company an insight into the expectations of professional gamers and an opportunity to test its prototypes while equipping students with NACON equipment.

In general:

- In the past, a member of the Publishing team has been the examiner for the IESEG business school first-year entrance exams.
- Lastly, in the past, the company has worked frequently with engineering schools, and notably the ISEN, on development projects.
- In Italy, the subsidiary works regularly with several institutions (vocational training centres (Ial and Promos), Euro lavoro, high school) to encourage work experience for students. Two students from these schools were hired in 2016/17 and the company took on five girls on the school/work experience programme (ASL) in 2019/20.

These partnerships illustrate the Group's aim of attracting and hiring talented young people and making them aware from the outset of the issues and responsibilities inherent in our subsidiaries' business activities and the reality of jobs in this sector.

Furthermore, the French companies used to allocate the apprenticeship tax to regional educational institutions (primarily ISEN in Lille) and intend to resume this practice in 2021 following the recent reform on training and work/study, in connection with the Professional Future law, which had eliminated the apprenticeship tax in 2019. They also work with several local support through work organisations, Bigben Interactive with ESAT APEI in Dainville (Pas-de-Calais) for packaging operations and Bigben Connected with ESAT AFLPH for office supplies.

- **Neighbouring and local populations**

Due to its nature as a distribution company, Bigben does not have direct impacts on neighbouring and local populations.

- **Dialogue with stakeholders (community, associations, social institutions)**

The Group does not have a specific policy.

Although initiatives taken in 2018/19 reflect its commitment in this respect. Partnership actions, whether with local schools, associations or government agencies, all aim to invest in teaching skills related to

new technologies and the world of gaming, audio and telephony.

The Publishing division in particular is involved in many partnerships:

At national level:

- NACON is a member of various video game unions and may therefore represent the video games industry from time to time, in particular during conferences, to explain how video games are designed, developed and published.
 - o Through its group contribution, which includes the recently acquired development studio and the head office Publishing team, NACON is a member of the trade union for the video games industry, SELL.
 - o The head of Production for the KT Racing studio (Kylotonn) is also one of the Vice-Chairs of the Board of the national video games union SNJV. The company's Publishing Director had previously been a Board member for a few years.
- From 2015 to 2017, NACON's head of Publishing was a member of the Commission du Centre National du Cinéma et de l'Image Animée (CNC), attached to the Ministries of Culture and Industry, which manage the video games support fund.

At regional level:

- The head of Publishing holds a number of offices in the Hauts de France region:
 - o He was the founder chairman of the association Game Industry North (GAME IN) for four years and remains an active member of the association. It now has a membership of some thirty regional companies involved in the video games industry and organises many conferences on a broad array of topics.
 - o As part of GAME IN, he was also a founder in 2013 of the specialised "Play in Lab" playtesting unit at the Plaine Images hub for creative industries in Tourcoing. This cooperative, of which Bigben is a member, offers playtesting services to all operators in the video games industry, including product assessment by a panel of consumers representative of the target market.
 - o In association with the head of development of Plaine Images in Tourcoing and as part of a mentoring scheme, Bigben currently receives delegations of start-ups giving them the opportunity to present their products and create a business network. Thus, thanks to Bigben's involvement, a stream of business has been generated between the 3D Duo and Kylotonn development studios.
 - o In 2018, the head of Publishing also became Vice-President of the Hauts de France French tech responsible for international and export assignments and, in this role, set up a mentoring scheme for Plaine Images business start-ups in Tourcoing.
 - o For several years, he was also a member of the panel that allocates grants from the Experience Interactives support fund run by Pictanovo, the regional agency in charge of the audiovisual industry (television, cinema, animation, video games) based in Tourcoing. He has temporarily stepped down under rotation rules.
 - o On behalf of EuraTechnologies (centre of business excellence for information and communication technology in the Lille metropolitan area), he was heavily involved in launching French Techs in 2014 by obtaining funds from the Ministry of Culture.
 - o In 2021, he also became a member of the Comité Métropolitain du Numérique (Metropolitan Committee for Digital Technology) under the patronage of Akim Oural (Delegated Metropolitan Councillor for Innovation and Digital Technology).
 - o Lastly, he spoke at a conference for the French association of games specialists.
 - o Furthermore, NACON SA forged a partnership with Game Lover in 2017 and has been actively involved in the partnership since then. Game Lover has since become part of CapGame Testing. The partnership aims to address a number of impairments suffered by some gamers in order to find ways of making video games accessible to everyone (see 4.3.2.).
- The Group Treasurer is a member of the local section of the French Institute of Corporate Treasurers and the Group Chief Financial Officer is a member of several CFO associations in the Hauts de France region.

- Lastly, studio EKO Software is a member of Capital Games, an association to support video gaming in the Paris region.

The international subsidiaries have also invested in their local communities:

- Bigben Benelux is a member of Union Belge des Annonceurs (UBA);
- Bigben Italia is part of the Italian Interactive Digital Entertainment Association (IDEA, formerly AESVI), which represents the national video games industry;
- Studio RaceWard is a member of IIDEA, Assolombarda and Confcommercio, supporting video gaming in the Lombardy region;
- NACON is also a member the trade unions ESA in the United States and UKIE in the United Kingdom, as well as the Australian trade union (via newly acquired studio Big Ant) and associations in Quebec (including the Quebec video gaming guild).

- **Sponsorship and patronage**

Most of the patronage initiatives taken by the subsidiaries are decentralised. They are mainly aimed at improving the well-being of disadvantaged populations or local communities:

- In support of a worthy cause, French company Bigben Connected has donated products to Compagnons de l'espoir (Emmaüs) and gave a percentage of revenue from *Just Green*[®] to the charities "L'Abeille de Compagnie", "Hôpitaux de France" and "The Sea Cleaners". It also made a donation to "Kit et Paula", a charity helping people with cancer. NACON SA also donated products to Compagnons de l'espoir (Emmaüs);
- French companies Bigben Interactive, NACON, Bigben Connected and Kylotonn also support local sports organisations. In March 2019, Bigben Connected partnered the 2019 Rallye des Gazelles, sponsoring a car bearing its Force Power[®] logo;
- In Germany, products have been donated in the past to local football associations that organise tournaments;
- In Benelux, products have been donated to parent-teacher associations or local sports associations;
- In Italy and Spain, products have been made donated in the past or during the year to sports associations.
- In spring 2020, the studio Spiders launched the "Video Games Bursary" along with various video games companies and the charity "Loisirs Numériques", which aims to provide financial support and mentoring for students who do not have the socioeconomic means to pursue costly studies in video games. The "Video Games Bursary" offers the selected student(s) full funding for their registration and tuition fees and computer equipment, as well as assistance with accommodation and transportation and support from professional mentors. Spiders has since made an annual donation to the charity each year to support this initiative over the long term.

6.3. CONSUMER HEALTH AND SAFETY

To guarantee the safety of its products, Bigben uses manufacturing sub-contractors with very high organisational standards and processes. The Group has in-house teams devoted to monitoring and implementing standards, regulations and internal rules.

Safety is taken into consideration right from the product design stage. A product must meet the national safety standards of the relevant market as well as international standards. Consequently, products often exceed the local safety requirements.

Before being marketed, all products must undergo comprehensive safety testing to assess potential risks, including physical, chemical and flammability tests. All products comply with European Union requirements as well as all legal and regulatory provisions, and are inspected by independent testing organisations.

Bigben complies strictly with the standards in force covering the electrical safety and use of its products, including the European RoHS directive (Restriction of Hazardous Substances), WEEE directive (Waste

Electrical and Electronic Equipment) and REACH regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals) for the relevant products.

As regards its Gaming business, the Group is committed to the health and safety of its consumers through trade associations for the video games industry such as SELL in France.

The software teams work closely with rating and consumer protection agencies, the main ones being:

- PEGI (Pan European Game Information) for Europe;
- ESRB (Entertainment Software Rating Board) for the United States;
- OFLC (Office of Film and Literature Classification) or COB for Australia;
- USK (Unterhaltungssoftware Selbstkontrolle – entertainment software self-regulation body) for Germany;
- CERO (Computer Entertainment Rating Organization) for Japan.

These agencies inform consumers about the nature of the products and the recommended age for use by assigning ratings that guarantee clear labelling of video games based on their content and recommended age group.

Each agency is independent and works differently.

Furthermore, in France products carry a warning about the risk of epilepsy in accordance with the decree of 23 April 1996.

Some first-party suppliers also ask for information about similar risks to be carried on their packaging or in notices included with the products. This is the case for Sony, Microsoft and Nintendo.

7. ACTION IN FAVOUR OF HUMAN RIGHTS

Bigben Connected SAS has worked hard on this issue:

- In October 2016, as a Group company, it became a member of the UN Global Compact, thus endorsing the ten principles regarding human rights, international labour standards, environmental protection and anti-corruption. It has expressed this engagement to stakeholders through its 'Responsible Purchasing Policy'. Its membership was renewed in 2019.
- In November 2018, Bigben Connected SAS obtained an EcoVadis score of 58/100 and a silver medal.

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

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

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

- **Promotion of and compliance with the ILO's fundamental conventions**

The Group complies with the conventions on:

- ✓ **Freedom of association and collective bargaining**

The Group respects the freedom of association and collective bargaining (see section 4.3).

✓ **Elimination of discrimination in respect of employment and occupation**

The Group employs talented people from a wide variety of backgrounds (see section 4.6.3) and thus endeavours to combat all forms of discrimination by recruiting a diverse range of profiles.

✓ **Abolition of forced labour**

The Group complies with the conventions of the International Labour Organisation and, in particular, undertakes not to use forced labour. It also ensures that its subcontractors in South-East Asia comply with these obligations.

✓ **Effective abolition of child labour**

The Group complies with the United Nations conventions on children's rights and, in particular, undertakes not to use child labour. It also ensures that its subcontractors in South-East Asia comply with these obligations. The Group therefore complies fully with the provisions of HK Labour Law and Employment of Children Regulations.

In addition to the social audits performed by Bigben Hong Kong (see section 6.2.2), the Group's quality inspectors, who visit the manufacturing plants on a daily basis, must immediately report to the head of Bigben Hong Kong's and NACON Hong Kong's quality department if they suspect that children are working in one of the factories. The Group is extremely attentive to this issue and did not have any cases of forced child labour in the past year.

• **Choice of partners**

As described earlier, various actions taken by the Group with its sub-contractors and partners (e.g. social audits of Asian production plants since 1 April 2017 in addition to quality audits, using a social audit form) ensure that they take social responsibility issues into consideration.

To date, apart from the social actions described above, the Group has not committed to any other action in favour of human rights.

8. ANTI-CORRUPTION AND TAX EVASION

8.1. ACTION TAKEN TO PREVENT CORRUPTION AND OUTCOMES

Bigben reminds its employees about their duty of loyalty in their employment contracts and stresses the importance of this principle when new employees are hired.

The anti-corruption procedures put in place by the Group take several forms:

- In 2016, the Group circulated an anti-fraud procedure to all its subsidiaries and trained them in methods of preventing external fraud. An updated procedure was sent to the subsidiaries (including Bigben Connected and NACON SA) in February 2017, March 2018, March 2019, March 2020 and February 2021. The subsidiaries then inform their own employees.
- The parent company also requires its subsidiaries to follow an expenditure commitment procedure that defines the principles for authorisation and signing off expenditure based on thresholds.
- The Group Treasurer is also able to check the subsidiaries' daily bank positions.
- Bigben considers that security of payments and strict control of product inventories help to prevent internal corruption attempts.

Some subsidiaries have also stepped up their anti-corruption measures since 2016/17:

- In Germany, Italy and Spain, the duty of loyalty is spelled out in employment contracts.
- Bigben Belgium also requires dual signature for payments. Its logistics flows are automated and supplies are obtained from the Group's logistics centre on a just-in-time basis.

Subcontractors:

- New major subcontractors are appointed via a competitive bidding process requiring several levels of approval or by obtaining quotes from at least three different suppliers.
- The Asian subsidiaries ask their suppliers (and manufacturing subcontractors) to sign a "Gifts and Gratuities" form stipulating that Bigben will not accept gifts or gratuities of any kind.

Now that the Bigben Group has more than 500 employees since the acquisition of Kylotonn in October 2018, it is subject to the anti-corruption provisions of the French Sapin II law. Since 2019, the Bigben Group has been implementing a far-reaching programme to ensure that it complies with all applicable laws and regulations as quickly as possible. This programme was originally scheduled for autumn 2019 and, although well advanced, was postponed to 2020 as a result of the IPO of its subsidiary NACON SA and then the lockdown measures related to the Covid-19 health crisis. In accordance with the eight measures recommended by the French anti-corruption agency (AFA), the following measures were decided and implemented in 2020/21 within the Group and its major French subsidiaries in accordance with French regulations, and will continue to be implemented within other subsidiaries, in particular foreign subsidiaries, during the first half of 2021/22:

- Anti-corruption risk mapping;
- Adoption of an anti-corruption conduct code to be included in the internal regulations;
- Implementation of whistleblowing arrangements;
- Implementation of procedures to assess partners;
- Implementation of accounting control procedures and anti-corruption control and internal evaluation arrangements;
- Introduction of anti-corruption training modules based on clear and easy to understand slides for all relevant employees in all the Group's subsidiaries.

8.2. ACTION TAKEN TO PREVENT TAX EVASION AND OUTCOMES

Tax evasion has not been identified by the Bigben Group as a material risk.

All of its subsidiaries comply with the tax regulations in their respective countries.

As regards transfer pricing, the Group complies with the OECD's BEPS principles and has a full set of files (master file and local files) documenting the arm's length nature of its intra-group transactions and their fiscal compliance.

9. APPENDIX - EMPLOYEE-RELATED, ENVIRONMENTAL AND SOCIAL REPORTING METHODOLOGY

Bigben Interactive's CSR reporting approach is based on Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

9.1. REPORTING PERIOD AND TIMETABLE

The information collected covers the period from 1 April of year N-1 to 31 March of year N, except for information relating to training and annual appraisals, which covers the period from 1 January to 31 December of year N-1. Information is reported annually except for compensation and social security data, which is reported monthly.

The CSR reporting timetable is as follows:

Period	Activity
Beginning March N	Instructions sent to contributing entities one month before the annual close (Excel reporting file, explanations, instructions, etc.)
During April N	Reporting of qualitative and quantitative information
End April N	Consolidation of data and drafting of CSR report
End May N	Board of Directors' meeting to approve results

9.2. SCOPE

The CSR reporting scope aims to be representative of the Group's business activities. It is based on the following rules:

- Only those companies that are fully consolidated in the financial statements are included in the CSR reporting scope (therefore companies accounted for by the equity method are not included);
- Subsidiaries acquired or created during year N-1/N are included in the reporting for year N/N+1 in order to adopt a progressive approach.

However, due to the material impact on the Group's headcount of development studio acquisitions in 2020/21, and for the sake of clarity as regards the Non-Financial Statement, the Group has departed from this rule for 2020/21 and has included the relevant company in the section on employee-related indicators based on the approximate length of time that the relevant company has belonged to the Group, i.e.:

- o 6 months for Neopica (from 1 October 2019 to 31 March 2020).

As a reminder, as regards the comparative figures, in 2019/20, the newly acquired studios (or studios in which a stake was acquired) and newly created companies were also included based on the approximate length of time they had belonged to the Group, i.e.:

- o 7 months for Spiders SAS (from 1 September 2019 to 31 March 2020);
- o 8 months for RaceWard (from 1 August 2019 to 31 March 2020);
- o 2 months for Nacon Gaming Inc.

These studios were then fully included in the 2020/21 figures for all indicators.

- Subsidiaries sold or closed down during N-1/N are excluded from the reporting scope for year N-1/N. Not applicable in 2020/21.

The scope of reporting from year N-1/N will be updated on 31 March of year N-1/N by the Group's management.

The same principles were used for the NACON Group, which arose from the spin-off of the Bigben Group's Gaming business on 31 October 2019 with retroactive accounting and fiscal effect as of 1 October 2019. However, for the sake of clarity as regards the NACON Group's Non-Financial Statement, certain measures have been taken to show the Group from a CSR perspective on the basis of comparative figures for 2019/20 as if it had existed for the past two years, i.e.:

- For companies that were transferred to the NACON Group in their entirety at the time of the spin-off (Bigben Italia, Bigben GmbH, Bigben Belgium, Games.fr, development studios):
 - o All annual figures and statistics at 31 March 2020 have been included in the NACON Group's CSR reporting.
- For the three companies that were split at the time of the spin-off (Bigben Interactive SA, Bigben Interactive HK Ltd and Bigben Interactive España):
 - o Annual comparative amounts (training, compensation, etc.) for 2019/20 are allocated in full to the destination Group company (Bigben or NACON).

Specific restrictions on the reporting scope for some indicators are described in section 9.6. "Definition of indicators and methodology limitations".

9.3. CHOICE OF INDICATORS

The indicators used were selected on the basis of:

- the employee-related, environmental and social impacts of the Group's business activities;
- risks associated with the business activities;
- operational implementation of the Group's CSR performance monitoring based on a selection of unifying indicators.

9.4. ROLES AND RESPONSIBILITIES

The information is collected centrally or from each entity included in the CSR reporting scope from sources such as the payroll management system, Excel monitoring files, invoices, etc.

The quantitative information reported by the subsidiaries is collected by the CFOs of the subsidiaries based on an Excel reporting file drawn up by Bigben Interactive's and NACON's management. Within the subsidiaries, the CFOs collect the information from the staff responsible for the relevant area.

The qualitative information is collected centrally by Bigben Interactive's and NACON's management.

Information is checked and validated by Group management.

9.5. EXTERNAL AUDIT

In accordance with the regulatory requirements set out in Article 225 of the Grenelle 2 law and its implementing decree of 24 April 2012, since 2013/14 Bigben Interactive has asked one of its statutory auditors to prepare a report certifying that the relevant information has been disclosed in the management report and expressing an opinion on the fairness of the disclosures.

9.6. SCOPE LIMITATIONS AND METHODOLOGY CLARIFICATIONS

9.6.1. SCOPE LIMITATIONS

Disclosure	Scope
Environmental indicators	
Paper and cardboard consumption and waste recycling	Paper and cardboard waste recycling is limited to the scope of the Lauwin-Planque warehouse (the Group's only real warehouse, as the other subsidiaries only have office premises) and to a few Group subsidiaries (in particular the German, Italian and Hong Kong subsidiaries) that habitually recycle their cardboard and paper waste.
All environmental indicators	Companies accounted for by the equity method are excluded from the scope of reporting. BBI USA, a dormant former joint venture that had no employees and was 50% owned by NACON SA, was dissolved on 17 August 2020. No other companies are accounted for under the equity method.

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

9.6.2. METHODOLOGY CLARIFICATION

- Employee-related data:

Disclosure	Description
End-of-period headcount and breakdown by: <ul style="list-style-type: none"> - Gender - Age - Geographical area 	Number of employees on the payroll at 31 March of year N on permanent and fixed-term contracts. Includes employees on parental leave, maternity leave and long-term sick leave, and employees on apprenticeship and work/study contracts. Excludes non-salaried executive corporate officers, interns, employees on early retirement schemes and employees on sabbatical leave. The age brackets defined are: ≤25 and under, 26-35, 36-45, 46-55, 56 and over. The geographical areas defined are: France, Rest of Europe, Asia, Other.
External joiners	Number of employees hired on permanent or fixed-term contracts from 1 April of year N-1 to 31 March of year N. Fixed-term contract renewals and contract conversions do not count as new hires.
Leavers	Number of employees on permanent or fixed-term contracts that left the company from 1 April of year N-1 to 31 March of year N on the company's initiative (redundancy, serious misconduct, contractual termination, termination of permanent or fixed-term contract during the trial period, end of fixed-term contract) and on the employee's initiative (resignation).
Staff turnover	Number of voluntary departures divided by headcount at the end of the period. As voluntary departures include fixed-term employment contracts coming to an end, the actual rate of turnover can be thought of as lower.
Absenteeism, total and breakdown: <ul style="list-style-type: none"> - Sick leave - Paternity leave - Occupational and commuting accidents - Unpaid leave - Paternity leave 	Number of days absence for the various categories calculated in business days from 1 April of year N-1 to 31 March of year N. The absenteeism indicator is calculated by dividing the total number of days' absence referred to above by the end-of-period headcount based on a year of 235 business days.
Compensation for the year	The amount of compensation corresponds to the gross payroll disclosed in the consolidated financial statements. It includes gross compensation, paid leave, allowances, various benefits, incentive bonus and profit sharing. Average compensation per employee is calculated by dividing the amount of compensation referred to above by end-of-period headcount.
Social security costs	The amount of social security charges corresponds to the employer's contributions (social security, unemployment, pension, death & disability insurance, top-up health insurance, occupational health care costs, works council expenses, lifelong training, luncheon voucher contribution, construction tax, apprenticeship tax).
Occupational accidental with time off work	Number of occupational accidents with time off work recognised as such by the competent authorities from 1 April of year N-1 to 31 March of year N.
Occupational accidental without time off work	Number of occupational accidents without time off work recognised as such by the competent authorities from 1 April of year N-1 to 31 March of year N.
Commuting accidents	Number of accidents between home and work with or without time off work recognised as such by the competent authorities from 1 April of year N-1 to 31 March of year N.
Percentage of payroll devoted to training	Training expenditure in calendar year N-1/payroll N-1
Training expenditure	Amount of expenditure on training (in €). Expenditure includes the cost of services invoiced by external providers of training given to Bigben Interactive employees in calendar year N-1 plus associated travel costs (transport, accommodation, meals) and employee costs charged. Training expenditure in respect of year N includes expenditure incurred for all employees present at 31 March of year N. Expenditure incurred for employees who have left the company are not included.
Employees trained	Number of participants (permanent and fixed-term contracts) in contractually agreed training sessions during calendar year N-1 for French companies and the financial year for other companies. Data taken from agreements entered into with the training service providers. Participants are counted as many times as they attend a training session. Employees trained in year N includes those employees present at 31 March of year N. Employees who have left the company are not included. The percentage of average headcount trained is calculated by dividing the total number of

	employees trained referred to above by the end-of-period headcount.
Training hours	<p>Number of contractually agreed training hours received by employees (permanent and fixed-term contracts) during calendar year N-1 for French companies and the financial year for other companies.</p> <p>Data taken from agreements entered into with the training service providers. Only face-to-face training sessions given by an internal or external instructor are included.</p> <p>Training hours counted in respect of year N are those completed by employees on the payroll at 31 March of year N.</p> <p>Training hours completed by employees who have left the company are not included.</p> <p>The average number of training hours per employee is calculated by dividing the total number of training hours referred to above by the end-of-period headcount.</p>
% of employees receiving an annual appraisal	<p>Employees who have received an annual appraisal:</p> <p>For French subsidiaries: during the calendar year N-1</p> <p>For other subsidiaries: from 1 April of year N-1 and 31 March of year N divided by the end-of period headcount from 1 April of year N-1 to 31 March of year N</p> <p>The annual appraisal is documented in a progress appraisal form.</p>

- **Environmental data**

Disclosure	Description
Water consumption	Water consumption in m ³ from 1 April of year N-1 to 31 March of year N. Data taken from water bills or meter readings.
Paper purchased	<p>Paper and cardboard purchased in kg from 1 April of year N-1 to 31 March of year N.</p> <p>By convention, the Group considers that paper purchased during the year is consumed during the year.</p> <p>The logistics warehouse unpackages products sent by suppliers, stores them and then repackages them in the form required by the end customer. Therefore, packaging boxes sent by suppliers are not included in this indicator. However, as these boxes are recycled, most of them are included in the indicator referred to below.</p> <p>Paper purchased by the commercial entities mainly comprises photocopier paper.</p>
Paper and cardboard waste collected	Paper and cardboard waste in kg from 1 April of year N-1 to 31 March of year N. Data supplied by service providers that collect the paper and cardboard.
Internal electricity consumption	Electricity consumption in kWh from 1 April of year N-1 to 31 March of year N. Data taken from electricity bills or meter readings.
Electricity consumption associated with external servers	Consumption/carbon footprint estimations for external servers are based on the average power consumed by a server, i.e., around 170 W (source: ADEME) according to the following calculation: Number of external servers * operating time in hours * 0.170 = electricity consumed in kWh.
Natural gas consumption	Natural gas consumption in m ³ from 1 April of year N-1 to 31 March of year N. Data taken from natural gas bills or meter readings.

CO ₂ emissions, scopes 1, 2 and 3	<p>CO₂ emissions arising from electricity and natural gas consumption.</p> <p>For internal consumption estimates, the following emission factors were used:</p> <ul style="list-style-type: none"> - Natural gas: 0.244 kgCO₂e/kWh LHV (Source: European emission factor, ADEME carbon base, 2015), conversion factor 1 m³ = 10.5 kWh LHV (Source: International Energy Agency) - Electricity: France: 0.0599 kgCO₂e / kWh, Belgium: 0.22 kgCO₂e / kWh, Germany: 0.461 kgCO₂e / kWh, Hong Kong: 0.766 kgCO₂e / kWh, Italy: 0.406 kgCO₂e / kWh, Spain: 0.238 kgCO₂e / kWh; USA 0.522 kgCO₂e / kWh; Australia 0.841 kgCO₂e / kWh (Source: ADEME carbon base). <p>For estimates of consumption by transport companies, figures are taken</p> <ul style="list-style-type: none"> - Either directly from the carbon footprint assessment provided by each transport company contacted (note that transport companies contacted represented around 83% of transport company CO₂ emissions in 2020/21) - Or an emission factor per means of transport (air/sea/road) provided by a transport company and applied to "other journeys made by transport companies not contacted".
--	--

Environmental reporting includes little information about the environmental footprint of the Group's main suppliers, other than transport providers and external datacentres, as full data is not yet available to the Group.

- **Methodological limitations of the indicators**

Indicators may present methodological limitations due to:

- lack of harmonisation of definitions and national/international legislation;
- representativeness of the metrics;
- practical methods of collecting and inputting data.

10. REPORT OF ONE OF THE STATUTORY AUDITORS

To the Shareholders,

In our capacity as independent third party, accredited by the COFRAC under number 3-1049,⁸ member of the KPMG International network and one of the statutory auditors to the company (hereinafter the "Entity"), we hereby report to you on the Group's consolidated non-financial statement for the year ended 31 March 2021 (hereinafter the "Statement"), disclosed in its management report pursuant to the provisions of Article L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Entity's responsibility

Pursuant to the legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a description of the business model, the key non-financial risks, the policies pursued to address those risks and the outcomes of those policies, supported by key performance indicators.

The Statement has been prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and are available on request from the Entity's head office.

⁸ Cofrac Inspection accreditation no. 3-1049, scope available on the website www.cofrac.fr

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the code of conduct governing the audit profession. Furthermore, we have implemented a quality control system that includes documented policies and procedures designed to assure compliance with the applicable laws and regulations, ethical requirements and professional guidance.

Independent third party organisation's responsibility

Our responsibility is to provide a report based on our work expressing a limited assurance opinion on:

- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the disclosures made pursuant to Article R. 225-105 I.3 and II of the French Commercial Code, i.e., the outcomes of the policies and action taken to address the key risks, supported by key performance indicators (hereinafter the "Disclosures").

It is not our responsibility to comment on the Entity's compliance with any other applicable legal and regulatory requirements or on the conformity of products and services with the applicable regulations.

Nature and scope of our work

The procedures described below were performed in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and ISAE 3000⁹:

- We obtained an understanding of the business activities of all the entities included in the scope of consolidation and the description of the key risks;
- We assessed the appropriateness, completeness, reliability, neutrality and clarity of the Guidelines with due consideration of industry best practices, where applicable;
- We obtained assurance that the Statement covers each type of social and environmental disclosure set out in Article L. 225-102-1 III;
- We obtained assurance that the Statement contains the disclosures required under Article R. 225-105 II of the French Commercial Code where relevant with regard to the key risks, and an explanation where the disclosures required under Article L. 225-102-1, III, paragraph 2, have not been provided;
- We obtained assurance that the Statement presents the business model and a description of the key risks associated with the business activities of all entities included in the scope of consolidation, including where relevant and proportionate the risks associated with their business relationships, products or services, as well as the policies pursued, measures taken and their outcomes, supported by key performance indicators related to those key risks;
- We referred to the documentary sources and conducted interviews to:
 - assess the process used to select and validate the key risks and the consistency of the outcomes, including the key performance indicators used, with regard to the key risks and policies presented;
 - corroborate the qualitative disclosures (actions and outcomes) that we considered to be the most important, as presented in the Appendix. For the risk "Management of suppliers and service providers", our work was conducted at the level of the consolidating entity. For other risks, work was conducted at the level of the consolidating entity and within a selection of entities¹⁰.
- We obtained assurance that the Statement covers the consolidated scope, i.e., all the entities covered in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;

⁹ ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

¹⁰ BB Connected; Kylotonn; BB France; NACON SA.

- We obtained an understanding of the internal control and risk management procedures in place at the Entity and assessed its data collection process to obtain assurance about the completeness and fairness of the Disclosures;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, we performed:
 - analytical procedures to verify the correct consolidation of the data collected and the consistency of any changes in those data,
 - tests of details, using sampling techniques, to verify the proper application of the definitions and procedures and to reconcile the data with the supporting documents. This procedure was carried out on a selection of contributing entities¹⁰ and covered between 29% and 100% of the consolidated data selected for those tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the entities included in the scope of consolidation.

We believe that the procedures we performed, based on our professional judgement, are sufficient for us to provide a limited assurance opinion. A higher level of assurance would have required us to perform more extensive procedures.

Means and resources

Our work was performed by a team of four people between March and July 2021 and took a total of approximately three weeks.

We referred to our specialists in sustainable development and social responsibility to assist us in our work. We conducted some ten interviews with the people responsible for preparing the Statement.

Conclusion

Based on the procedures performed, we did not identify any material misstatements causing us to believe that the non-financial statement does not comply with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in all material respects in accordance with the Guidelines.

Paris-La Défense, 2 July 2021

KPMG S.A.

Fanny Houlliot
Partner
Sustainability Services

Stéphanie Ortega
Partner

Appendix

Qualitative disclosures (actions and outcomes) considered to be the most important

Employee training and skills development policy

Raising employee awareness about CSR

Collective agreements signed

Actions in favour of inclusion of disabled workers

Actions to reduce the environmental impact of activities and products

Group's CSR commitments

Measures to reduce greenhouse gas emissions

Sponsorship and patronage actions

Key performance indicators and other quantitative outcomes considered to be the most important

Total headcount at 31 March 2021 and breakdown by gender

Proportion of women in management roles

Number of joiners

Number of leavers

Number of days absence

Absenteeism

Number of occupational accidents with time off work

Number of training hours per employee

Electricity consumption

Natural gas consumption

Paper and cardboard consumption

Amount of paper and cardboard recycled

Scopes 1 and 2 CO₂ emissions arising from energy consumption of buildings

CO₂ emissions associated with external datacentres

CO₂ emissions associated with transportation of goods

6. ORGANISATION STRUCTURE

6.1 LEGAL STRUCTURE

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

The Bigben Interactive Group currently has two divisions:

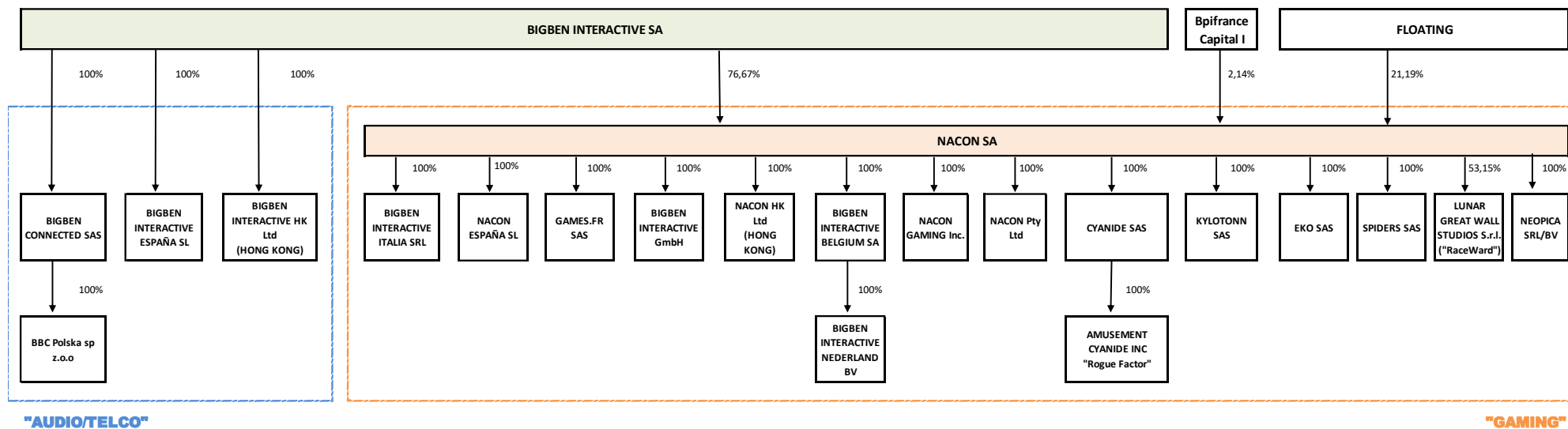
- Audio/Telco, which encompasses the manufacture, sale, import, export and primary repairs of Audio products (watches and electronic devices) within Bigben Interactive SA and its subsidiaries, and the design and wholesale of smartphone accessories within Bigben Connected SAS and its subsidiaries.
- Gaming, which is the result of a reorganisation of the Bigben Interactive group's business activities and encompasses the development, publishing, marketing and distribution of physical and digital video games, and the design, development, manufacture and wholesale distribution of gaming accessories within Nacon SA and its subsidiaries.

As a reminder, in a spin-off completed on 31 October 2019, Bigben Interactive transferred to its subsidiary Nacon SA all of its interests in the companies described below, which are involved in the Gaming business either as video games developers and publishers or as manufacturers and distributors of accessories.

GROUP ORGANISATION STRUCTURE



AS OF 31 MARCH 2021



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

Nacon acquired French development studio Passtech Games SAS in April 2021 and Australian development studio Big Ant Studios Pty Ltd in May 2021. As both of these companies were acquired after the 2020/21 close, they do not appear in the above organisation chart.

6.2 GROUP COMPANIES

Parent company

BIGBEN INTERACTIVE SA

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

As the Group's parent company, it provides the Group's marketing, sales, distribution, administrative and financial functions.

It is also responsible for:

- purchasing Audio products for all entities in continental Europe;
- exporting Audio products outside the catchment areas managed by the foreign subsidiaries;
- centralising logistics for Gaming and Audio products, and Mobile products since 2014, for all entities in continental Europe (France, Germany, Benelux, Spain and Italy);
- financial backing for the group (giving guarantees to banks for subsidiaries where necessary).

AUDIO/TELCO entities

Historical subsidiaries

BIGBEN CONNECTED SAS

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

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

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

BIGBEN INTERACTIVE HK LTD

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

Its business is the design of phone accessories and Audio products for the Group. It is also responsible for sourcing components, managing the product manufacturing process and centralising all of the Group's purchases relating to those products. Following the spin-off of the Gaming division on 31 October 2019, Bigben Interactive HK Ltd. transferred these activities with respect to the Gaming business only to Nacon HK Ltd. and retained the same activities for the audio and telephony segment. It owns the Audio/Telco licences held by the Group.

BIGBEN INTERACTIVE ESPANA SL

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

It supports the Group's phone accessories and audio products business in Spain. Following the spin-off of the Gaming division on 31 October 2019, Bigben Interactive España S.L. transferred these activities with respect to the Gaming business only to Nacon Gaming España S.L. and retained the same activities for the audio and telephony segment.

BIGBEN CONNECTED POLSKA ZO.O.

Bigben Connected Polska zo.o is a Polish company incorporated in 2019.

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

GAMING division entities

Parent company of the Nacon sub-group

NACON SA

Nacon is a *société anonyme*, initially incorporated on 18 July 2019 as a *société par actions simplifiée*.

Its purpose is the creation, design, development, production, publishing, promotion, operation, marketing and dissemination of technologies, applications and all IT, audiovisual and multimedia products, particularly video games, software and accessories, on any medium, and all related accessories,

As the Nacon Group's parent company, it provides the Nacon Group's marketing, sales, distribution, administrative and financial functions.

Nacon SA was floated on Euronext Paris on 4 March 2020 under the line Nacon.

Distribution subsidiaries

GAMES.FR SAS

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

Its main business is marketplace sales (online sales on platforms such as Amazon) of all of the group's physical products (video games, gaming accessories, etc.). It is wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

BIGBEN INTERACTIVE BELGIUM SA

Bigben Interactive Belgium SA is a *société anonyme* incorporated under Belgian private law.

Its business is the management of the Group's commercial activities in the whole of Benelux (in the Netherlands via its subsidiary Bigben Interactive Nederland BV) and it has exclusive distribution rights in Benelux over games published by Square Enix. It is wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

BIGBEN INTERACTIVE NEDERLAND BV

Bigben Interactive Nederland BV is a Dutch company.

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

BIGBEN INTERACTIVE GmbH

Bigben Interactive GmbH is a German company.

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

BIGBEN INTERACTIVE ITALIA S.R.L.

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

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

NACON HK LTD

Nacon HK Ltd. is a Hong Kong company incorporated in 2019.

Its business is the design of gaming accessories for the Group. It is also responsible for sourcing

components, managing the product manufacturing process and centralising all of the Group's purchases relating to gaming accessories. Bigben Interactive HK Ltd. transferred these activities to Nacon HK Ltd with respect to the Gaming business only and retains the same activities for the audio and telephony segment. It owns the licences held by the Group. It is wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

NACON GAMING ESPANA SL

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

It supports the Gaming division's commercial activities in Spain. It is the result of a local spin-off of the Gaming business by Bigben Interactive Spain S.L., which retains its distribution business but only for the audio and telephony segment. It is wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

NACON GAMING INC.

Nacon Gaming Inc. is a limited liability company incorporated on 11 February 2020 under the laws of Delaware in the United States, where it has its principal place of business. It has a commercial office in Seattle (Washington State) and a logistics centre in Santa Cruz (California).

It supports the Nacon Group's commercial activities in the United States in the video games and accessories sector. Its purpose is to develop sales of RIG™ headsets and other Nacon Group products in the United States.

NACON PTY LTD.

Nacon Pty Ltd is an Australian company incorporated on 17 March 2020.

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

Video game development studios

CYANIDE SAS

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

Its business is developing video games of various genres (strategy, narrative, shooter, management, sport, action and adventure). It is based in France (Paris and Bordeaux) and Canada (Montreal) via its Canadian wholly owned subsidiary Amusement Cyanide Inc.

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

KYLOTONN SAS

Kylo tonn SAS is a French *société par actions simplifiée*.

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

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

EKO SOFTWARE SAS

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

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

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

SPIDERS SAS

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

Its business is developing all kinds of role-playing games. On 3 September 2019, Bigben Interactive SA acquired all of the capital and voting rights of development studio Spiders SAS. It is now wholly owned by Nacon SA following the spin-off completed on 31 October 2019.

NEOPICA S.R.L./BV

Neopica is a Belgian company whose business is video games development.

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

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

LUNAR GREAT WALL STUDIOS S.R.L.

The Company has a 53.15% interest in the share capital and voting rights of Italian company Lunar Great Wall Studios S.r.l. (known under the trading name RaceWard). The co-founder owns a 40.75% interest in its share capital and voting rights.

New studios acquired after 31 March 2021

PASSTECH GAMES SAS

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

BIG ANT STUDIOS PTY LTD

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

Joint venture dissolved during 2020/21

BIGBEN INTERACTIVE USA INC.

A 50/50 joint venture with RDS Industries Inc, Torance, California, created in 2013/14, this company has no longer had any business activity in the past few years and was dissolved on 17 August 2020.

6.3 MAIN INTRA-GROUP TRANSACTIONS

Transactions with directors

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

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

Transactions between related companies

Bigben's main intra-group transactions are:

Within Bigben Interactive's Audio/Telco entities:

- Supply by Bigben HK Ltd of Audio products to Bigben Interactive SA and of Mobile accessories to Bigben Connected SAS: Bigben HK Ltd negotiates prices with the Group's Chinese manufacturing sub-contractors, monitors their production from a 'quality assurance' standpoint, and is responsible for logistics and shipping the products to Bigben Interactive SA's Lauwin-Planque logistics platform. Bigben HK Ltd bills Bigben Interactive SA and Bigben Connected SAS for these services. Bigben Connected SAS's European distribution subsidiaries then source the Mobile products from Bigben Connected SAS.
- Logistics services (storage, order preparation and shipment) provided by the Lauwin Planque logistics platform owned by Bigben Interactive SA to Bigben Connected SAS and its subsidiaries; This agreement has been entered into on an arm's length basis, particularly as regards the fees paid for the services, which are in line with those practised by outside service providers;
- A cash management agreement between Bigben Connected SAS and Bigben Connected Polska, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

Within the Nacon Group:

- Services provided by development studios to Nacon SA: the Group's studios develop games, each at a cost of several million euros divided into milestones throughout the development period (usually two years). These milestones are paid monthly by Nacon SA to the studios;
- Accessories supplied by Nacon SA to Nacon HK Ltd: Nacon HK Ltd negotiates prices with the Group's Chinese manufacturing sub-contractors, monitors their production from a 'quality assurance' standpoint, and is responsible for logistics and shipping the products to Bigben Interactive SA's Lauwin-Planque logistics platform. Nacon HK Ltd bills Nacon SA for these services. Nacon SA's European distribution subsidiaries then source the products from Nacon SA.
- A cash management agreement between Kylotonn SAS and Nacon SA, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.
- A cash management agreement between Nacon Gaming Inc and Nacon SA, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

Between Bigben Interactive SA (parent company, the Nacon Group and Bigben Connected SAS:

- Logistics services (storage, order preparation and shipment of group products) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Nacon SA and its subsidiaries at a rate of 2.5% of gross revenue before any price reduction or discount, excluding product taxes and excluding Nacon SA's sales of digital video games. This agreement has been entered into on an arm's length basis, particularly as regards the fees paid for the services, which are in line with those practised by outside service providers;
- Logistics services (storage, order preparation and shipment of non-group products) provided by

the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Bigben Interactive Belgium SA at a rate of 2.5% of gross revenue before any price reduction or discount and after taking into account any returns. This agreement has been entered into on an arm's length basis, particularly as regards the fees paid for the services, which are in line with those practised by outside service providers;

- To a lesser extent:
 - The supply of Audio products by Bigben Interactive SA to certain Nacon SA subsidiaries¹¹ which continue to sell a few other Bigben Group products in addition to Nacon's gaming products; the Audio products concerned are Bluetooth speakers, sound bars, etc.;
 - The supply of Mobile products by Bigben Connected SAS to those same Nacon SA subsidiaries: the Mobile products concerned are mobile phone accessories (cables, protective cases and covers, etc.);
 - For the distribution subsidiaries, these sales represented €5.7 million or 3.2% of the Nacon Group's 2020/21 revenue.
- Cross-invoicing of administrative services provided by Bigben Interactive SA and Nacon SA, amounting to €23,800 in favour of Bigben Interactive SA and €48,800 in favour of Nacon SA (a net amount of €25,000 per month in favour of Nacon SA);
- Rent for offices and shared space made available by Bigben Interactive SA to Nacon SA within its premises, amounting to €0.2 million a year; this agreement has been entered into on an arm's length basis;
- A cash management agreement between Bigben Interactive and Nacon, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

Between Bigben Interactive Group subsidiaries

- The Bigben España subsidiary invoices its sister company Nacon Gaming España for administrative services provided by employees working for both companies.
- The Bigben HK Ltd subsidiary invoices its sister company Nacon HK Ltd for administrative services provided by employees working for both companies.

See also Section 17 "Transactions with related parties" and section 2.4.4 of the consolidated financial statements provided in Section 18.1.6.

¹¹ Prior to the spin-off in October 2019 from Bigben Interactive to Nacon, the subsidiaries Bigben Interactive Italia, Bigben Interactive Belgium, Bigben Interactive GmbH and Games.fr generated less than €2 million of revenue in Audio and Mobile. At the time of the spin-off, it was decided not to split out these activities and create a second local subsidiary for the Audio/Telco business, which would not have had the critical mass required to operate on a stand-alone basis. These revenues come under the "Other" category of Nacon's revenue.

7. EARNINGS AND FINANCIAL POSITION

The financial information in this section is taken from the Group's full-year consolidated financial statements prepared in accordance with IFRSs as adopted by the European Union for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021. Please read this analysis of the Group's earnings and financial position for the financial year ended 31 March 2021 together with the Group's financial statements and the notes to the financial statements set out in section 18.1.6. of this Universal Registration Document and all the other financial information contained in this Universal Registration Document.

Definitions and alternative performance indicators:

Income statement indicators

Definition of gross profit:

Bigben Interactive calculates gross profit as the difference between revenue and purchases consumed in relation to Retail sales (Retail games and accessories, audio/mobile products). Gross margin is the percentage of revenue represented by gross profit.

Definition of EBITDA:

EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as recurring operating income before impairment, depreciation of property, plant and equipment and amortisation of intangible assets. It is equivalent to earnings before interest, taxes, depreciation, amortisation and provisions for non-current assets (but after additions to provisions on inventories and trade receivables). Since EBITDA is based on recurring operating income, it does not factor in IFRS 2 expenses relating to bonus shares and stock options or other non-recurring operating items, since they are excluded from recurring operating income. The Group regards EBITDA, which is a non-GAAP metric, as a performance measure.

Full-year EBITDA

<u>EBITDA calculation</u>			
<u>(in thousands of euros)</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>
Recurring operating income	36,210	23,686	21,728
Depreciation and amortisation of non-current assets	31,391	28,812	23,211
EBITDA	67,601	52,498	44,939

Definition of recurring operating margin:

In accordance with CNC recommendation 2013 R.03, recurring operating income is recurring operating revenue minus recurring operating expenses. As a result, recurring operating margin is recurring operating income divided by revenue.

For convenience, the "Statement of profit or loss and other comprehensive income" is referred to as the "Income statement" in the consolidated financial statements in section 18.1.6.

Either Bigben Interactive's alternative performance indicators are based directly on accounting data (gross profit) or their calculation appears just below the tables concerned (EBITDA and balance-sheet indicators).

7.1 FINANCIAL POSITION

Since Bigben Interactive's alternative performance indicators are not adjusted with respect to accounting data, for convenience Bigben Interactive includes them directly in the income statement tables in this section 7 (gross profit) or just below them (EBITDA).

Please read the following information concerning the Group's earnings together with its consolidated financial statements for the financial years ended 31 March 2020 and 2021 as included in section 18.1.6.

of this Universal Registration Document.

The Group's consolidated financial statements for the aforementioned periods have been prepared in accordance with IFRSs as endorsed by the European Union and have been audited.

As well as the consolidated financial statements, section 18.1 of this Universal Registration Document also incorporates Bigben Interactive's statutory financial statements for the financial year ended 31 March 2021 and the audit report on those statutory financial statements provided in section 18.3.

Nacon, which now houses the Group's Gaming business, was incorporated on 18 July 2019 and Bigben Interactive's former Gaming division was spun off into it on 31 October 2019, the date of its Shareholders' General Meeting, with retroactive effect for accounting and tax purposes from 1 October 2019.

The transaction included the development studios acquired by the Group in the previous 24 months, dedicated distribution subsidiaries and contracts related to the business, along with all of the Gaming division's patents and intellectual property. The transfer has clarified the Bigben Interactive Group's organisation, creating a legal distinction between its three divisions – Gaming, Mobile and Audio – within two operational business segments, i.e. the Bigben–Audio/Telco segment and the Nacon–Gaming segment.

7.1.1.1 Business performance

Performance by business line

in thousands of euros	12-month total			Contribution		
	2020/21	2019/20	2018/19	2020/21	2019/20	2018/19
Revenue	292,833	263,498	245,502	100%	100%	100%
of which						
Gaming	172,281	123,927	105,509	59%	47%	43%
Mobile	89,471	104,790	109,789	31%	40%	45%
Audio	31,082	34,781	30,204	11%	13%	12%

GAMING

2020/21 Gaming revenue amounted to €172.3 million, up 39.0% year-on-year as a result of strong momentum in the Gaming Accessories segment:

- The Gaming Accessories business posted record revenue of €103.2 million, up 95.1% as a result of the contribution from RIG® premium headsets, upbeat sales of controllers under licence and the introduction towards the end of the financial year of accessories for the new Xbox® Series X|S console.
- The Video Games business got a boost from the tripling of back catalogue sales to €31.0 million and the successful releases introduced during the financial year, including *Werewolf®: the Apocalypse - Earthblood*, *WRC® 9*, *Tennis World Tour® 2*, and *Hunting Simulator® 2*. Despite major releases being postponed into the 2021/22 financial year, revenue slipped back only slightly (down 2.8%) to €69.0 million from the 2019/20 financial year.

AUDIO/TELCO

Revenue in the Mobile business fell 14.6% to €89.5 million in 2020/21, down from €104.8 million in the previous year. The various lockdowns in France and across Europe took a major toll on the physical distribution networks, especially those run by telcos (players with market share of over 50% in France in particular). As a result, the business showed its resilience by curbing the decline in its revenue, especially through the substantial contributions made by the *Justgreen®* and *Force Case®* premium ranges. The slow roll-out of 5G technology has noticeably curbed end consumers' enthusiasm for the corresponding products.

In a market that was also affected by the knock-on effects of the Covid-19 pandemic on distribution networks, Audio managed to achieve revenue of €31.1 million, down just 10.6% relative to the 2019/20 financial year. This performance reflects the healthy sales performance by the *Thomson@* range and the success of listing the Group's product lines at 600 new sales outlets in the home decor and well-being business.

Performance by quarter

The Group has not identified any material event that could affect seasonal variations in its business. Although the Group's business levels may vary according to the release schedule of certain video games, and of smartphones in its Mobile business, and may increase towards the end of the calendar year (mainly in Gaming Accessories and Audio products), the Group believes that these factors are unlikely to produce significant seasonal variations in its earnings.

in millions of euros	2020/21	2019/20	2018/19
First quarter	55.2	58.6	48.7
Second quarter	80.6	68.5	57.3
First half	135.8	127	106
Third quarter	87.3	85.4	80.3
Fourth quarter	69.7	51.1	59.2
Second half	157.00		
TOTAL	292.8	263.5	245.5

During the 2020/21 financial year, Gaming's performance made up for the downturn in the Audio/Telco segments, especially in the first half of the financial year. Subsequently, with the steady, but gradual business upturn in the Audio/Telco segment, revenue growth moved into positive territory in the final quarter of the financial year.

Ultimately, the Group beat its revenue guidance for 2020/21 (total revenue of €292.8 million versus the top end of the full-year guidance range of €290 million).

Breakdown of sales by customer country*:

In thousands of euros	12-month total			Contribution		
	2020/21	2019/20	2018/19	2020/21	2019/20	2018/19
Revenue	292,833	263,498	245,502	100.0%	100.0%	100.0%
of which						
<i>France</i>	133,557	149,190	152,257	45.6%	56.6%	62.0%
<i>Export</i>	159,276	114,308	93,246	54.4%	43.4%	38.0%

In thousands of euros	12-month total		Contribution	
	2020/21	2019/20	2020/21	2019/20
Export revenue by geographical zone	159,276	114,308	100.0%	100.0%
<i>Europe</i>	91,419	74,284	57.4%	65.0%
<i>North America</i>	50,632	24,754	31.8%	21.7%
<i>Asia</i>	16,899	14,792	10.6%	12.9%
<i>Africa</i>	327	478	0.2%	0.4%

Segment reporting:

Bigben Interactive adjusted its business segments in 2019/20.

As part of the Group's reorganisation and the spin-off of the Gaming business to form Nacon, the Gaming businesses of Bigben Interactive SA, Bigben Interactive Hong Kong Ltd and Bigben Interactive España were carved out and placed into entities specially created for that purpose. The Group's other subsidiaries were placed within the Gaming division and the Group's shares in them were transferred to Nacon SA.

Given the highly integrated new organisation of the Gaming segment, a large proportion of costs are shared between the Video Games and Gaming Accessories businesses. The main shared costs are:

- marketing (a single head of marketing and a dedicated team),
- sales (a common sales force),
- a common administrative/financial/legal/management structure.

The Video Games and Gaming Accessories businesses share most of their customers. As a result, the Group only calculates recurring operating income at the Group level. Games developed by the studios acquired are marketed by all Group entities and therefore contribute to Nacon's overall cash flow.

Nacon has its own sales, marketing and finance functions. Sales of games in digital form are invoiced exclusively in France.

The Nacon Group's distribution subsidiaries based outside France handle physical sales of all gaming products. The subsidiary based in Hong Kong mainly handles the development and procurement of accessories from manufacturing partners. As a result, each Nacon Group subsidiary plays a specific role in the Nacon Group's value chain.

Similarly, Bigben Interactive's Audio and Telco businesses also show a high level of integration with each other. With the rise of smart devices, the Audio market is converging with the Telco market, they share many customers and the Bigben Interactive SA parent company in charge of Audio and its Bigben Connected subsidiary in charge of Telco share a manager in Michel Bassot, who is both Chief Operating Officer of Bigben Interactive SA and Chairman of Bigben Connected SAS.

Products developed by the Bigben Group's Audio/Telco segment are marketed by all Group entities and therefore contribute to Bigben's overall Audio/Telco cash flow.

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

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

As a result, each Bigben Interactive Group subsidiary plays a specific role in the Audio/Telco segment's value chain.

As a result, the Bigben Interactive Group considers that it has two operational business segments, which each have specific economic characteristics and represent a distinct market.

The two business segments adopted by the Group are now Bigben–Audio/Telco and Nacon–Gaming.

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

The information presented below is that now used by the Bigben Interactive Group's chief operating decision maker for internal reporting purposes and serving as the basis for insightful analysis of the Group's business and risks. The Group's chief operating decision maker within the meaning of IFRS 8 is a two-person team consisting of the Bigben Interactive Group's CEO and COO.

Fabrice Lemesre, CEO of the Bigben Interactive Group and Michel Bassot, COO of the Bigben Interactive Group, together constitute the Bigben Group's chief operating decision maker within the meaning of IFRS 8. They are supported at the Bigben Interactive Group level by a Corporate Secretary, a Chief Financial Officer and Chief Logistics Officer, and at the subsidiary level, by the Nacon Group's management team, heads of studios (in charge of game development) and heads of distribution subsidiaries that distribute all of the Group's products.

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

In thousands of euros	2019/20			
	Gaming	Mobile	Audio	Group
Total revenue	123,927	104,790	34,781	263,498
Bigben–Audio/Telco	566	103,799	29,705	134,071
Nacon–Gaming	123,361	991	5,075	129,427

in thousands of euros	2018/19			
	Gaming	Mobile	Audio	Group
Total revenue	105,509	109,789	30,204	245,502
Bigben–Audio/Telco	4	108,735	23,662	132,402
Nacon–Gaming	105,505	1,054	6,542	113,101

Given the way in which the distribution subsidiaries were carved out in the aforementioned spin-off from Bigben Interactive to Nacon, the Nacon–Gaming segment still includes a very small amount of non-Gaming revenue and the Bigben–Audio/Telco segment still includes some non-Audio/Mobile revenue.

7.1.2 Forecast developments and R&D activities

Implications of the Covid-19 (coronavirus) crisis

In the 2021/22 financial year, the Nacon–Gaming segment has seen a positive impact on accessories sales, with the new forms of working-from-home, videoconferencing and leisure activities, and its digital games sales continue to rise.

Conversely, sales by the Bigben–Audio/Telco segment, though affected at the start of the year by the various lockdowns in European countries, reaped the benefit of favourable base effects (less strict lockdowns than in the first quarter of the 2020/21 financial year).

To deal with the pandemic situation as effectively as possible, the Group intends to continue pursuing the approach it has taken since the outset of the crisis in March 2020 to minimise the direct impact on its operations and costs.

During the Covid-19-enforced lockdowns (spring 2020, autumn 2020 and spring 2021), and as outlined in the declaration of non-financial performance in section 5.7.4., so as not to expose the health of its employees and third parties with whom they are in contact, the vast majority of people working in support services and development have been doing so remotely, while the logistics warehouse adjusted its workload so that it can operate with a reduced staff. The Group introduced a strict lockdown-easing plan once the respective governments had authorised this, protecting the health of its staff members and

third parties when they return to the Group's premises and allowing activities to resume gradually in accordance with health guidelines.

The situation regarding the sourcing of accessories from the Group's suppliers had returned to normal by mid-April 2020 while the Group, which had sourced its supplies in advance, was not affected by the components crisis at the end of the financial year and does not expect to be affected over the next few months.

The Bigben Interactive Group is not expecting any cash flow problems over the next few months. The Gaming segment still has a large cash position with which to fund its development following Nacon's IPO in March 2020, through which it raised €103 million (after deducting IPO expenses). At the same time, the Audio/Telco entities will cover their own working capital requirement in 2021/22 by using the €84.6 million in proceeds raised (less the €2.7 million in issuance expenses) from issuing bonds exchangeable for Nacon shares in February 2021.

As a result, the Group is in a position to maintain and develop its business activities in the 2021/22 financial year.

Apart from the information set out above, the Company has not identified any elements or factors of a governmental, economic, budgetary, monetary or political nature that may have materially influenced or may materially influence, directly or indirectly, its business in the next 12 months.

Guidance - Current financial year and medium term

See section 10.1.

With the firm trends in the Gaming business, the Group is expecting revenue of €300-320 million in 2021/22 and is aiming for recurring operating margin¹² of around 13%.

In the longer term, the "Bigben 2023" plan will involve the development of the Nacon–Gaming division, a major overhaul of the product ranges and the diversification of the Bigben–Audio/Telco division's sales channels.

With the more rapid pace of Nacon Gaming's growth, the Bigben Interactive Group is raising its guidance for the 2022/23 financial year to:

- revenue of between €360 million and €390 million (as opposed to the €350 million originally forecast)
- with a recurring operating margin¹³ of over 14% (as opposed to 13% previously),

R&D activities

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

In the 2019/20 and 2020/21 financial years, the Group took the view that the conditions for capitalising R&D expenses were met for certain projects. As a result, the Group either expensed (for accessories) or capitalised (for games) its R&D costs for the relevant period.

Capitalised R&D costs amounted to €48.5 million in 2020/21 and €32.8 million in 2019/20.

Finally, since the acquisition of development studios in 2018 and 2019, the Group – via its French and Canadian studios – has also benefited from the French video game tax credit (CIJV). Through a French government decree of 9 August 2017, the French CIJV was increased from 20% to 30% of a company's development expenditure, capped at €6 million per year as opposed to €3 million previously. As a result, the Group benefited from a CIJV tax credit of €2.4 million in 2020/21 (versus €3.0 million in 2019/20).

¹² Recurring operating margin = Recurring operating income as a proportion of revenue

¹³ Recurring operating margin = Recurring operating income as a proportion of revenue

7.2 OPERATING INCOME

7.2.1 Recurring operating income

(in thousands of euros)	2020/21	2019/20	2018/19
Revenue	292,833	263,498	245,502
Purchases consumed	(171,001)	(154,573)	(147,861)
Gross profit	121,833	108,925	97,641
Other operating revenue	863	867	745
Other purchases and external expenses	(25,363)	(30,994)	(28,457)
Taxes other than income tax	(1,386)	(1,744)	(1,873)
Personnel costs	(26,848)	(22,991)	(21,918)
Other operating expenses	(1,603)	(1,565)	(1,210)
Gains or losses on disposals of non-current assets	104	0	11
EBITDA	67,601	52,498	44,939
Depreciation and amortisation of non-current assets	(31,391)	(28,812)	(23,211)
Recurring operating income	36,210	23,686	21,728

In 2020/21, Bigben Interactive's earnings grew, with recurring operating income reaching €36.2 million (equal to 12.4% of revenue) as opposed to €23.7 million (9.0% of revenue) in the previous financial year. The Group's profitability thus surpassed the guidance it had issued.

However, performance varied widely between segments for the second year in a row, as shown the table below, which compares the performance of the Nacon–Gaming segment with that of the Bigben–Audio/Telco segment.

2020/21

<i>in thousands of euros</i>	Bigben– Audio/Telco	2019/20	Group total
Consolidated revenue	114,999	177,834	292,833
EBITDA	7,299	60,302	67,601
Recurring operating income	3,680	32,531	36,210

2019/20

<i>in thousands of euros</i>	Bigben– Audio/Telco	Nacon– Gaming	Group total
Consolidated revenue	134,071	129,427	263,498
EBITDA	4,137	48,361	52,498
Recurring operating income	1,066	22,620	23,686

2018/19

<i>in thousands of euros</i>	Bigben– Audio/Telco	Nacon– Gaming	Group total
Consolidated revenue	132,402	113,101	245,502
EBITDA	11,579	33,359	44,939
Operating income	9,186	12,542	21,728

Nacon–Gaming segment:

With revenue moving up sharply, especially thanks to the very strong performance by the Gaming Accessories business, the Nacon–Gaming segment delivered a significant increase of 37.4% in its revenue to €177.8 million. That growth lifted recurring operating income to €32.5 million, or 18.3% of revenue. Recurring operating income was almost 44% higher than the €22.6 million recorded in the previous financial year.

The main factor behind that trend was a volume effect in Gaming Accessories (which almost doubled its revenue during the financial year) and a tight grip on the Group's operating expenses.

The shift in the business mix away from the Video Games segment (40.1% of 2020/21 the Nacon–Gaming segment's revenue, as opposed to 57.4% of the segment's 2019/20 revenue) automatically triggered a contraction in gross margin to 52.6% in the 2020/21 financial year, down from 61.1% in 2019/20. Nonetheless, gross profit posted a significant increase of 18.3% to €93.5 million, up from €79.0 million in the previous year.

In addition to gross profit:

- the small reduction in external expenses (down 6.4%)
- the near-stability in personnel costs at a level consistent with the level of revenue growth (up 36.1% on the previous year, or a €15.0 million increase, still at 8.4% of revenue), and
- €27.8 million in depreciation and amortisation of non-current assets (up just 7.9% on the previous financial year)

contributed to the slight increase in the Nacon–Gaming segment's relative profitability during the 2020/21 financial year (note that most of the additional staff hired in recent years were assigned to developing games and the related personal expense was thus capitalised).

The Nacon–Gaming segment's EBITDA totalled €60.3 million in 2020/21, up 24.7% year-on-year. EBITDA margin was 33.9%, down 3.5 points year-on-year.

Bigben–Audio/Telco segment:

With the Bigben–Audio/Telco segment affected, primarily towards the beginning of the financial year, by the effects of the Covid-19 pandemic on the physical distribution networks, Bigben Interactive still managed to post healthy results in this segment. In particular, recurring operating income totalled €3.7 million (3.2% of 2020/21 revenue), as opposed to just €1.1 million in the previous financial year.

With revenue falling 14.2% overall, the Group focused on the level of its gross profit (new products in the Mobile business, development of new distribution networks for the Audio products). The gross margin moved up 2.3 points year-on-year to reach 24.6% of revenue. Gross profit totalled €28.3 million in the 2020/21 financial year, as opposed to €29.9 million in the previous financial year, representing a small decline of 5.1%.

In addition to gross profit:

- the small reduction in external expenses (down €4.4 million)
- the near-stability in personal expense at €11.9 million in the 2020/21 financial year, down from €12.0 million in the previous financial year (with a significant positive impact from the French government's furlough arrangements), and
- €3.6 million in depreciation and amortisation of non-current assets (up €0.5 million on the previous financial year)

contributed to the pick-up in the Bigben–Audio/Telco segment's profitability in the 2020/21 financial year despite a highly adverse economic environment.

At the same time, the Group maintained its investment efforts in the Audio/Telco segment, including product development and the launch of the new *Justgreen*[®] and *AromaSound*[®] ranges (iPhone 12 compatible protectors, TWS Bigben[®] headphones, further marketing efforts behind *Justgreen*[®] and

AromaSound®), which meant that it retained all of its sales and operational staff broadly speaking, despite lower business levels.

The Bigben–Audio/Telco segment’s EBITDA totalled €7.3 million in 2020/21, up 76.4% year-on-year. EBITDA margin was 6.3% of revenue, up 3.2 points year-on-year.

Group EBITDA was boosted by the first-time adoption of IFRS 16 “Leases” in 2019/20. As a lessee, the Group now recognises:

- a “right-of-use asset relating to leases”, representing its right to use the underlying asset, on the asset side of its balance sheet,
- a lease liability, representing its obligation to make future lease payments, on the liabilities side of its balance sheet.
- It also recognises an amortisation charge on the right-of-use asset relating to leases and an interest expense on the associated lease liabilities, instead of the operating lease expenses previously recognised.

In the 2019/20 financial year, the adoption of IFRS 16 had a non-material negative impact (€45 thousand) on recurring operating income and a positive €2.12 million impact on EBITDA.

Overall, the Group’s recurring operating income (in its two segments combined) surged 52.87% to €36.2 million, taking into account €31.4 million of depreciation and amortisation charges on non-current assets in 2020/21 (an increase of 8.9%). The relatively small increase in depreciation and amortisation reflects the postponement of the release of certain key games into the current 2021/22 financial year. The Nacon–Gaming segment is maintaining its strategy of investing in this area, and its goal remains to increase the quality of the video games it develops (higher development costs and larger number of titles), which will eventually drive up the size and value of its catalogue.

7.2.2 Non-recurring operating items

(in thousands of euros)	2020/21	2019/20	2018/19
Recurring operating income	36,210	23,686	21,728
Bonus share and stock-option plans	(6,371)	(2,339)	(1,852)
Other non-recurring operating items		(522)	2,530
Income from associates - Similar activity		(1)	(87)
Operating income	29,840	20,823	22,319

In 2020/21, non-recurring items consisted mainly of the IFRS 2 expenses arising from recognising bonus shares granted to the Group’s employees and corporate officers by Bigben Interactive at fair value, which amounted to €6.4 million because of new bonus share entitlements granted to the employees and corporate officers of newly acquired development studios.

Non-recurring operating items in 2019/20 included €239 thousand of fees relating to the spin-off of Bigben Interactive SA’s Gaming segment to Nacon.

8. CASH POSITION AND CAPITAL

The financial information in this section is taken from the Group's consolidated annual financial statements prepared in accordance with IFRSs as adopted by the European Union for the financial years ended 31 March 2020 and 31 March 2021. Please read this analysis of the Group's earnings and financial position for the financial year ended 31 March 2021 together with the Group's financial statements and the notes to the financial statements set out in section 18.1.6. of this Universal Registration Document and all the other financial information contained in this Universal Registration Document.

Definitions and alternative performance indicators:

Balance sheet indicators

Definition of gross debt:

Gross debt refers to the company's medium- and long-term financial liabilities, along with short-term bank facilities. Bigben Interactive calculates gross debt as the sum of long-term and short-term financial liabilities.

Definition of net debt and net cash

Net debt and net cash refer to the balance of the company's financial liabilities, financial investments and cash and cash equivalents. That balance may be positive or negative, and represents the company's financial position with respect to third parties. Bigben Interactive calculates that balance by deducting gross debt from cash and cash equivalents.

Definition of gearing:

Gearing is a ratio that relates to a company's funding. It compares a company's overall debt with its equity, and reflects its solvency. Bigben Interactive calculates gearing by calculating its net debt as a proportion of its total equity.

For convenience, the "Statement of financial position" in the consolidated financial statements in section 18.1.6 is referred to as the "Balance sheet" in this section.

8.1 INFORMATION ON THE COMPANY'S SHARE CAPITAL, LIQUIDITY AND FUNDING SOURCES

Key balance-sheet figures in the last three financial years

<i>in thousands of euros</i>	31 March 2021	31 March 2020	31 March 2019
Non-current assets	197,125	168,178	141,436
Current assets	339,009	272,531	150,513
TOTAL ASSETS	536,134	440,709	291,949
Total equity	301,971	282,364	164,349
Non-current liabilities	136,904	60,713	40,855
Current liabilities	97,258	97,632	86,745
Total equity and liabilities	536,134	440,709	291,949

Non-current assets:

<i>in thousands of euros</i>	31 March 2021	31 March 2020	31 March 2019
Goodwill	65,980	63,903	58,285
Right-of-use assets	9,743	4,904	
Other intangible assets	103,347	81,332	66,188
Property, plant and equipment	12,801	13,179	13,419
Shares in associates	0	43	44
Other financial assets	1,649	1,447	919
Deferred tax assets	3,604	3,369	2,582
Non-current assets	197,125	168,178	141,436

Non-current assets increased by €28.9 million between 31 March 2020 and 31 March 2021 in particular as a result of the acquisition of Neopica completed in October 2020 and, even more crucially, of expansion in the games portfolio (catalogue and games under development).

To recap, the deals for *Passtech Games* and *Big Ant Studios* were completed after the close of the financial year.

The Group's non-current assets currently include around €66.0 million of goodwill relating to acquisitions:

- of Mobile accessories businesses in particular (acquisition of ModeLabs in 2011), with goodwill in the Bigben–Audio/Telco segment amounting to €34.8 million;
- of the recently acquired video game development studios, with goodwill in the Nacon–Gaming segment amounting to €31.1 million.

Other intangible assets of €103.3 million mainly correspond to higher capitalised video game development costs, but also assets relating to the RIG™ brand acquired at the end of the 2019/20 financial year within the Nacon–Gaming segment.

As mentioned in chapter 7, the 2019/20 financial year was also affected by the first-time adoption of IFRS 16 “Leases” effective 31 March 2020. In the financial statements for the periods ended 31 March 2020 and 31 March 2021, the Group recognises as a lessee:

- a “right-of-use asset relating to leases”, representing its right to use the underlying assets, on the assets side of the balance sheet, which amounted to €4.9 million at 31 March 2020 and €9.7 million at 31 March 2021,
- a lease liability, representing its obligation to make future lease payments, on the liabilities side of its balance sheet, which amounted to €4.9 million at 31 March 2020 and €9.8 million at 31 March 2021 (€7.4 million long-term and €2.4 million short-term),
- It also recognises an amortisation charge on the right-of-use asset relating to leases and an interest expense on the associated lease liabilities, instead of the operating lease expenses previously recognised.

Current assets:

<i>in thousands of euros</i>	31 March 2021	31 March 2020	31 March 2019
Inventories	65,784	66,054	57,647
Trade receivables	72,479	65,082	61,549
Other receivables	15,933	16,672	16,008
Current tax assets	6,979	6,578	1,096
Cash and cash equivalents	177,834	118,147	14,213
Current assets	339,009	272,531	150,513

The modest increase in current assets (excluding cash) reflected the rise in trade receivables to €72.5 million at 31 March 2021 (up 11.4% compared with 31 March 2020) as a result of the business growth achieved by the Group. At the same time, the very small decrease in inventories (down €0.3 million to €65.8 million) and larger decline in other receivables (down €0.7 million to €15.9 million) reflected Bigben Interactive's tight grip on its current assets.

Cash and cash equivalents amounted to €177.8 million at 31 March 2021 as opposed to €118.1 million at 31 March 2020. To recap, Bigben Interactive reaped the benefit of its Nacon subsidiary's IPO and related capital increase, which boosted that company's cash position by €103.0 million after expenses at the close of the 2019/20 financial year. More recently, Bigben Interactive issued conditionally guaranteed senior bonds exchangeable into existing Nacon shares, which raised €87.3 million in February 2021.

Funding sources

In 2020/21, after the successful IPO of its Nacon subsidiary in the previous financial year as referred to above, Bigben Interactive raised around €92.2 million in total funding, mainly from:

- an issue of conditionally guaranteed senior bonds exchangeable into existing Nacon shares, which raised €87.3 million (€84.6 million net of issuance costs),
- €15.0 million in new borrowings arranged in the form of French state-guaranteed loans (€12.5 million of which were repaid at the end of the financial year)
- €2.4 million of government support for the Nacon–Gaming segment via the video game tax credit (CIJV),

The contribution of the main funding sources (bonds, bank borrowings and CIJV) during the period presented is set out in the sections below.

Financing by bonds exchangeable into Nacon shares

On 19 February 2021, Bigben Interactive issued conditionally guaranteed senior bonds exchangeable into existing Nacon shares raising €87.3 million.

The main terms of that transaction are as follows:

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

Please refer to Note 2.1.4 of the statutory financial statements and Note 2.2.4 of the Company's consolidated financial statements for more details of the characteristics of this bond financing.

Borrowings and net cash

The Group may borrow money in particular to fund the investment needs of the Nacon–Gaming segment

(i.e. to develop its games and fund acquisitions).

To fund its working capital requirement, development costs and the acquisition of development studios (Kylotonn, Cyanide, Eko Software and Spiders), around €79.4 million in medium-term borrowings have been arranged since the end of 2016, initially by Bigben Interactive and then subsequently transferred to Nacon (in October 2019 in connection with the spin-off), of which €52.9 million was still to be repaid at 31 March 2021.

Given the new borrowings arranged during the 2020/21 financial year and the repayments made at the same time, plus the €87.3 million bond issue, the capital repayable by the Group at 31 March 2021 totalled €140.4 million, of which €18.9 million is due in the short term.

The €18.9 million of borrowings that were long-term at inception and due to mature before 31 March 2021 consist of repayments on loans from around 20 banks and other financial institutions, as provided for in the loan agreements. Those medium-term loans were taken out mainly either to finance studio acquisitions or to cover game development costs.

The Group's net cash at 31 March 2021 broke down as follows:

Key consolidated treasury figures from the last three financial years

<i>in thousands of euros</i>	31 March 2021	31 March 2020	31 March 2019
Cash and cash equivalents	177,834	118,147	14,213
Gross debt	145,625	74,703	50,428
Net cash/Net debt	32,210	43,443	(36,216)
Gearing	-10.7%	-15.4%	22.0%
Net cash/Net debt	(32,210)	(43,443)	36,216
EBITDA	67,601	52,498	44,939
Net leverage (Net debt/EBITDA)	-0.5	-0.8	0.8

Funding through government support - CIJV

Through a French government decree of 9 August 2017, the French video game tax credit (CIJV) was increased from 20% to 30% of a company's development expenditure, capped at €6 million per year as opposed to €3 million previously.

In 2020/21, the Group's studios therefore benefited from a €2.4 million CIJV tax credit.

8.2 CASH FLOW

<i>in thousands of euros</i>	2020/21	2019/20	2018/19
Net cash flow from operating activities			
Funds from operations	66,655	52,045	46,896
Change in WCR	(6,254)	(21,506)	(21,878)
NET CASH FLOW FROM OPERATING ACTIVITIES	52,566	27,546	22,551
Cash flow from investing activities			
NET CASH FLOW FROM INVESTING ACTIVITIES	(54,083)	(43,444)	(43,964)
NET CASH FLOW FROM FINANCING ACTIVITIES			
	64,105	119,727	19,182
Net change in cash and cash equivalents	62,145	103,766	(1,910)
Cash and cash equivalents at start of period	113,051	9,285	11,195
Cash and cash equivalents at end of period	175,197	113,051	9,285

8.2.1 Cash flow from operating activities

<i>in thousands of euros</i>	2020/21	2019/20	2018/19
Net cash flow from operating activities			
Net income for the period	14,700	16,115	17,346
<i>Elimination of income and expenses that have no cash impact or are unrelated to operating activities</i>			
• Income from associates		(1)	87
• Attributable to non-controlling interests	4,218	132	
• Additions to depreciation, amortisation and impairment	31,392	28,812	23,211
• Change in provisions	395	(248)	430
• Net gain or loss on disposals	(92)	10	(11)
• Net financial income/expense	1,609	1,394	1,085
• Other non-cash income and expense items	6,245	2,339	(685)
• Income tax expense	8,187	3,492	5,433
Funds from operations	66,655	52,045	46,896
Inventories	177	(8,780)	(6,106)
Trade receivables	(7,276)	(8,636)	(11,957)
Trade payables	845	(4,090)	(3,816)
Change in WCR	(6,254)	(21,506)	(21,878)
Cash from operating activities	60,401	30,539	25,018
Income tax paid	(7,835)	(2,993)	(1,788)
Interest paid			(679)
NET CASH FLOW FROM OPERATING ACTIVITIES	52,566	27,546	22,551

As shown by the financial statements for 2020/21, net cash flow from operating activities after tax and interest paid was both positive and substantially higher, at €52.6 million in 2020/21, as opposed to €27.5 million in 2019/20, an increase of 90.8%.

The increase was mainly due to:

- a clear increase in funds from operations (up 28.1%), consistent with the improvement in the Group's operating income. Bigben Interactive's funds from operations totalled €66.7 million in 2020/21,

- changes in the working capital requirement, which dragged down cash flow by €6.2 million in 2020/21 because of changes in items corresponding to operating assets: higher trade receivables (up €7.4 million), offset partially by the decline in other receivables (down €0.8 million).

8.2.2 Net cash flow from investing activities

<i>in thousands of euros</i>	2020/21	2019/20	2018/19
Cash flow from investing activities			
Purchases of intangible assets	(51,255)	(35,219)	(29,606)
Amortisation included in development costs	0	622	
Purchases of property, plant and equipment	(1,377)	(1,253)	(683)
Disposals of property, plant and equipment and intangible assets	161	4	41
Purchases of non-current financial assets	(69)	(561)	(17)
Disposals of non-current financial assets	56	3	87
Net cash inflow/(outflow) from disposals and acquisitions of subsidiaries	(1,598)	(7,040)	(13,786)
NET CASH FLOW FROM INVESTING ACTIVITIES	(54,083)	(43,444)	(43,964)

As shown by the financial statements for 2020/21, net cash flow from investing activities represented an outflow of €54.1 million, as opposed to €43.4 million in 2019/20.

The increase was mainly due to:

- the Nacon–Gaming segment's increasing investments, particularly in publishing and development (capital expenditure of €48.5 million in 2020/21, almost 50% higher than the 2019/20 figure of €32.8 million),
- the net amount disbursed (€1.6 million in 2020/21 versus €7.0 million in 2019/20) on the acquisitions of/increased investment in the Neopica and RaceWard studios in 2020/21.

To recap, the deals for Passtech Games and BigAnt Studios were completed after the close of the financial year.

8.2.3 Net cash flow from financing activities

<i>in thousands of euros</i>	2020/21	2019/20	2018/19
Cash flow from financing activities			
Capital increase	0	102,974	
Dividends paid to the parent company's shareholders	0	(3,899)	(1,904)
Own shares (repurchased) and resold	(4,955)	46	0
Interest paid	(1,628)	(1,353)	(406)
Increase/(decrease) in lease liabilities	(3,717)		
Cash inflows from borrowings	99,997	35,454	28,812
Repayments of borrowings and debts	(25,592)	(13,495)	(7,320)
NET CASH FLOW FROM FINANCING ACTIVITIES	64,105	119,727	19,182

As shown by the financial statements for 2020/21, net cash flow from financing activities represented an inflow of €64.1 million, as opposed to €119.7 million in 2019/20.

The increase was mainly due to:

- the successful issue of conditionally guaranteed senior bonds exchangeable into existing Nacon shares, which raised €87.3 million (€84.6 million net of issuance costs),
- new French state-guaranteed loans totalling €15.0 million during the financial year, as opposed to €17.6 million of repayments during the same period,
- the €5.0 million buyback of Bigben Interactive shares.

The other movements were not considered material at Group level.

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

8.3.1 Funding structure

At 31 March 2021, the Group's funding structure was as follows:

- equity of €302.0 million, taking into account €49.2 million of non-controlling interests (minority shareholders of Nacon),
- net cash of €32.2 million, taking into account €177.8 million of available cash and equivalents and €145.6 million of debt (excluding IFRS 16 impact).

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

More recently, during the 2020/21 financial year, Bigben Interactive arranged around €15.0 million of new borrowings and repaid €17.6 million of borrowings during the same period. Even more significantly, it successfully issued conditionally guaranteed senior bonds exchangeable into existing Nacon shares, which raised €87.3 million (€84.6 million net of issuance costs).

8.3.2 Funding policy

The Group's funding requirements have been as follows in the last 24 months:

Non-current assets: acquisitions and development costs

Between 1 April 2019 and 30 September 2019, Bigben Interactive had also arranged medium-term bank borrowings totalling €19.0 million to fund the acquisition of the Spiders studio, the purchase of the equity stake in RaceWard and development costs in its Gaming division. All of those borrowings were transferred by Bigben Interactive to Nacon through the spin-off on 31 October 2019.

Since October 2019, Nacon has arranged two medium-term 5-year loans in its own name for €6.0 million and €5.0 million respectively from two financial institutions to fund its working capital requirement, its development costs and its future acquisitions, including the acquisition of RIG™ assets (gaming headsets and brand) from Plantronics Inc. in a deal announced in early 2020 and completed in March 2020.

With the success of its IPO in early 2020 and the €103.0 million in funds raised, Nacon did not consider it necessary to arrange additional borrowings during the 2020/21 financial year, as its investments (acquisition of Neopica and development of games) were funded using equity capital.

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

Working capital requirement (WCR)

The Group uses short-term borrowings and factoring to fund its working capital requirement. In particular, Bigben Interactive HK Ltd and Nacon Hong Kong Ltd have certain short-term credit facilities.

Finance lease liabilities

All of Bigben Interactive's outstanding finance leases except those relating to the car fleet concern the Lauwin-Planque logistics site.

8.4 RESTRICTIONS ON THE USE OF CAPITAL

There are no restrictions on the Company's use of capital.

However, please refer to the notes to the consolidated financial statements, particularly as regards banking covenants.

8.5 FUNDING SOURCES REQUIRED FOR THE FUTURE

With the success of its early 2020 IPO and the concomitant fundraising transaction that raised €103.0 million (net of IPO expenses), as well as the substantial net cash position it maintained during the most recent financial year (€96.7 million in available gross cash at 31 March 2021), the Nacon subsidiary currently takes the view that the financial resources at its disposal amply suffice for it to implement its strategic plan between now and 2023.

Likewise, the Bigben–Audio/Telco segment entities now have greater financial resources at their disposal following Bigben Interactive's completion of its February 2021 issue of bonds that raised €87.3 million (€84.6 million after deducting the issuance costs).

Accordingly, the Group as a whole is in a position to execute its strategy, which should enable it to achieve revenue of between €360 million and €390 million in its 2022/23 financial year, together with a recurring operating margin in excess of 14%. The Group recently announced this guidance to investors in the release containing its full-year results for the year ended 31 March 2021 (see section 10 of this Universal Registration Document).

In the shorter term, Bigben Interactive's guidance for the current financial year stands at revenue of between €300 million and €320 million, with a recurring operating margin of 13% (see section 11 of this Universal Registration Document).

9. REGULATORY ENVIRONMENT

It should be noted that the Group's carries out its business in accordance with the strictest standards arising from European Union directives regarding:

- environmental protection,
- consumer health and safety.

The need to comply strictly with those directives affects all stages of the lifecycle of products developed by Bigben Interactive:

- design,
- manufacturing,
- distribution,
- use by the consumer.

Bigben Interactive complies with the following standards and directives applicable to physical products:

- **WEEE (waste electrical and electronic equipment) directive**

The WEEE directive, applicable to European Union countries, aims to promote the recycling of electrical and electronic equipment (EEE) and to encourage designers to design easily recyclable products.

The directive came into force in November 2006 and requires manufacturers and importers of EEE to cover the cost of retrieving and processing waste electrical and electronic equipment. Bigben Interactive took steps to comply with the WEEE directive as soon as it came into force in the European Union.

- **Directive 2006/66/EC (batteries and accumulators and waste batteries and accumulators)**

This directive, which repealed directive 91/157/EEC, requires batteries and accumulators to be recycled and imposes restrictions on the use of mercury in batteries. Directive 2006/66/EC came into force in September 2008 and also introduced incentives for the collection and recycling of those products.

Bigben Interactive's business bears no similarities with that of a battery manufacturer. However, some of its electronic accessories may feature batteries. In that case, the batteries (lithium, etc.) are properly tested to ensure compliance with regulations. In addition, as part of its social and environmental responsibility approach, Bigben Interactive has also adopted a proactive battery recycling policy at its head office.

- **Directive 94/62/EC (packaging and packaging waste – eco-packaging)**

This directive, by introducing financial contributions that can be substantial in some cases, requires manufacturers to make significant efforts to recycle the packaging used for their products. The materials used must be recoverable for recycling or incineration.

As regards recycling, Bigben Interactive SA uses the waste collection, processing and recovery services of Eco-Systèmes, at Bigben Interactive's Lauwin-Planque warehouse, in relation to the packaging of products sold in the French market.

- **Regulation (EC) 1907/2006 (REACH)**

This regulation concerns the production or importing of any chemical substance, including substances incorporated into any material, preparation or article. Any downstream use of such substances is also covered by this regulation. It requires all manufacturers and all importers to carry out extensive risk analyses and tests. A manufacturer must prove that the substance is harmless, failing which the product or substance concerned will be withdrawn from the market.

All of Bigben Interactive's accessories contain plastic. To ensure they comply with REACH, they all undergo testing by certification organisations such as Intertek and SGS.

It should also be noted that, every two years, all of Bigben Interactive's products are checked by the DDPP (regional department for protection of the population), part of France's DGCRF (directorate

general for competition, consumer affairs and the prevention of fraud).

- **Directive 2009/48/EC (safety of toys)**

This directive relates more specifically to products used by children aged under 14. Its purpose is to establish safety requirements that toys sold in the EU must meet. Its requirements are designed to ensure a high level of health and safety in order to protect the public and the environment and to ensure the free movement of toys in the EU. It also sets out the specific responsibilities of the various participants in the supply chain, including the manufacturer, importer, retailer and distributor. The directive is updated periodically to set safety limits for chemical substances used in toys.

Bigben Interactive's products are aimed mainly at an adult audience. Before its electronic products are launched in the market, Bigben Interactive subjects them to a set of tests to ensure they comply with the required regulatory quality standards.

- **RoHS (restriction of hazardous substances) directive**

With the development of electrical and electronic products with increasingly short lifespans, industrialised countries took the view that urgent legislation was needed in this area. The European RoHS directive sends a strong signal, requiring environmental protection to be taken into account in the production process, and supplements the WEEE directive regarding recycling. By reducing the number of hazardous chemicals used in electrical and electronic equipment, the production of hazardous waste is minimised. The upstream reduction of hazardous substances also reduces recycling costs. All products made by Bigben Interactive since the directive came into force (July 2006) comply with RoHS standards applicable in the European Union.

- **Directive 2014/30/EU (electromagnetic compatibility – EMC)**

This directive requires specific efforts to be made in the design of electrical and electronic products so that they do not produce electromagnetic interference and cannot be affected by such interference. Bigben Interactive has its products tested for compliance with the EMC directive.

- **Directive 2014/35/EU (low voltage directive – LVD)**

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














Bigben Interactive applies the CE mark to its products to indicate compliance with European health, safety and consumer protection directives and allow the free movement of its products in the European Union.

More specifically, for physical and digital games:

- **PEGI**

As a publisher of video games, Bigben Interactive, like all major players in its industry, uses the PEGI rating system, which gives consumers a simple and effective way of checking suitability. The rating system allows young people to be denied access to and protected from content or behaviours that are unsuitable for people their age, based on effective control by their parents.

PEGI PICTOGRAMMS

	 VIOLENCE	 BAD LANGUAGE	 FEAR	 SEX	 DRUGS	 GAMBLING	 DISCRIMINATION	 IN-GAME PURCHASES
 3 www.pegi.info	—	—	—	—	—	—	—	—
 7 www.pegi.info	✓	—	✓	—	—	—	—	—
 12 www.pegi.info	✓	✓	✓	✓	✓	✓	—	—
 16 www.pegi.info	✓	✓	—	✓	✓	✓	—	—
 18 www.pegi.info	✓	✓	—	✓	✓	✓	✓	—

Nacon sells games in all age categories, from 3+ and 7+ up to 18+.

- **Regulations applicable to telephony activities**

Telephony products must comply with certification standards intended to ensure user safety (CE standards) and compatibility with GSM (FTA and GCF), EDGE and 4G networks, along with regulatory standards in force in all countries in which the Group operates.

10. TRENDS

10.1 MAIN TRENDS SINCE THE START OF THE CURRENT FINANCIAL YEAR

When Bigben Interactive announced its results for the 2020/21 financial year, it highlighted its favourable outlook for the current 2021/22 financial year.

In 2021/22, the Nacon–Gaming segment reported that the Covid-19 pandemic continues to boost its digital games sales and accessories sales. However, the Bigben–Audio/Telco segments were again affected at the start of the financial year by the various lockdowns in European countries. Though less strict, they had a negative impact on Mobile Accessories and Audio products.

The Group plans to continue pursuing the policy it has introduced to mitigate the effects of the pandemic.

The Group thus anticipates

- **for Nacon Gaming:** in a market buoyed by the release of next-generation games consoles, a year of revenue and profitability growth, as a result of the following drivers:
 - ongoing digital sales of the back catalogue;
 - the launch of new video games, including the highly anticipated *RIMS Racing*, *Roguebook*, *Vampire: The Masquerade®-Swansong*, *Blood Bowl 3®* and *WRC®10* titles; The Group is confident that it will be able to launch games as scheduled in its line-up;
 - the commercial momentum of accessories (premium headsets, PlayStation® 4 and Pro Compact controllers for Xbox® Series X|S), which will benefit from the release of the Revolution X Pro controller for Xbox® and controllers specially designed for cloud gaming in summer 2021,
- **and for Audio/Telco:** the opening-up of new sales channels and adaptation of the Group's product ranges to these, the enrichment of the *Just Green®* and *Force®* ranges of accessories for mobiles and favourable market conditions (deployment of 5G, ramp-up in USB-C) which will unlock the expected growth sources in the second half of the financial year.

Bigben Interactive intends to control its operating expenses very carefully and adjust them to business levels. As a result, recurring operating income should see little impact from the Covid-19 pandemic because of the wider margins generated on digital sales.

In the longer term, the Bigben 2023 plan will involve the development of the Nacon–Gaming division, with its major new game titles (*Test Drive Unlimited Solar Crown*, *Steelrising*, *The Lord of the Rings™: Gollum™*, etc.) slated for release from the 2022/23 financial year, as well as a far-reaching overhaul of its Bigben–Audio/Telco division's ranges and the diversification of sales channels.

With the more rapid pace of Nacon Gaming's growth, the Bigben Interactive Group is raising its guidance for the 2022/23 financial year to:

- revenue of between €360 million and €390 million (as opposed to the €350 million originally forecast)
- with a recurring operating margin¹⁴ of over 14% (as opposed to 13% previously),

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

Please see section 7.1.2 concerning the implications of the Covid-19 (coronavirus) crisis.

¹⁴ Recurring operating margin = Recurring operating income as a proportion of revenue

11. EARNINGS FORECASTS AND ESTIMATES

The 2021/22 forecasts presented below are based on data, assumptions and estimates that the Group regarded as reasonable at the date of this Universal Registration Document.

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

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

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

11.1 ASSUMPTIONS

The Group has made forecasts for 2021/22 in accordance with the accounting policies applied when preparing the Group’s consolidated financial statements for the year ended 31 March 2021.

Those forecasts are based mainly on the following assumptions for the year ended 31 March 2022:

- no material change in the scope of consolidation relative to the scope of consolidation at 31 March 2021 other than effective completion of the acquisitions of the Passtech Games and BigAnt Studios development studios,
- market developments in line with the trends set out in section 5.2 of this Universal Registration Document, including
 - o **for Nacon Gaming:** more rapid digitalisation of the market and the rise of eSports and cloud gaming;
 - o **and for Bigben Audio Telco:** roll-out of 5G, withdrawal of chargers from sales of new smartphones by Apple and Samsung helping to drive additional sales, ramp-up in the new USB-C standard and power delivery;
 - o and the limited impact of the Covid-19 pandemic as indicated in sections 7.1.2 and 10.1,
- further positive performance by the Group, in line with its track record over the past few financial years, including:
 - o **for Nacon Gaming:** the ongoing appeal of games published by Nacon and of the Nacon® brand and the recently acquired RIG™ brand in accessories, along with their success in all geographic areas in which the Nacon Group operates,
 - o **and for Bigben Audio Telco:** further margin and profitability improvement
- continuing execution of the Group’s strategy, as described in section 5.4 of this Universal Registration Document and particularly:
 - o **for Nacon Gaming:** further increases in development capex, to deliver more sophisticated games in the future to console clients and new platforms keen to satisfy their gamer end-customers,

- **and for Bigben Audio Telco:** the opening-up of new sales channels for the Group's products, and the enrichment of the *Just Green®* and *Force®* ranges of accessories for mobiles
- no material change in exchange rates relative to those at the date of this Universal Registration Document,
- no material change in regulatory or tax conditions relative to those existing on the date of this Universal Registration Document.

11.2 GROUP FORECASTS FOR THE YEAR ENDED 31 MARCH 2022

With the firm trends in the Gaming business, the Group is expecting revenue of €300-320 million in 2021/22 and is aiming for recurring operating margin¹⁵ of around 13%.

¹⁵ *Recurring operating margin = Recurring operating income as a proportion of revenue*

12. ADMINISTRATIVE AND MANAGEMENT BODIES

The Company was initially incorporated as a “société par actions simplifiée” (simplified joint-stock corporation) on 17 February 1981, and was converted into a “société anonyme” (public limited company) governed by a Board of Directors through a decision in the Shareholders’ General Meeting of 5 December 1988.

The Company’s operational arrangements as a “société anonyme” are described in the articles of association and discussed in this section 12 of the Universal Registration Document.

The Board of Directors has opted to separate the roles of the Chairman of the Board of Directors and the CEO.

12.1 DIRECTORS AND EXECUTIVE OFFICERS

12.1.1 Executive Management

12.1.1.1 *Chief Executive Officer*

In its meeting on 4 March 2020, the Board of Directors decided to separate the roles of Chairman of the Board of Directors and Chief Executive Officer.

In that meeting, the Board of Directors formally noted Alain Falc’s resignation from his role as Chief Executive Officer and decided to appoint Fabrice Lemesre to replace him in that role.

Fabrice Lemesre is not a member of the Board of Directors.

See section 5.1.1.3.2 for Fabrice Lemesre’s biography.

12.1.1.2 *Chief Operating Officer*

In that same meeting, the Board of Directors also formally noted Laurent Honoret’s resignation from his role as Chief Operating Officer and decided to appoint Michel Bassot to replace him in that role.

His powers as Chief Operating Officer are limited to the following:

- the operational (and not financial) management of the Company (purchasing/sales, commercial policy, supplier and client relations, inventory management etc.);
- operational decisions relating to the Company’s subsidiaries.

It is stipulated, insofar as is necessary, that in accordance with Article L. 225-56 of the French Commercial Code, these limitations on his powers only apply internally within the Company and that, with respect to third parties, the Chief Operating Officer has the same powers as the Chief Executive Officer.

Michel Bassot is not a member of the Board of Directors.

See section 5.1.1.3.2 for Michel Bassot’s biography.

12.1.1.3 Composition of Executive Management

The current composition of the Executive Management team is as follows:

Name	Role	Date of first appointment and end of term of office	Main functions outside the Company
Fabrice Lemesre	Chief Executive Officer	Date of first appointment: 4 March 2020. Term of office ends: Shareholders' General Meeting voting on the financial statements	
Michel Bassot	Chief Operating Officer	Date of first appointment: 4 March 2020. Term of office ends: none specified	Chairman, Bigben Connected SAS

The business address of the CEO and COO is that of the Company's registered office.

The CEO and COO gained managerial experience and expertise in the roles they previously held at Bigben Interactive, as shown by their respective biographies set out in sections 12.1.1.1 and 12.1.1.2.

12.1.2 Bigben Interactive SA's Board of Directors

12.1.2.1 Members of the Board of Directors

The Company's Board of Directors has seven members. Of the seven Board members, two are regarded by the Company as independent directors in view of the Middlednext Governance Code.

The table below shows the composition of the Company's Board of Directors at the date of the Universal Registration Document, along with the roles held by members of the Company's Board of Directors in the last five years:

Name and business address	Role	Date of first appointment or most recent reappointment and end of term of office	Other roles in the Company	Other roles outside the Company (inside and outside the Group) in the last five years
<p>Alain Falc</p> <p>Company's registered office</p>	<p>Chairman and director</p>	<p>Term of office last renewed: July 2018</p> <p>Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2024</p>	<p>None</p>	<p>Roles within French companies:</p> <ul style="list-style-type: none"> . Chairman, SAS Games.fr . Chairman/CEO of Nacon SA¹⁶ <p>Roles within non-French companies:</p> <ul style="list-style-type: none"> . Director, Nacon HK Ltd (Hong Kong) . Manager, AF Invest SPRL <p>Former roles in the past five financial years</p> <ul style="list-style-type: none"> . Chairman, SAS ModeLabs Group . Chairman, SAS World GSM . Director, Bigben Interactive Belgium SA (Benelux)
<p>Sébastien Bolloré</p> <p>Tour Bolloré 31-32 quai de Dion-Bouton 92811 Puteaux Cedex</p>	<p>Director (representative of Nord Sumatra, main shareholder of Bigben Interactive)</p>	<p>Term of office last renewed: July 2016</p> <p>Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2022</p>	<p>None</p>	<p>Roles within French companies:</p> <ul style="list-style-type: none"> - <i>Roles held within the Bolloré group</i> . Head of Development . Chairman, Omnium Bolloré . Director, Bolloré SE, Bolloré Participations SE, Financière V, Omnium Bolloré, Société Industrielle et Financière de l'Artois and Financière de l'Odet SE. . Permanent representative of Plantations des Terres Rouges on the board of Compagnie du Cambodge . Member of the Supervisory Board, Sofibol <p>- Other roles and duties:</p> <ul style="list-style-type: none"> . Director, Gameloft SE . Director, Nacon SA

¹⁶On 4 March 2020, the date on which Nacon's shares were first listed on the Euronext Paris regulated market, Alain Falc and Laurent Honoret, respectively Chairman/CEO and COO of Bigben Interactive, resigned from their roles as CEO and COO of Bigben Interactive in order to take up the equivalent roles at Nacon SA; Alain Falc remains Chairman of Bigben Interactive SA's Board of Directors as well as Chairman of Nacon SA's Board of Directors.

				<p>Roles within non-French companies:</p> <ul style="list-style-type: none"> . Roles held within the Bolloré group . Chairman and Director, Blue LA Inc. . Director, Bolloré Services Australia Pty Ltd <p>Other roles and duties:</p> <ul style="list-style-type: none"> . Chairman/CEO, Magic Arts Pty Ltd <p>Former roles in the past five financial years:</p> <ul style="list-style-type: none"> . Permanent representative of SocFrance on the board of Financière de l'Odet . Director, Blue Solutions.
<p>Jacqueline de Vrieze</p> <p>Company's registered office</p>	Director	<p>Term of office last renewed: August 2015</p> <p>Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2021</p>	None	<p>Roles within French companies:</p> <ul style="list-style-type: none"> . CEO, SAS Games.fr . Director, Nacon SA <p>Roles within non-French companies:</p> <p>None</p> <p>Former roles in the past five financial years:</p> <p>None</p>
<p>Angélique Gérard</p> <p>57 bd Malesherbes, 75008 Paris</p>	Independent director	<p>Date of first appointment: 30 July 2020</p> <p>Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2023</p>	None	<p>Roles within French companies:</p> <ul style="list-style-type: none"> . AFM (Association Familiale Mulliez) as a Qualified Person <p>Roles within non-French companies:</p> <ul style="list-style-type: none"> . None <p>Former roles in the past five financial years:</p> <ul style="list-style-type: none"> . Independent director on Europcar Group's Supervisory Board . Director, Babilou Group
<p>Sylvie Pannetier</p> <p>Company's registered office</p>	Director	<p>Date of first appointment: August 2015</p> <p>Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2021</p>	<p>Treasurer (employee)</p> <p>Member of the Audit Committee</p>	<p>Roles within French companies:</p> <ul style="list-style-type: none"> Director, Nacon SA <p>Roles within non-French companies:</p> <p>None</p> <p>Former roles in the past five financial years: None</p>
<p>Jean-Christophe Thiery</p> <p>Canal+ 1 place du Spectacle,</p>	<p>Director</p> <p>(representative of Nord Sumatra, main shareholder of</p>	<p>Term of office last renewed: July 2018</p> <p>Term of office as director ends: Shareholders' General Meeting voting on</p>	None	<p>Roles within French companies:</p> <ul style="list-style-type: none"> - Within the Canal+ group: . Chairman of the Supervisory Board, Groupe Canal+ SA - Within the Bolloré group: . Chairman/CEO and member of the Management Committee, Bolloré Telecom . Chairman, Compagnie de Treboul

<p>92130 Issy-les-Moulineaux</p>	<p>Bigben Interactive)</p>	<p>the financial statements for the financial year ending 31 March 2024</p>		<p>. Chairman, Rivaud Loisirs Communication . Chairman, Bolloré Media Régie . Chairman of the Board of Directors and director, Matin Plus . Member of the Strategy Committee, 2ème Regard <i>- Other roles and duties:</i> Director, Nacon SA Roles within non-French companies: None Former roles in the past five financial years <i>- Within the Canal+ group:</i> . Chairman of the Management Board, Groupe Canal+ SA . Chairman of the Supervisory Board, Studio Canal SAS . Chairman of the Board of Directors, Société d'Édition de Canal+ SA . Permanent representative of SECP on the Board of Directors of Médiamétrie SA <i>- Within the Bolloré group:</i> . Chairman/CEO and director, Bolloré Média Digital, Conseils Sondages et Interviews, CSA and CSTO . Chairman, Bolloré Média Régie . Chairman, Direct Panel . Permanent representative: . of Bolloré on the Board of Directors of CSTO . of CSTO on the board of CSA . of CSTO on the board of CSI . Permanent representative of Société Industrielle et Financière de l'Artois on the Board of Directors of Rivaud Innovation</p>
<p>Jean-Marie de Chérade 19 avenue Sainte Foy, 92200 Neuilly</p>	<p>Director director</p>	<p>Term of office last renewed: August 2015 Term of office as director ends: Shareholders' General Meeting voting on the financial statements for the financial year ending 31 March 2021</p>	<p>Member of the Audit Committee</p>	<p>Roles within French companies: None Roles within non-French companies: None Former roles in the past five financial years: None</p>

12.1.2.2 *Balanced male/female representation on the Board of Directors*

Article L. 225-18-1 of the French Commercial Code states that members from each gender must make up at least 40% of the Board of Directors of a company whose shares are admitted to trading on a regulated market. At the date of the Universal Registration Document, there were four men and three women on the Board of Directors, making up 57% and 43% of the Board respectively. As a result, the composition of the Board of Directors is compliant with the aforementioned article.

12.1.2.3 *Independent directors*

On 25 October 2010, the Board of Directors met and defined the criteria under which a director will qualify as independent, in accordance with recommendation 3 of the Middlednext Code. An independent member of the Board:

- is not and has not been in the last five years either an executive corporate officer of the Company or of a company in its group;
- is not and has not been in the last two years in a significant business relationship with the Company or its group (as client, supplier, competitor, service provider, creditor, banker etc.);
- is not a major shareholder in the Company and does not hold a significant percentage of the voting rights;
- does not have a close relationship or family ties with any corporate officer or major shareholder;
- has not been a statutory auditor of the Company during the past six years.

On 26 April 2021, the Board of Directors assessed the independence of the directors and took the view that the following should qualify as independent directors: Angélique Gérard and Jean-Marie de Chérade.

12.1.2.4 *Terms of office of Board members*

Directors are appointed for a term of six years. Shareholders in the Shareholders' General Meeting may, in all circumstances, dismiss one or more directors and replace them, even if that dismissal was not on the agenda.

12.1.2.5 *Conduct of Board members*

In accordance with recommendation 1 of the Middlednext Code, each director is made aware of his/her responsibilities when appointed, and is encouraged to observe the conduct rules relating to his/her role and in particular:

- setting an example means ensuring that directors' words and actions are consistent at all times, so as to foster credibility and trust,
- when accepting their role, Board members must familiarise themselves with the related obligations and particularly those relating to statutory rules regarding multiple corporate officer roles,
- when starting their term of office, they must sign the Board's internal rules, which determine, among other things, the minimum number of shares in the Company that each Board member must own, subject to provisions in the articles of association,
- during their term of office, directors must inform the Board of any situation that gives rise to a potential conflict of interest (customer, supplier, competitor, consultant etc.) or an actual conflict of interest (other roles) involving them,
- in the event of a conflict of interest, and depending on its nature, the relevant director shall not vote or take part in discussions, and in extreme cases shall resign,
- Board members must attend meetings regularly and take part in meetings of the Board and committees of which they are members,
- Board members must ensure that they have all the information they need, and sufficiently in advance, regarding matters to be discussed during meetings,
- Board members must maintain professional secrecy with respect to third parties,
- Board members must take part in the Shareholders' General Meeting.

12.1.2.6 *Directors' biographies*

In accordance with recommendation 8 of the Middlednext Code, a description of the roles and careers of the current directors is provided below:

Alain Falc: Chairman of the Board of Directors

(ISEN 1981)

Alain Falc, an engineering graduate, founded Bigben Interactive in 1981 when he finished his studies and rapidly acquired industrial and commercial know-how in watches and other promotional electronic products. In 1993, he moved into the budding video games sector. By 1999, when it was floated on the stock exchange, Bigben Interactive was one of the leading designers and manufacturers of accessories for third-party video games consoles (i.e. not made by the console manufacturers) in France. After its IPO, Bigben Interactive continued to expand internationally, with operations in Benelux, the United Kingdom, Germany, Hong Kong, Spain and Italy. Having gradually built up the video games publishing business over the following decade, in 2011 Alain Falc acquired the smartphone accessories design and distribution business of ModeLabs, the French leader in smartphone accessories, which became Bigben Connected in May 2013. Since 2018, he has taken the Bigben Group in another strategic direction through the acquisition of interests in eight development studios. In 2019, he successfully led the creation of Nacon, the Bigben Group's integrated Gaming division, and subsequently its IPO.

Sébastien Bolloré: Director

Managerial expertise and experience

After studying at Gerson and Saint-Jean-de-Passy, Sébastien Bolloré obtained his baccalauréat and studied management at ISEG and then UCLA (California). He spends most of his time in Australia, and advises the Bolloré group based on his knowledge of new media and technological developments.

He has been a director of Bigben Interactive SA since he was appointed in the Shareholders' General Meeting of 28 July 2010.

Jean Marie de Chérade: Independent director

Jean Marie de Chérade is a qualified agronomist with a master's degree in natural sciences and a DEA postgraduate diploma in marketing, management and business administration.

After working as an assistant to the chair of CESA (the business education centre of the HEC-ISA group), he became a consultant to the World Bank, leading projects for the West Africa region. He then moved into the world of business, with roles including that of Chairman and Co-founder of EOS Marketing. He is now an independent consultant, carrying out assignments for MI29.

He has been a director of Bigben Interactive SA since he was appointed in the Shareholders' General Meeting of 28 July 2008.

Jacqueline de Vrieze: Director

Self-taught

After working in the personal care industry (in a hair salon and beauty parlour) between 1976 and 1987, Jacqueline de Vrieze set up a fitness and beauty treatment company within a gym.

In 1989, she joined the retail chain that is now known as Games.fr, as head of the store network before becoming the company's CEO in 1995. She led the transformation of the store network into a retail website at the start of the 2010s.

She is a director of Bigben Interactive.

Jacqueline de Vrieze is the partner of Alain Falc, the Chairman of the Board of Directors.

Angélique Gérard: Independent director

Angélique Gérard is a graduate of INSEAD and also attended the Hautes Études Commerciales (HEC) business school.

She joined the Iliad group in early 2000 after spending four years at France Télécom. She was behind the creation of the Iliad group's contact centres, setting up and developing subscriber services before managing the integration of the corresponding activities of telco Alice after it was acquired in 2008. She is now head of subscriber relations at Free, a member of the executive committee of Iliad (holding company), and manager/founder and Chairwoman/CEO of several Iliad group subsidiaries.

Angélique Gérard also speaks at conferences, has published books on management and social topics and works as business angel, providing hands-on support to entrepreneurs in the technology, collaborative economy and hotel/restaurant sectors among others. She joined Europcar's supervisory board in 2015 and that of Babilou – France's largest operator of nurseries for companies and local government bodies – in 2017.

On 27 January 2020, Bigben Interactive's Board of Directors co-opted Angélique Gérard as independent director, replacing Florence Lagrange for the remainder of her term of office. In accordance with the law and the articles of association, that appointment was provisional and subject to ratification at the Ordinary Shareholders' General Meeting on 30 July 2020.

Sylvie Pannetier: Director

Holder of a DECF diploma in accounting and finance.

After completing her studies, Sylvie Pannetier joined Bigben Interactive in February 1995 in the finance department and has held roles in supplier accounting, treasury and credit management in her 20 years at the company.

She now manages a team of nine people and is in charge of the Group's Treasury department as well as credit management at Bigben Interactive and Bigben Connected.

She has been a director of Bigben Interactive since she was appointed in the Shareholders' General Meeting of 31 August 2015.

Jean-Christophe Thiery: Director

Graduate of IEP, holder of a degree in public administration from ENA.

After starting his career in local government, Jean-Christophe Thiery joined the Bolloré group in 2002 and became CEO of the Direct 8 TV channel in 2005.

He was appointed Chairman of Bolloré Média (media division of the Bolloré group) in November 2008, taking over from Vincent Bolloré, with the brief of continuing its consolidation and growth in the media and telecoms industry. Jean-Christophe Thiery is also CEO of the Bolloré group's communications and media division and Chairman of Canal+'s Supervisory Board.

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

12.1.2.7 Other roles held by directors

The roles held by directors within and outside the Group are set out in the table in section 12.1.2.1 of the Universal Registration Document.

No person mentioned in this section has, in the last five years:

- been the subject of an adverse judgment for fraud, charged with an offence or been the subject of a public penalty handed down by any statutory or regulatory authority;
- been prevented from being a member of an administrative, management or supervisory body or from being involved in the management or business operations of an issuer;
- been charged with an offence or been the subject a public penalty handed down by any statutory or regulatory authority.

12.1.2.8 Preparation and organisation of the work done by the Board of Directors

Powers of the Board of Directors

The Board of Directors determines the strategy and overall business direction of the Group, i.e. the parent company and its consolidated subsidiaries, and oversees their implementation. Apart from powers specifically granted to shareholders in general meetings and within the scope of the Company's corporate purpose, the Board deals with all matters relating to the Company's business operations and, through its resolutions, addresses issues that concern the Company.

Internal rules

In accordance with recommendation 6 of the Middlednext Code, the Board of Directors adopted a set of internal rules on 25 July 2008, which have been updated regularly, most recently on 24 April 2017. Those rules set out:

- the powers of the Board of Directors;
- rules regarding the composition of the Board and criteria regarding the independence of its members;
- the nature of directors' duties and the conduct rules to which they are subject;
- the Board's operational arrangements and the rules for determining the remuneration of its members.

Information provided to Board members

Board members concluded that they received sufficient information for them to fulfil their role. In accordance with recommendation 11 of the Middlednext Code, directors receive information and documents relating to matters on the agenda of board meetings several days before the meeting date. This gives them the opportunity to prepare dossiers that will be discussed in the meeting. Particularly sensitive and urgent matters may be discussed without documents being distributed beforehand or with communication taking place shortly before the meeting date.

In addition, the Chairman deals with requests from members to obtain additional information and directors are also kept regularly informed between meetings where justified by developments affecting the Company, in accordance with the aforementioned recommendation.

Board meetings

The articles of association do not contain any exceptions to the general rules on convening Board meetings, and the Board meets as often as the Company's interests demand. A schedule of Board meetings (at least 6 per year) is prepared at the start of the financial year, based on the schedule for finalising revenue figures and financial statements, and extraordinary meetings may be convened at any time depending on developments affecting the Group.

Notices of meeting including the agenda are sent out before each meeting, and the documents that directors need to prepare for meetings are sent to them under separate cover.

Representation of directors

Decisions made by the Board of Directors are only valid if at least half of its members are present. In the event of a tied vote, the meeting Chairman holds a casting vote.

Guests

The Group's Corporate Secretary attends all Board meetings and acts as secretary in respect of all discussions. If the Corporate Secretary cannot attend, the Group's CFO acts in his/her place.

Board meetings, work done by the Board and director attendance rate

The way in which the Board of Directors operates (notice of meeting, meetings, quorum, provision of

information to the directors) complies with statutory provisions and the Company's articles of association. The Board meets at least six times per year, in accordance with recommendation 13 of the Middledex Code.

The frequency of Board meetings depends on the financial and legal reporting timetable (reporting of quarterly revenues and half-year results) and on developments affecting the Company.

For example, meetings generally break down into several parts as follows:

- examination of the business plan;
- update on business activity and financial data;
- update of annual forecasts;
- finalisation of the financial statements;
- finalisation of the quarterly and half-year financial statements;
- examination of current transactions as regards the development of the Group's business;
- remuneration matters;
- other current operational matters;
- legal matters;
- authorisations to be granted.

In the 2020/21 financial year, the Board met 11 times, around three times per quarter. The Chairman remains able to convene the Board of Directors as often as the Company's interests demand.

The Company's statutory auditors were invited to attend and attended Board meetings finalising the half-year and full-year financial statements. The Group's CFO regularly takes part in these meetings, particularly to present the financial statements and obtain all authorisations and provide all explanations allowing the Board to make decisions in full knowledge of the facts.

The Board's internal rules adopted on 28 July 2008 allow the Directors to take part in Board meetings remotely: as a result, for quorum and majority calculation purposes, directors taking part in a Board meeting via videoconferencing or telecommunication media, allowing them to be identified and ensuring their effective participation in accordance with statutory and regulatory provisions, are deemed present.

The minutes of Board meetings are prepared after each meeting and submitted to all Board members for approval.

Average attendance rate of each director (for the relevant year of their appointment)

Name	First name	Role	Attendance rate
Falc	Alain	Chairman	100%
Bolloré	Sébastien	Director	100%
de Chérade	Jean-Marie	Director + member of the Audit Committee	100%
Thiery	Jean-Christophe	Director	100%
Pannetier	Sylvie	Director + member of the Audit Committee	100%
de Vrieze	Jacqueline	Director	82%
Gérard	Angélique	Director	82%
TOTAL			96%

12.2 CONFLICTS OF INTEREST IN THE ADMINISTRATIVE AND MANAGEMENT BODIES

To the best of the Company's knowledge, there is no potential conflict of interest between the duties of members of the Board of Directors and executive management with respect to Bigben Interactive and their other interests.

There are no potential conflicts of interest between the duties of the persons presented above with respect to the issuer and their private interests and/or other duties. No arrangement or agreement has been made with the main shareholders, customers, suppliers or other persons, under which any of the persons presented above have been selected as a member of the Board of Directors or as a member of the executive management team.

13. REMUNERATION AND BENEFITS

Information on the remuneration of corporate officers is prepared in accordance with the AMF's Position-Recommendation DOC-2021-02 entitled "Guide to compiling registration documents for mid caps".

Since the Company's Gaming division was carved out through the spin-off to Nacon SA on 31 October 2019, the 2019/20 comparatives presented below are provided on the basis of historical remuneration received by the persons concerned with respect to their roles within the Bigben Interactive Group before the spin-off.

13.1 REMUNERATION AND BENEFITS

13.1.1 Remuneration of Executive Management

13.1.1.1 Information on remuneration

Summary of fixed and variable remuneration, options and shares awarded to each of the Company's executive corporate officers with respect to their roles within the Bigben Interactive Group (table 1)

Alain Falc, Chairman	2020/21	2019/20
Remuneration due in respect of the financial year (1)	€400 thousand	€355 thousand
Value of multi-year variable remuneration awarded during the financial year	€2 thousand	€16 thousand
Value of options awarded during the year		
Value of bonus shares awarded during the year	€324 thousand	€0 thousand
Value of the other long-term remuneration plans		
TOTAL	€726 thousand	€371 thousand

(1) This remuneration includes both remuneration paid by Nacon and its subsidiaries to Alain Falc and that paid by Bigben Connected SAS to Alain Falc amounting to €120,997 for 2020/21 and €132,792 for 2019/20. No remuneration has been paid by Bigben Interactive SA since the start of March 2020.

Fabrice Lemesre, CEO	2020/21	2019/20
Remuneration due in respect of the financial year	€121 thousand	€103 thousand
Value of multi-year variable remuneration awarded during the financial year (1)	€28 thousand	€15 thousand
Value of options awarded during the year		
Value of bonus shares awarded during the year	€494 thousand	€14 thousand
Value of the other long-term remuneration plans		
TOTAL	€643 thousand	€132 thousand

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

Michel Bassot, COO	2020/21	2019/20
Remuneration due in respect of the financial year (1)	€203 thousand	€155 thousand
Value of multi-year variable remuneration awarded during the financial year (1)	€53 thousand	€85 thousand
Value of options awarded during the year		
Value of bonus shares awarded during the year	€501 thousand	€10 thousand
Value of the other long-term remuneration plans		
TOTAL	€757 thousand	€250 thousand

- (1) This remuneration includes both remuneration paid by Bigben Interactive to Michel Bassot and that paid by Bigben Connected SAS to Michel Bassot, amounting to €220 thousand for 2020/21 and €236 thousand for 2019/20.

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

Alain Falc	2020/21		2019/20	
Chairman	Amounts due	Amounts paid	Amounts due	Amounts paid
fixed remuneration (1)	€400 thousand	€400 thousand	€355 thousand	€355 thousand
annual variable remuneration (1)	€2 thousand	€2 thousand	€16 thousand	€16 thousand
multi-year variable remuneration				
exceptional remuneration				
remuneration awarded for work as a director (2)	€31 thousand	€0 thousand	€32 thousand	€32 thousand
benefits in kind				
TOTAL	€433 thousand	€402 thousand	€403 thousand	€403 thousand

- (1) This remuneration includes both remuneration paid by Nacon and its subsidiaries to Alain Falc and that paid by Bigben Connected SAS to Alain Falc amounting to €120,000 for 2020/21 and €132,000 for 2019/20.
- (2) The remuneration for the 2020/21 financial year calculated on a 12-month basis up to the July 2021 Shareholders' General Meeting consists of €10,909 in remuneration for work as a director of Nacon and €20,000 in remuneration for work as a director of Bigben Interactive SA. The remuneration for the 2019/20 financial year contained a prorated amount of €11,667 calculated on a 7-month basis up to the July 2020 Shareholders' General Meeting, as well as €20,000 in remuneration for work as a director of Bigben Interactive SA. Board members' remuneration is traditionally paid in the quarter following the Shareholders' General Meeting.

Fabrice Lemesre	2020/21		2019/20	
CEO	Amounts due	Amounts paid	Amounts due	Amounts paid
fixed remuneration	€121 thousand	€121 thousand	€103 thousand	€103 thousand
annual variable remuneration (1)	€28 thousand	€6 thousand	€15 thousand	€15 thousand
multi-year variable remuneration				
exceptional remuneration				
remuneration awarded for work as a director				
benefits in kind (2)	€6 thousand	€6 thousand	€5 thousand	€5 thousand
TOTAL	€155 thousand	€133 thousand	€123 thousand	€123 thousand

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

(2) *Company car*

Michel Bassot	FY 2020/21		FY 2019/20	
Chief Operating Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
fixed remuneration (1)	€203 thousand	€203 thousand	€155 thousand	€155 thousand
annual variable remuneration (2)	€53 thousand	€3 thousand	€85 thousand	€85 thousand
multi-year variable remuneration				
exceptional remuneration				
remuneration as director				
benefits in kind (3)	€11 thousand	€11 thousand	€10 thousand	€10 thousand
TOTAL	€267 thousand	€217 thousand	€250 thousand	€250 thousand

(1) *This remuneration includes both remuneration paid by Bigben Interactive to Michel Bassot and that paid by Bigben Connected SAS to Michel Bassot, amounting to €167 thousand for 2020/21 and €152 thousand for 2019/20.*

(2) *Michel Bassot's variable remuneration corresponds to a bonus based on performance (attainment of a predetermined level of inventory and recurring operating income for Bigben Connected SAS), as well as payment of his share of profit sharing.*

(3) *Company car*

The Company has not made any commitment to its corporate officers concerning remuneration, allowances or benefits payable or likely to be payable as a result of, or subsequent to, taking up, leaving or changing roles.

13.1.1.2 Other elements of remuneration

Stock options awarded to or exercised by executive corporate officers (tables 4, 5, 8 and 9)

In the financial years ended 31 March 2021 and 31 March 2020, no stock options were awarded to or exercised by the Group's executive corporate officers.

Bonus shares awarded to corporate officers

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Alain Falc Chairman	No. of plan and date of award	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Nacon plan	No.: AGA2020 Date: 7 September 2020	50,000	€324,500	7 September 2021	7 September 2023	Recurring operating income of the Nacon Group in the year ended 31 March 2021 (1)
TOTAL		50,000 Nacon shares	€324,500			

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

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Fabrice Lemesre CEO	No. of plan and date of award	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock- up period	Performance conditions
Bigben Interactive plan	No.: AGA2020 Date: 7 September 2020	17,650	€234,922	7 September 2021	7 September 2023	Recurring operating income of the Audio Telco segment and the Bigben Interactive Group in the year ended 31 March 2021 (1)
Nacon plan	No.: AGA2020 Date: 7 September 2020	40,000	€259,600	7 September 2021	7 September 2023	Recurring operating income of the Nacon Group in the year ended 31 March 2021 (1)
Bigben Interactive plan	No.: AGA2019 Date: 4 September 2019	1,200	€13,848	4 September 2020	4 September 2022	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2020 (1)
Bigben Interactive plan	No.: AGA2018 Date: 3 September 2018	1,500	€16,170	3 September 2019	3 September 2021	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2019 (1)
TOTAL		20,350 Bigben shares 40,000 Nacon shares	€524,540			

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

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Michel Bassot Chief Operating Officer	No. of plan and date of award	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Bigben Interactive plan	No.: AGA2020 Date: 7 September 2020	18,150	€241,577	7 September 2021	7 September 2023	Recurring operating income of the Audio Telco segment and the Bigben Interactive Group in the year ended 31 March 2021 (1)
Nacon plan	No.: AGA2020 Date: 7 September 2020	40,000	€259,600	7 September 2021	7 September 2023	Recurring operating income of the Nacon Group in the year ended 31 March 2021 (1)
Bigben Interactive plan	No.: AGA2019 Date: 4 September 2019	900 (2)	€10,386	4 September 2020	4 September 2022	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2020 (1)
Bigben Interactive plan	No.: AGA2018 Date: 3 September 2018	1,500	€16,170	3 September 2019	3 September 2021	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2019 (1)
TOTAL		20,550 Bigben shares 40,000 Nacon shares	€531,195			

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

(2) Of the 1,200 Bigben bonus shares initially awarded to Michel Bassot, only 900 vested on 4 Sept. 2020 in accordance with the performance criteria laid down in the AGA 2019 plan regulations.

Shares awarded free of charge to each corporate officer by the Company and by any other Group company (table 6)						
Sylvie Pannetier Director	No. of plan and date of award	Number of shares awarded during the year	Value of the shares according to the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Nacon plan	No.: AGA2020 Date: 7 September 2020	5,840	€37,902	7 September 2021	7 September 2023	Recurring operating income of the Nacon Group in the year ended 31 March 2021 (1)
Bigben Interactive plan	No.: AGA2019 Date: 4 September 2019	400	€4,616	4 September 2020	4 September 2022	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2020 (1)
Bigben Interactive plan	No.: AGA2018 Date: 3 September 2018	500	€5,390	3 September 2019	3 September 2021	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2019 (1)
TOTAL		900 Bigben shares 5,840 Nacon shares	€47,908			

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

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

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

Bonus shares no longer locked up (table 7)			
Fabrice Lemesre CEO	No. of plan and date of award	Number of shares reaching the end of their lock-up period in 2020/21	Vesting conditions
Bigben Interactive plan	No.: AGA2017 Date: 31 August 2017	2,000	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2018 (1) 100% of bonus shares vested
TOTAL		2,000	

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

Bonus shares no longer locked up (table 7)			
Michel Bassot Chief Operating Officer	No. of plan and date of award	Number of shares reaching the end of their lock-up period in 2020/21	Vesting conditions
Bigben Interactive plan	No.: AGA2017 Date: 31 August 2017	2,000	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2018 (1) 100% of bonus shares vested
TOTAL		2,000	

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

Bonus shares no longer locked up (table 7)			
Sylvie Pannetier Director	No. of plan and date of award	Number of shares reaching the end of their lock-up period in 2020/21	Vesting conditions
Bigben Interactive plan	No.: AGA2017 Date: 31 August 2017	700	Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2018 (1) 100% of bonus shares vested
TOTAL		700	

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

PAST BONUS SHARE AWARDS (table 10)

INFORMATION ON BONUS SHARE AWARDS

Shareholders' General Meeting date	Plan no. AGA2016	Plan no. AGA2017	Plan no. AGA2018	Plan no. AGA2019	Plan no. AGA2020	Plan no. AGA2020 Nacon
	22/07/2016	21/07/2017	20/07/2018	19/07/2019	30/07/2020	30/07/2020
Shares	Bigben	Bigben	Bigben	Bigben	Bigben	Nacon
Date of Board meeting	31/08/2016	31/08/2017	03/09/2018	04/09/2019	07/09/2020	07/09/2020
Total number of bonus shares awarded						
<i>Total number of shares awarded to corporate officers:</i>	7,000	4,700	3,500	2,800	35,800	186,800
<i>Alain Falc</i>	-	-	-	-	-	50,000
<i>Fabrice Lemesre</i>	3,000	2,000	1,500	1,200	17,650	40,000
<i>Michel Bassot</i>	3,000	2,000	1,500	1,200	18,150	40,000
<i>Sylvie Pannetier</i>	1,000	700	500	400	-	5,840
<i>Jacqueline de Vrieze</i>	-	-	-	-	-	50,960
Vesting date (1)	31 August 2017	31 August 2018	3 September 2019	4 September 2020	7 September 2021	7 September 2021
End of the lock-up period	31 August 2019	31 August 2020	3 September 2021	4 September 2022	7 September 2023	7 September 2023
Number of shares awarded definitively at 31 March 2021	7,000	4,700	3,500	2,500	0	0
Cumulative number of shares cancelled or lapsed	0	0	0	300	0	0
Remaining shares awarded free of charge at end of year	7,000	4,700	3,500	2,500	35,800	186,800

(1) *Performance conditions*

- AGA 2016 plan: Recurring operating income of the Bigben Interactive Group in the year ended March 2017 - target achieved => 100% of bonus shares vested
- AGA 2017 plan: Recurring operating income of the Bigben Interactive Group in the year ended March 2018 - target achieved => 100% of bonus shares vested
- AGA 2018 plan: Recurring operating income of the Bigben Interactive Group in the year ended March 2019 - target achieved => 100% of bonus shares vested
- AGA 2019 plan: Recurring operating income of the Bigben Interactive Group in the year ended 31 March 2020 => bonus shares vested
- AGA 2020 plan: Recurring operating income of the Bigben Interactive Group, the Audio Telco and the Nacon segments in the year ended 31 March 2021

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

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

Executive corporate officers	Employment contract		Supplementary pension plan		Remuneration or benefits due or potentially due as a result of termination or change in duties		Compensation under a non-compete agreement	
	Yes	No	Yes	No	Yes	No	Yes	No
Alain Falc Chairman of the Board of Directors Term of office renewed in July 2018 for six financial years		X		X		X		X
Fabrice Lemesre CEO Term of office started on 4 March 2020 for six financial years		X		X		X		X
Michel Bassot Chief Operating Officer Term of office started on 4 March 2020 for an unspecified period		X		X		X		X

Loans and guarantees granted to members of the Company's governing, management and supervisory bodies

None.

13.1.2 Remuneration of Board members

13.1.2.1 Remuneration policy for Board members

Directors receive remuneration for their work as directors. That remuneration is awarded by the Shareholders' General Meeting and apportioned by the Board on the basis of a fixed amount for each attendance at meetings of the Board and its committees and depending on each director's responsibilities, in accordance with recommendations 10 and 13 of the Middlednext Code.

Directors' remuneration

The Board of Directors complies with the recommendations of the Middlednext Code by defining a method for apportioning that remuneration into units that take into account the roles filled by each director (director, committee member, Chairman) while applying a reduction in proportion to meetings not attended by each director (attendance principle).

The overall amount of €100,000 approved in the Combined Ordinary and Extraordinary Shareholders' General Meeting of 30 July 2020 was divided into units taking into account the individual roles of each Director, as follows:

- 1 >. Two units for each director,
- 2 >. An additional unit for a committee member,
- 3 >. Two additional units for the chairman,

it being stipulated that the amount corresponding to one unit is obtained by dividing the total remuneration budget by the total number of units.

The total remuneration is then apportioned between directors taking into account their attendance. As a result, a reduction proportional to the meetings not attended by the director concerned will be applied to the relevant amount of directors' remuneration (see 1> above) allotted to that director. That reduction will also apply to supplementary remuneration relating to committee members (see 2>. above) proportional to their non-attendance at committee meetings.

With respect to 2020/21, the Company will pay Board members a gross amount of up to €86,364 as remuneration based on attendance, including €30,000 for Audit Committee members.

13.1.2.2 Remuneration of Board members in the last two financial years

	Table of remuneration for work as a director and other remuneration received by non-executive corporate officers (table 3)			
Non-executive corporate officers	Remuneration due in respect of the financial year 2020/2021	Amounts paid in the 2020/21 financial year	Remuneration due in respect of the financial year 2019/2020	Amounts paid in the 2019/20 financial year
Sébastien Bolloré - Director				
Remuneration (1)	€20,000	€15,833	€15,833	€10,000
Other remuneration	€0	€0	€0	€0
Jean-Marie de Chérade – Independent director				
Remuneration (1)	€15,000	€15,000	€15,000	€15,000
Other remuneration	€0	€0	€0	€0
Angélique Gérard - Independent director co-opted on 27 January 2020				
Remuneration (1) (2)	€8,182	€4,545	€4,545	€0
Other remuneration	€0	€0	€0	€0
Sylvie Pannetier - Director				
Remuneration (1)	€30,000	€23,750	€23,750	€15,000
Other remuneration (3) (4)	€73,516	€73,516	€72,564	€72,564
Jean-Christophe Thiery - Director				
Remuneration (1)	€20,000	€15,833	€15,833	€10,000
Other remuneration	€0	€0	€0	€0
Jacqueline de Vrieze - Director				
Remuneration (1)	€17,273	€15,833	€15,833	€8,889
Other remuneration (3)	€64,700	€64,700	€60,000	€60,000
Florence Lagrange - Independent director, resigned 27 January 2020				
Remuneration (5)	€0	€11,288	€11,288	€10,000
Other remuneration	€0	€0	€0	€0
Richard Mamez - Non-voting advisor (censeur), resigned 27 January 2020				
Remuneration (5)	€0	€14,205	€14,205	€10,000
Other remuneration	€0	€0	€0	€0

- (1) For 2020/21: Remuneration as a director of Bigben Interactive SA and Nacon SA for the current year, from the 2020 to the 2021 Shareholders' General Meetings
For 2019/20: This remuneration includes fees from Nacon on a pro rata basis relating to the 2019/20 financial year for the 7 months until the July 2020 Shareholders' General Meeting along with fees awarded to members of Bigben Interactive SA's Board of Directors for Board meetings between the 2019 and 2020 Shareholders' General Meetings.
- (2) For 2019/20: These fees include fees on a pro rata basis for Angélique Gérard based on her attendance at Board meetings taking place between the 2019 and 2020 Shareholders' General Meetings.
- (3) The other remuneration paid to the aforementioned directors relates to their salaries and retirement benefits with respect to their employment within the group.
- (4) In addition to the remuneration paid by Nacon and its subsidiaries to Sylvie Pannetier, this amount includes remuneration paid by Bigben Connected SAS to Sylvie Pannetier, amounting to €16,630 for 2020/21 and €17,582 for 2019/20.
- (5) Florence Lagrange and Richard Mamez resigned from their roles as Director and Non-Voting Advisor at Bigben Interactive respectively on 27 January 2020 and were appointed independent directors of Nacon SA.

This table shows remuneration paid during the 2020/21 and 2019/20 financial years and the remuneration of directors attending Board meetings in financial year N and paid in financial year N+1.

See section 12.1.2.8 for directors' average attendance rate at Board meetings.

Transactions in securities by corporate officers and similar persons (Article 621-18-2 of the French Monetary and Financial Code)

None.

Transactions in securities by corporate officers and similar persons (Article 621-18-2 of the French Monetary and Financial Code)

None.

13.1.3 Remuneration policy for executive corporate officers

13.1.3.1 Remuneration of the Company's executive corporate officers

Remuneration multiples

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

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

	2020/21 remuneration of Bigben Interactive SA's corporate officers in €	Remuneration multiple relative to the average full-time salary of Bigben Interactive SA's employees
Alain Falc	20,000	0.71
Fabrice Lemesre	148,428	5.30
Michel Bassot	36,000	1.28

Method used to calculate the remuneration ratios:

1. The assumptions used to calculate the average salary of Bigben Interactive SA's employees were as follows:
 - The elements of remuneration used are salaries, bonuses and remuneration for work as a director (for Alain Falc) paid, but exclude any amount in respect of the bonus shares initially awarded to executive officers and employees to avoid skewing the figures;
 - Scope used for "Company employees": all employees receiving a Bigben Interactive SA payslip (permanent employees, fixed-term employees, apprentices, work-study programme participants, etc.), but not temporary staff;
 - Average headcount applied for 2020/21.
 - The average salary is based on 2020/21, the most recent financial year.

2. For the purpose of calculating executive corporate officers' remuneration, all elements of remuneration paid or awarded during the financial year ended 31 March 2021 subject to a vote at the Shareholders' General Meeting, i.e.:
 - fixed remuneration paid in the financial year;
 - annual variable remuneration awarded in respect of the financial year;
 - any exceptional remuneration paid;
 - any remuneration for work as directors.

**2020/21 remuneration of
Bigben Interactive SA's
employees in €**

Total gross salaries (without bonus share awards)	2,437,543
Average headcount	87
Average annual salary	28,018

In addition to this remuneration, the three corporate officers were awarded bonus shares during the 2020/21 financial year, subject to presence and performance conditions, which can be valued as follows:

**Value of the bonus
shares awarded in
2020/21 to Bigben
Interactive SA's corporate
officers in €**

Alain Falc	324,500
Fabrice Lemesre	494,522
Michel Bassot	501,177

Remuneration of the Chairman of the Board of Directors

Through a decision by the Board of Directors on 4 March 2020 – the date on which Nacon's shares were first listed – in which it formally noted Alain Falc's resignation from his role as CEO, Alain Falc's employment contract with parent company Bigben Interactive was terminated. Alain Falc's remuneration and benefits with respect to his role as CEO of Bigben Interactive were therefore cancelled.

Alain Falc also still receives remuneration within the Bigben Group

- as Chairman/CEO of Nacon SA, amounting to €240,000 gross per year.
- as an employee of Bigben Connected SAS, a subsidiary of the Bigben Interactive parent company, amounting to €120,000 gross per year.

Other remuneration and benefits

Remuneration as director

The total annual amount of remuneration determined by the Shareholders' General Meeting is apportioned between Board members in accordance with the rules defined by the Board and set out above.

Accordingly, the Chairman receives, like the other members of the Board of Directors, two units with respect to his role as Director and two additional units with respect to his role as Chairman of the Company's Board of Directors.

The payment of this remuneration is subject to attendance at meetings of the Board of Directors.

A reduction is applied to the total amount of remuneration received in proportion to the number of Board meetings not attended by the director in question.

Benefits in kind

Unlike other members of the Group's Executive Committee, the Chairman does not have a company car.

Severance pay

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

Supplementary pension plan

The Chairman does not benefit from any supplementary pension plan.

Remuneration of the Chief Executive Officer

On 4 March 2020, the Board of Directors decided to set Fabrice Lemesre's remuneration and benefits with respect to his role as CEO of the Company as follows:

Fixed remuneration of €120,000 gross per year, paid on a monthly basis, i.e. €10,000 gross per month.

Pursuant to decisions made by the Board of Directors on 26 April 2021, Fabrice Lemesre will also receive variable remuneration of up to 33% of his gross annual fixed remuneration, i.e. up to €40,000, depending on the attainment of specific performance targets including one relating to the Company's operating income, in agreement with the Board.

Fabrice Lemesre may also be reimbursed for expenses reasonably incurred in his duties as CEO, on providing the relevant supporting documentation.

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

Other remuneration and benefits

Benefits in kind

Leased company car (€464 per month).

Severance pay

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

Supplementary pension plan

The CEO does not benefit from any supplementary pension plan.

After the appointment of the two executive corporate officers by the Company's Board of Directors, shareholders in the next Shareholders' General Meeting will have the task of deciding on the principles and criteria for determining, apportioning and awarding remuneration and benefits in kind for those two executive corporate officers in relation to 2020/21.

Remuneration of the Chief Operating Officer

On 4 March 2020, the Board of Directors decided to set Michel Bassot's remuneration and benefits with respect to his role as COO of the Company as follows:

Fixed remuneration of €36,000 gross per year, paid on a monthly basis, i.e. €3,000 gross per month.

Michel Bassot may also be reimbursed for expenses reasonably incurred in his duties as COO, on providing the relevant supporting documentation.

Michel Bassot still receives remuneration from the Bigben Group as Chairman of Bigben Connected, subsidiary of Bigben Interactive, amounting to €151,800 gross per year or €12,650 per month.

Michel Bassot also receives variable remuneration from Bigben Connected of up to around 50% of his gross annual fixed remuneration, i.e. up to €75,000, depending on the attainment of specific performance targets including those relating to Bigben Connected's inventories and operating income.

Other remuneration and benefits

Benefits in kind

Leased company car (€898 per month).

Severance pay

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

Supplementary pension plan

The COO does not benefit from any supplementary pension plan.

With the exception of the remuneration stated above, no exceptional remuneration is planned for the corporate officers.

13.1.3.2 Remuneration of the Group's executive corporate officers

The policy regarding remuneration and benefits in kind awarded to the executive corporate officers of the Company and the Group complies with recommendation 13 of the Middenext Code. The principles for determining remuneration meet the criteria regarding completeness, balance, benchmarking, consistency, clarity, measurement and transparency.

No executive corporate officer of the Group benefits from deferred remuneration, specific compensation or arrangements that depart from the rules of the bonus share or stock option plans in the event of their departure, or retirement benefit plan, as mentioned in recommendations 16, 17 and 18 of the Middenext Code.

Awards of options, bonus shares and other securities

Stock options

The Company does not intend, at this stage, to adopt a policy for awarding stock options, as referred to in recommendation 18 of the Middenext Code, for its corporate officers.

Bonus shares

The Company reserves itself the option of awarding bonus shares to its employees and executive corporate officers. The Company believes that such awards could take place in autumn 2021. The Board of Directors will therefore meet during the year to determine the precise details of the bonus share award plans. As regards corporate officers, in accordance with recommendation 18 of the Middenext Code, these bonus share awards will be dependent on presence conditions and performance conditions related to the Group's results, particularly the attainment of a target recurring operating margin.

13.2 AMOUNTS SET ASIDE BY THE COMPANY FOR THE PAYMENT OF PENSIONS, RETIREMENT BENEFITS AND OTHER BENEFITS TO CORPORATE OFFICERS

There is no specific pension plan for executives, and the Company has not set aside any sums in that respect.

The executives of Group companies are covered by a corporate officers' liability insurance policy taken out by the Company. The corporate officers do not benefit from any undertaking corresponding to elements of remuneration, compensation or benefits that are or may be due as a result of or subsequent to the start, termination or any change of their roles.

The Company has not provisioned any sums for the payment of pensions, retirement benefits or other benefits to members of the Board of Directors.

14. OPERATING PROCEDURES OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

14.1 MANAGEMENT OF THE COMPANY

The composition of and information relating to the Company's executive management and Board of Directors are set out in section 12 "Administrative and management bodies" of the Universal Registration Document.

14.2 INFORMATION ON AGREEMENTS BINDING THE COMPANY'S EXECUTIVES AND/OR CORPORATE OFFICERS AND THE COMPANY OR ANY OF ITS SUBSIDIARIES

To the best of the Company's knowledge, at the date of this Universal Registration Document, there are no service contracts that bind members of the Board of Directors or management team to the Company or to any of its subsidiaries and/or that provide for the granting of benefits to members of the Board of Directors, the CEO or any COO.

Similarly, to the best of the Company's knowledge, at the date of this Universal Registration Document, there are no service contracts that bind members of the Board of Directors or management team to the Company or to the Bigben Interactive Group.

14.3 BOARD OF DIRECTORS, BOARD COMMITTEES AND CORPORATE GOVERNANCE

14.3.1 Bigben Interactive's Board of Directors

The composition of and information relating to the Board of Directors are set out in section 12 "Administrative and management bodies" of the Universal Registration Document.

14.3.2 Board Committees

14.3.2.1 *Audit Committee*

To fulfil its remit, the Board of Directors is assisted by an Audit Committee.

Composition of the Audit Committee

In accordance with (i) Article L. 823-19 of the French Commercial Code, which states that "*the membership of this committee shall be decided, as the case may be, by the body in charge of governance and supervision. The committee may include only members of the body in charge of the administration or supervision in the service of the company, excluding those carrying out managerial functions. At least one member of the committee must have specific skills in the financial or accounting sector and be independent with respect to the criteria specified and made public by the body in charge of the administration or supervision*" and (ii) recommendation 6 of the Middlednext Code, the Audit Committee consists of two (2) members, of whom one (1) will be appointed from among the independent members of Bigben Interactive's Board of Directors. The members of the Audit Committee must have specific financial and/or accounting expertise.

Bigben Interactive's first Audit Committee was appointed on 25 October 2011 after the Board's internal rules were amended on the same day. The terms of office of Audit Committee members have since been renewed annually following decisions to make/renew/terminate appointments by shareholders in Shareholders' General Meetings.

The current members of the Audit Committee are Jean-Marie de Chérade, independent director, and Sylvie Pannetier. Mr de Chérade was selected by the Board in its meeting of 25 October 2011 and Ms Pannetier in its meeting of 25 July 2016. Ms Pannetier was appointed for the remainder of the term of office of Richard Mamez, who was first appointed on 25 October 2011 but resigned when he became

Non-Voting Advisor to Bigben Interactive. Sylvie Pannetier, who is employed as a treasurer by the Company, is not regarded as an independent member of the Audit Committee.

The Board of Directors, taking into account their professional experience, took the view that they have the skills required under Article L. 823-19 of the French Commercial Code to enable them, as members of the Audit Committee, to assess the work done by the Finance Department and to provide their expert opinion.

The term of office of Audit Committee members coincides with their term of office as Board members. Their term of office as Audit Committee members may be renewed at the same time as their term of office as Board members.

The Audit Committee met in November 2020 in relation to the half-year accounts closing at 30 September 2020 and in May 2021 in relation to the annual accounts closing at 31 March 2021. The statutory auditors took part in Audit Committee meetings in which half-year and full-year results were analysed. The attendance rate of directors who were Audit Committee members was 100%.

Remit and duties of the Audit Committee

The remit of the Audit Committee is to monitor issues relating to the preparation and control of accounting and financial information in order to ensure that the risk management and internal control system is effective, and as the case may be to make recommendations to ensure its integrity. The remit of the Audit Committee was defined in the Board's Internal Rules on 22 January 2020.

Without prejudice to the Board's authority, the Audit Committee has the following duties:

- it monitors the process of preparing financial information and, as the case may be, makes recommendations to ensure its integrity,
- it monitors the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and processing of accounting and financial information, without affecting its independence.
- it makes a recommendation regarding the statutory auditors put forward for appointment by the Shareholders' General Meeting or body with a similar function. That recommendation, made to the administrative or supervisory body, is made in accordance with regulations. The Audit Committee also makes a recommendation to that body when any reappointment of the statutory auditor or Auditors' appointment is being considered in accordance with regulations.
- it monitors the statutory auditors' fulfilment of their duties. As regards public interest entities, it takes account of the findings and conclusions of the French auditors' body (*Haut conseil du commissariat*) following checks carried out in line with regulations.
- it ensures that the statutory auditors meet the independence criteria defined by regulations.
- it approves the provision of services other than the auditing of financial statements in accordance with applicable regulations.
- it reports regularly to the collegial body tasked with overseeing its remit. It also reports on the results of the audit of the financial statements, the way in which that audit contributed to the integrity of financial information and the role it played in that process. It informs the Board immediately of any difficulty encountered.

The Audit Committee shall ensure the independence of the statutory auditors and shall check that the scope of non-audit services does not present any risk to their independence taking into account their purpose and conditions under which they are performed.

In accordance with Article L. 823-20(5) of the French Commercial Code, the Company may ask the Company's Board of Directors for non-audit services mentioned in Article L. 822-11-2 of the French Commercial Code, referring to Article L. 823-19(6) of the same Code, to be carried out by its Audit Committee. In that case, the Audit Committee shall report regularly on the decisions thus adopted to the administration body of the controlled company.

Presence of other persons who are not members of the Audit Committee

The CEO or COO do not take part in Audit Committee meetings, while the Group's Corporate Secretary and/or CFO represent the Company and take part in them in that capacity. After providing all relevant information and details, they shall leave the meeting so that the Audit Committee can hold a discussion.

Should the Board meet as an Audit Committee, the CEO and COO would be absent from part of the meeting.

14.4 STATEMENT ON CORPORATE GOVERNANCE

14.4.1 Corporate governance code

To comply with article L. 225-37-4 of the French Commercial Code, since Bigben Interactive's shares were admitted to trading on Euronext Paris, the Company has referred to the corporate governance code for small and mid-cap stocks published by Middelnext in September 2016 and validated as a reference code by the AMF (accessible on the www.middelnext.com website under "News"), since the principles it contains are compatible with the Company's organisation, size, resources and ownership structure.

The Middelnext Code contains areas for attention setting out matters that the Board of Directors must address in order to foster good governance as well as recommendations.

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

Middelnext Code recommendations	Applied	Not applied
"Supervisory" body		
R1: Conduct of Board members	X	
R2: Conflicts of interest	X	
R3: Composition of the Board – Presence of independent members	X	
R4: Reporting to Board members	X	
R5: Organisation of Board and Committee meetings	X	
R6: Board committees	X	
R7: Internal rules for the Board	X	
R8: Selection of each director	X	
R9: Terms of office of Board members	X	
R10: Remuneration of directors	X	
R11: Assessment of the Board's work	X	
R12: Relations with "shareholders"	X	
The "executive" body		
R13: Definition and transparency of remuneration paid to executives and corporate officers	X	
R14: Succession planning for executives	X	
R15: Combination of an employment contract and role as corporate officer	X	
R16: Severance pay	X	
R17: Supplementary pension plans	X	
R18: Stock options and bonus share awards	X	
R19: Review of areas for attention	X	

14.4.2 Succession planning for the CEO

In accordance with recommendation 14 of the Middlednext Code, which advises the Board of Directors to consider the succession planning for existing executives on a regular basis, Bigben Interactive's Board of Directors discussed this matter in its 26 April 2021 meeting.

Board members were reminded that on 4 March 2020, the Company had changed its governance team with Alain Falc resigning from his role as CEO of the Company, which meant that his only remaining role was that of Chairman of the Board. Fabrice Lemesre was appointed as his replacement as CEO and Michel Bassot was appointed as the Company's COO, replacing Laurent Honoret. At the date of this document, Fabrice Lemesre is 52 years old and Michel Bassot is 61 years old.

After a further review of this information on 26 April 2021, Bigben Interactive's Board of Directors took the view that the succession planning for the CEO was not an imminent concern because he had only recently been appointed to that role, although the Board is continuing to pay attention to the matter of succession planning concerning the executive team.

14.5 INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

At the date of the Universal Registration Document, Bigben Interactive has internal control procedures relating to financial and accounting information, summarised below.

14.5.1 Components of the internal control system

14.5.1.1 Control environment

Given the company's size, the management team and the main executives play a dominant role in the organisation of internal control. The key participants in the internal control system are as follows:

- The Chief Executive Officer:

He defines and guides Bigben Interactive's strategy. He is responsible for establishing the procedures and resources used to ensure the operation and monitoring of internal control. He is responsible for internal control more specifically in his role as CEO, alongside the Board of Directors and the assistance of the statutory auditors.

- Board of Directors

The Board determines the direction of Bigben Interactive's business and ensures that it is followed. In particular, it examines accounting and financial documentation that is subject to financial reporting and assesses risks connected with the Company's internal and external control.

Each director may, in addition, gain additional information at his/her own discretion, and the CEO may be called upon by the Board of Directors at any time to provide explanations and material information.

- Financial and accounting teams

They provide both expertise and control, being in charge of monitoring the budget, preparing the financial statements, hitting targets and implementing the internal control strategy established by the CEO, and implementing recommendations made by both the Group's Finance Department and by the statutory auditors.

14.5.1.2 Risk assessment

In its business activities, the Group is exposed to risks that could, if realised, affect its performance and achievement of its strategic and financial targets.

To implement the necessary resources to manage its risks, the Group has catalogued risks at the upstream level with management teams and at the downstream level with operational and functional teams.

The main risk factors, and the mitigation and action resources are set out in section 3 “Risk factors” of this Universal Registration Document.

The main areas considered are:

- risks related to the business,
- market risks and financial risks,
- legal, regulatory and tax risks,
- non-financial risks (workforce-related and environmental),
- the risk of fraud.

At management’s request, any risks over which control is insufficient or could be improved are assessed by the participants in the control system. In that case, internal control arrangements are designed and reviewed to ensure improved effectiveness in conjunction with operational teams.

The controls adopted represent an operational framework within the Company and are constantly changing, with the aim of eventually constituting genuine risk-management tools that can be used at all levels of the organisation.

14.5.1.2 Control activities

Main internal control procedures

As well as the risk management system, Bigben Interactive has numerous control processes at all levels of the company.

The organisation of support functions means that Executive Management’s main strategies and targets are disseminated consistently.

- **Group Management Control department:**
 - *Backward-looking work (reporting, etc.):*

This ensures that the company’s performance is monitored through operational monitoring focused on monthly “Flash” reports for all Group subsidiaries. It also prepares deliverables for Executive Committee meetings (Eurometing group) attended by the Executive Management of the Group and subsidiaries and the Group’s operating and finance departments, which assess the various reporting indicators and differences between actual financial statements and initial forecasts, and which refine quarterly, half-yearly, annual and multi-year forecasts on the basis of actual results and the market outlook as reported by local and operating teams. The Group’s management controllers monitor the whole financial reporting cycle and constantly challenge subsidiaries regarding their performance, results and business activity.
 - *Forward-looking work:*

As part of its day-to-day management work, Bigben Interactive has supplemented its head office and Group budget and reporting procedures by adopting “memo deal”-type management sheets to monitor exclusive distribution, publishing or licensing agreements that include financial and/or volume commitments.

Each project undergoes an upstream analytical cost analysis, in addition to the downstream analysis of commercial potential (estimate of possible customer returns based on actual store checkout figures etc.).
- **Group Consolidation department:** prepares the Group’s consolidated financial statements and provides information about the applicable accounting policies within the Group as required. It ensures compliance with standards and regulations in force in order to give a true and fair view of the Group’s business activity and position.
- **Group Treasury department:** co-ordinates the management of French and non-French subsidiaries’ cash positions, including by overseeing cash forecasts. It ensures that policies for managing exchange rate risk and liquidity risk are appropriate, and also manages off-balance sheet commitments relating to commercial activities (letters of credit, collateral etc.). It centralises

and checks the application of authorisation thresholds granted to a limited number of staff members and helps to set up tools that ensure effective control (dual signature procedure, secure payment tools, regularly updated authorisation and signature system, checks on IT access etc.). It should be noted that Bigben Interactive has for several years used EBICS TS cash management software, which allows secure electronic payments to be made without using faxes.

- Group Finance Department
 - This department implements the financial aspects of Executive Management decisions, in accordance with regulations, through various financial transactions (issues of securities giving access to the share capital, potential acquisitions, management incentives etc.).
 - As regards tax, supported by external advisors, it assists and advises Group companies, both French and non-French, when analysing the tax aspects of their projects. Working with the various in-house departments, it secures the Group's tax position by overseeing the prevention, identification and management of tax risks.
- Corporate Secretary and Group Legal Department: supported by their external lawyers and advisors specialising in company law, contract law, litigation and intellectual property, they assist and advise Group entities regarding legal matters (acquisitions, contracts, leases, stockmarket regulation, corporate governance etc.) and co-ordinate joint studies or studies of interest for the Group.
- Information Systems Departments (ISDs): these departments help select IT resources, ensure they are consistent and oversee changes to them over time, in both technical and functional terms. The ISDs regularly monitor the progress of IT projects and ensure they are appropriate as regards requirements, existing resources and budgets. IT security teams have the task of ensuring and organising the protection of their entities' activities, including but not limited to the security of applications, information systems, premises and human and material resources.

Information systems

The Company is always seeking to improve its information system and ensure the integrity of its accounting and financial data. Accordingly, it invests in the installation and maintenance of IT tools and procedures that meet requirements and constraints at both the local and Group levels.

Particular attention is paid to the security of data and processing. IT teams make constant efforts to improve controls that ensure the following:

- availability of services and systems,
- availability, confidentiality, integrity and traceability of data,
- protection of connected services against unauthorised access,
- surveillance of the network against internal and external threats,
- security and restoration of data.

14.5.1.3 Information and communication

The Group is aware that information is necessary at all levels of the organisation to ensure effective internal control and achieve the organisation's objectives. All relevant, reliable and appropriate information – internal or external, financial, operational or relating to compliance with statutory and regulatory obligations – is identified, collected and disseminated in an appropriate form and within an appropriate timeframe.

Procedures for validating accounting and financial information

Accounting and financial information

Bigben Interactive's accounting and financial information is prepared by the Group Finance Department and Group Consolidation Department under the control of the CEO, with the Board of Directors being in charge of final validation.

- Accounting standards

The Group's accounting standards comply with IFRSs issued by IASB and as adopted by the European Union.

- Statutory financial statements

The financial statements of each subsidiary are prepared, under the responsibility of their manager, by local accounts departments that ensure compliance with tax and regulatory requirements in their respective countries.

- Consolidation

The reporting of quarterly accounting information takes place according to a timetable defined by the Group Consolidation Department and validated by the Group Finance Department, and according to the Group's IFRS accounting policies in a central consolidation software package under the responsibility of the consolidation department. The software allows reliable and rapid reporting of data and aims to safeguard the consolidated financial statements.

The Company has taken steps to ensure that the process for producing consolidated financial statements is streamlined and reliable. Accordingly, the consolidation department uses:

- digitalised input templates, updated periodically, allowing subsidiaries to understand the tools and use them as effectively as possible, and to ensure the consistency of published accounting and financial data,
- a transition matrix between the statutory financial statements of its subsidiaries and the consolidated financial statements, and
- monitors developments constantly in order to track and anticipate changes in the regulatory environment applicable to Group companies.

- Statutory auditors

Bigben Interactive's statutory auditors carry out a limited review of the financial statements.

Outside of specific audit periods, prior analysis of specific accounting issues is carried out ahead of accounts closing periods, thereby reducing the time required to prepare the consolidated financial statements, while process reviews allow the statutory auditors to ensure that the processes in place are reliable and that their audit techniques are backed up by identified strong controls.

At the international level, subsidiaries' financial statements are reviewed by local statutory auditors who carry out all audit work required in the respective countries subject to the directives of the Group's statutory auditors. This organisation helps harmonise audit procedures.

As the body responsible for preparing financial statements and implementing accounting and financial internal control systems, Executive Management holds discussions with the statutory auditors.

The statutory auditors take part in all Audit Committee meetings. In those meetings, they discuss their work on procedures and their conclusions on accounts closing documents, and disclose material matters arising during their audit work.

Process for validating and communicating financial information externally

The Group Finance Department disseminates financial information that is necessary to understand fully the Group's strategy among shareholders, financial analysts, investors etc.

All financial and strategy press releases are reviewed and validated by Executive Management.

Financial information is disseminated in strict compliance with market rules and the principle that shareholders must be treated equally.

It should be noted that the Group maintains a list of insiders who are reminded of their confidentiality duties and compliance with "closed periods" regarding trading in Bigben Interactive shares.

Other external communication

Executive Management is contactable by any external entities such as suppliers, customers, shareholders and financial analysts, in order to provide them with explanations or answering their questions relating to the way in which the Group's internal control system operates.

Marketing and financial press releases are also sent to any person (in the financial community) who has expressed an interest in following the Group.

15. EMPLOYEES

The Company believes that its staff is a major asset and that, in a particularly competitive market in which expertise developed in France is unanimously acknowledged, its ability to retain employees is a key factor for its future success.

15.1 NUMBER OF EMPLOYEES AND BREAKDOWN BY COMPANY

Breakdown of employees by legal entity:

By legal entity	31/03/2021	31/03/2020	31/03/2019
Bigben Interactive SA	86	87	85
Bigben Connected	110	101	101
Bigben HK Ltd	18	18	19
Bigben España	8	16	19
Total Bigben–Audio/Telco	222	222	224
Nacon SA	121	104	83
Games.fr	6	7	7
Bigben Benelux	19	17	14
Nacon HK Ltd	12	11	8
Bigben Interactive GmbH	19	17	18
Nacon Gaming España SL	10	7	9
Bigben Interactive Italia	11	13	12
Cyanide	121	102	85
Cyanide Canada	43	40	35
Kylotonn	134	98	73
Eko Software	27	30	34
Spiders	59	37	0
RaceWard	37	27	0
Nacon Gaming Inc.	3	2	0
Nacon Pty Ltd.	2	0	0
Neopica S.r.l.	7	0	0
Total Nacon	631	512	378
Total Bigben Interactive	853	734	603

Source: Declaration of Non-Financial Performance/CSR reports of 31 March 2019, 31 March 2020 and 31 March 2021

In 2018/19, staff numbers increased sharply, boosted by employees of the three newly acquired studios Cyanide SA, Kylotonn SAS and Eko Software SAS, but also by efforts to strengthen Nacon's head-office teams in the games publishing business. As a result, headcount was 603 at 31 March 2019.

In 2019/20, the Nacon Group's studio staff numbers increased further due to the addition of employees at two new studios, i.e. Spiders SAS (now wholly owned by Nacon) and RaceWard – Lunar Great Wall Studios S.r.l., which joined the Group's scope of consolidation, along with the creation of Nacon Gaming Inc. to market RIG™ headsets and Nacon® products in the United States. As a result, headcount was 734 at 31 March 2020, plus 28 interns and temporary staff members.

In 2020/21, studio staff numbers increased further due to the addition to the Nacon Group's headcount of staff at its new Neopica studio. As a result, headcount was 853 at 31 March 2021, plus 53 interns and temporary staff members.

Note that the acquisition of full ownership of the Passtech studio (around 12 employees) in France during April 2021 and of the Big Ant Studios Pty (around 55 employees) in Australia during May 2021 lifted the Nacon Group's headcount to almost 700 and that of the Bigben Group to around 920 employees at the publication date of this Universal Registration Document.

15.2 EQUITY INTERESTS AND STOCK OPTIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Members of Bigben Interactive's Board of Directors and Executive Management do not have any equity interests or stock options in Bigben Interactive or its subsidiary Nacon.

15.3 OWNERSHIP OF THE COMPANY'S SHARE CAPITAL BY EMPLOYEES

15.3.1 Employee share ownership

Capital owned by employees

In the past, shares owned by employees were managed collectively (through the Bigben Interactive Actionnariat employee savings mutual fund). For example, that fund held 19,449 shares at 31 March 2015. In the 2015/16 financial year, that employee savings mutual fund was wound up, and so the Company no longer has direct knowledge of how much of Bigben Interactive's capital is held by its employees.

140,800 bonus shares vested in the Group's employees in August 2017, and 143,760 bonus shares vested in August 2018. The mandatory two-year lock-up period ended on 31 August 2019 and 31 August 2020 respectively, and so the relevant employees are now free to sell those shares.

A further 198,585 bonus shares vested in the Group's employees in September 2019, 19,799 in November 2019 and 251,155 in September 2020. Those shares are currently subject to the mandatory two-year lock-up period until 3 September 2021, 26 November 2021 and 7 September 2022 respectively, on which dates the relevant employees will be free to sell them.

Since the equity interests of employees as defined in Article 225-102 of the French Commercial Code remain less than 3% of the Company's share capital to the best of the Company's knowledge, the Shareholders' General Meeting does not currently have to appoint one or more directors put forward by employee-shareholders.

There are no plans to include within the Company's articles of association the possibility of one or more directors being elected by the staff of the Company and/or its subsidiaries.

Capital potentially owned by employees

During the 2020/21 financial year, on 7 September 2020, the Board of Directors decided to award 120,275 shares to 220 beneficiaries. The vesting of those shares after a 1-year period is again subject to an ongoing presence condition and/or a performance condition related to achieving a predetermined level of recurring operating income. Based on the number of bonus shares vested, an issue of new shares will take place through the capitalisation of reserves, and a special appropriated earnings account equal to the total par value of the 120,275 shares awarded, i.e. €240,550, was set up at the time of the award.

The number of shares awarded to the 10 beneficiaries awarded the most shares as part of this bonus share award was 75,238.

Draft resolution on the "Capital increase reserved for members of the employee savings plan"

On 30 July 2020, the Board of Directors made a proposal to shareholders in the Shareholders' General Meeting to carry out a capital increase in the following 18 months for the benefit of employees of the Company and companies related to it who are members of the Company's existing employee savings

plan, in an amount of up to €400,000. Shareholders in the Shareholders' General Meeting rejected that draft resolution.

Draft resolution on “Bonus share awards”

By awarding bonus shares, the Group increases employee share ownership, giving an interest in Bigben Interactive's future stockmarket performance to all employees who wish to have such an interest.

Shareholders in the Shareholders' General Meeting will again be asked to grant authority to the Board of Directors, for an 18-month period, to decide to award bonus shares to employees of the Company and companies related to it. The size of the award may not exceed 2% of the Company's existing share capital at the date of the decision to award the shares.

16. MAIN SHAREHOLDERS

16.1 OWNERSHIP OF THE SHARE CAPITAL AND VOTING RIGHTS

At the date of this Universal Registration Document, the Company's share capital totalled €38,911,576, divided into 19,455,788 shares¹⁷ with par value of €2 each.

At 31 March 2021, the Company's share capital totalled €39,939,316, divided into 19,969,658 shares with par value of €2 each, of which the Bolloré group owned 19.8% (via Nord Sumatra) and AF Invest owned 13.0%, with the free float making up the rest.

Information that may be relevant in the event of a public offer

In accordance with Article L. 225-100-3 of the French Commercial Code, elements that may be relevant in the event of a public offer are set out below:

- The largest shareholder at 31 March 2021 is Vincent Bolloré, who holds 19.8% of the Company's share capital and 17.5% of its voting rights, via Nord Sumatra in particular;

- As regards the issuance and repurchasing of shares, in various resolutions, the Shareholders' General Meeting of July 2020 granted the Board of Directors power to increase the share capital, with preferential subscription rights maintained or withheld, up to a maximum par value of €4.5 million in an offer period including an exchange component.

The law provides that grants of authority must be suspended during a public offer period if their use could cause the offer to fail.

Ownership of the share capital and voting rights at 31 March 2021

Shareholder	Category	% of share capital	% of voting rights ⁽¹⁾
Alain Falc ⁽²⁾	Chairman	13.0%	22.6%
Nord Sumatra (Bolloré)	Institutional investor	19.8%	17.5%
Free float	-	65.8%	59.9%
Treasury shares/Liquidity agreement ⁽³⁾	-	1.3%	0.0%
Total		100.0%	100.0%

(1) gross voting rights

(2) directly and indirectly via AF Invest

(3) o/w 1.25% (250,319 shares) under the share buyback programme on 2 March 2021, and 0.05% (9,650 shares) under the liquidity agreement

At 31 March 2021, the Company's share capital consisted of 19,969,658 shares and 22,662,590 voting rights on a gross basis.

¹⁷ At its meeting on 1 July 2021, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2020, decided to reduce the Company's share capital by cancelling 513,870 shares held in treasury, purchased between 2 March 2021 and 17 June 2021, and representing around 2.57% of the Company's share capital. Accordingly, the number of shares making up the Company's share capital stood at €38,911,576 divided into 19,455,788 shares at the publication date of the Universal Registration Document.

Changes in ownership of the share capital and voting rights in the last two financial years

Ownership of shares and voting rights at 31 March 2020

Shareholder	Category	% of share capital	% of voting rights⁽¹⁾
Alain Falc ⁽²⁾	Chairman	13.22%	22.87%
Nord Sumatra (Bolloré)	Institutional investor	20.09%	17.69%
Quaero Capital	Institutional investor	5.62%	4.95%
Free float	-	60.96%	54.49%
Liquidity agreement	-	0.11%	0.00%
Total		100.00%	100.00%

(1) gross voting rights

(2) directly and indirectly via AF Invest

At 31 March 2020, the Company's share capital consisted of 19,718,503 shares and 22,390,443 voting rights on a gross basis.

Ownership of shares and voting rights at 31 March 2019

Shareholder	Category	% of share capital	% of voting rights⁽¹⁾
Alain Falc ⁽²⁾	Chairman	13.4%	23.1%
Nord Sumatra (Bolloré)	Institutional investor	20.3%	17.8%
Quaero Capital	Institutional investor	8.7%	7.6%
Free float	-	57.5%	51.5%
Liquidity agreement	-	0.1%	0.00%
Total		100.00%	100.00%

(1) gross voting rights

(2) directly and indirectly via AF Invest

At 31 March 2019, the Company's share capital consisted of 19,500,119 shares and 22,192,461 voting rights on a gross basis.

16.2 VOTING RIGHTS OF THE MAIN SHAREHOLDERS

At 31 March 2021, the Bolloré group owned 19.8% of Bigben Interactive SA's capital and 17.5% of its gross voting rights, in particular via Nord Sumatra.

At 31 March 2021, the Company's Chairman/CEO Alain Falc held 13.0% of Bigben Interactive SA's share capital and 22.6% of its gross voting rights (directly and indirectly).

See section 19.2.2.1 regarding provisions applicable to double voting rights.

Crossings of ownership disclosure thresholds in the last two financial years:

- **Bolloré group**

The concert formed by Vincent Bolloré, the Nord-Sumatra Investissements “société anonyme” [public limited company], and Sébastien Bolloré crossed below on 7 September 2020 the 20% threshold of the Company’s share capital to hold 3,961,173 Bigben Interactive shares, and the same number of voting rights, or 19.84% of the share capital and 17.46% of the Company’s voting rights. The crossing of this threshold resulted in the increase in the total number of the Company’s shares and voting rights (note AMF 220C3556)

- **Quaero**

In a letter received by the AMF on 21 February 2020, Swiss public limited company Quaero Capital (Genève), acting on behalf of investment fund Quaero Capital Funds (Lux)¹⁸, disclosed to the Autorité des Marchés Financiers that its ownership of Bigben Interactive’s voting rights had fallen below 5% on 20 February 2020 and that it held, on behalf of that fund, 1,109,073 Bigben Interactive shares representing the same number of voting rights, i.e. 5.62% of the company’s share capital and 4.95% of its voting rights¹⁹. Quaero Capital (Lux) informed the AMF that the crossing of the 5% threshold resulted from the sale of Bigben Interactive shares in the market (AMF notice 220C0712).

Quaero Capital SA, a Swiss-registered “société anonyme” [public limited company] reported to the Autorité des marchés financiers that it had crossed on 19 October 2020 below the 5% threshold of the Company’s share capital to hold 997,882 Bigben Interactive shares, and the same number of voting rights, or 4.99% of the share capital and 4.40% of the Company’s voting rights. The crossing of this threshold was the result of a sale of the Company’s shares (AMF 220C4473 note).

16.3 CONTROL OF THE COMPANY

At 31 March 2021, the Bolloré group owned 19.8% of the Company’s share capital and 17.5% of its voting rights on a gross basis via Nord Sumatra.

The Chairman of the Board of Directors, Alain Falc, held 13.0% of the share capital and 22.6% of the gross voting rights (directly and indirectly).

To the best of the Company’s knowledge, there are no other shareholders holding, alone or in concert, more than 5% of the Company’s share capital and voting rights. As a result, at the date of this Universal Registration Document, no shareholder had control over the Company within the meaning of Article L. 233-3 of the French Commercial Code.

As a result, the Company believes that there is no risk of control being indirectly exercised in an improper manner by either of the Company’s main shareholders, particularly in view of (i) the current composition of the Board of Directors, which includes two independent directors, (ii) the composition of the Audit Committee, which also includes one independent director and (iii) the separation of the role of Chairman of the Board of Directors (Alain Falc) from that of Chief Executive Officer (Fabrice Lemesre).

¹⁸ Quaero Capital (Lux) acts as the “investment manager” of Quaero Capital Funds (formerly called SICAV Argos Funds), for which FundPartner Solutions (Europe) S.A. is the administrator and Pictet & Cie (Europe) S.A. is the custodian.

¹⁹ Based on the share capital consisting of 19,718,503 shares representing 22,392,349 voting rights, applying the second paragraph of Article 223-11 of the AMF’s General Regulation.

16.4 **AGREEMENTS THAT MAY LEAD TO A CHANGE OF CONTROL**

At the date of this Universal Registration Document, there is no agreement whose implementation could lead to a change of control in the Company.

At the Bigben Interactive level, there is no agreement whose implementation could, at a later date, lead to a change in control over Bigben Interactive and therefore directly over the Company, it being stipulated that Vincent and Sébastien Bolloré own their shares in concert with Nord Sumatra (Bolloré group) and that Alain Falc owns his stake in Bigben Interactive in concert with AF Invest.

However, the parent company Bigben Interactive's ownership structure has historically been very stable and Alain Falc is also a corporate officer with an operational role in the Nacon Group, which suggests confidence in the management and strategy adopted by the Group, provided that they prove prudent, justifiable, appropriate to market opportunities and conditions and profitable.

16.5 **PLEDGES**

None of the shares making up the Company's share capital is subject to any pledge.

17. TRANSACTIONS WITH RELATED PARTIES

17.1 INTRAGROUP TRANSACTIONS AND TRANSACTIONS WITH RELATED PARTIES

The Company has formed intragroup agreements and agreements with related parties including agreements with its own subsidiaries.

All of those agreements are described in section 6.3.

17.2 STATUTORY AUDITOR'S REPORT ON REGULATED AGREEMENTS

To the shareholders of Bigben Interactive SA,

In our capacity as your Company's statutory auditors, we hereby submit our report on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our assignment, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the benefits resulting from these agreements prior to their approval.

In addition, we are required to inform you, in accordance with Article R. 225-31 of the French Commercial Code, about the performance during the year of the agreements already approved by the shareholders in shareholders' general meetings.

We have carried out the work we considered necessary to comply with the professional guidelines issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of assignment.

AGREEMENTS SUBJECT TO APPROVAL BY THE SHAREHOLDERS' GENERAL MEETING

Agreements authorised and entered into during the year

We were not informed of any agreement or commitment authorised and entered into during the year to be submitted for approval at the Shareholders' General Meeting in accordance with Article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' GENERAL MEETING

We have not been made aware of any agreement already approved by shareholders in shareholders' general meetings that continued to be performed in the period under review.

Paris La Défense, 5 July 2021

Roubaix, 5 July 2021

KPMG Audit IS

Fiduciaire Métropole Audit

Stéphanie Ortega
Partner

François Delbecq
Partner

18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, FINANCIAL POSITION AND EARNINGS

18.1 HISTORICAL FINANCIAL INFORMATION

18.1.1 Audited historical financial information

1 STATUTORY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1.1 BALANCE SHEET

1.1.1 ASSETS

ASSETS	Gross 31/03/2021	Depreciation, amortisation and provisions 31/03/21	Net 31/03/2021	Net 31/03/2020
	in thousands of euros	in thousands of euros	in thousands of euros	in thousands of euros
Non-current assets				
<i>Intangible assets</i>				
Concessions, patents	1,164	1,112	52	80
Advances and payments on account	200	-	200	110
	1,364	1,112	252	190
<i>Property, plant and equipment</i>				
Land	-	-	-	-
Buildings	5,163	3,473	1,690	1,826
Technical installations	135	109	26	21
Other property, plant and equipment	2,112	1,275	837	230
Property, plant and equipment in progress	259	-	259	724
	7,669	4,857	2,812	2,801
<i>Non-current financial assets</i>				
Equity securities	88,071	335	87,736	87,736
Receivables related to associates	-	-	-	-
Other long-term investment securities	-	-	-	-
Loans	-	-	-	-
Other non-current financial assets	60,499	-	60,499	55,344
	148,570	335	148,235	143,080
TOTAL	157,603	6,304	151,299	146,071
Current assets				
Inventories and work in progress	12,841	2,254	10,587	11,317
Advances and payments on account	65	-	65	38
Receivables				
Trade receivables	3,831	256	3,575	6,717
Other receivables	2,375	-	2,375	3,570
Marketable securities	193	1	192	254
Cash and cash equivalents	65,836	-	65,836	693
TOTAL	85,141	2,511	82,630	22,589
Prepaid expenses	66	-	66	99
Expenses to be amortised over several periods	-	-	-	-
Bond redemption premium	2,562	-	2,562	-
Exchange differences (assets)	-	-	-	-
TOTAL ASSETS	245,372	8,815	236,557	168,759

1.1.2 EQUITY AND LIABILITIES

EQUITY AND LIABILITIES	Net 31/03/2021	Net 31/03/2020
	in thousands of euros	in thousands of euros
Equity		
Share capital	39,939	39,437
Share premiums	51,157	51,157
Statutory reserve	3,944	3,900
Appropriated earnings	431	771
Other reserves	43,620	37,181
Net income for the period	-3,155	6,645
Regulated provisions	440	367
TOTAL EQUITY	136,376	139,458
Contingency and loss provisions	292	251
Liabilities		
Other bond borrowings	89,919	
Borrowings and debt owed to financial institutions	2,504	1,591
Other borrowings and debt	108	-
Trade payables	1,376	4,385
Tax and employment-related liabilities	881	2,745
Liabilities relating to non-current assets	276	362
Other payables	4,810	19,935
Prepaid income	12	50
TOTAL LIABILITIES	99,886	29,068
Exchange differences (liabilities)	3	-18
TOTAL EQUITY & LIABILITIES	236,557	168,759

1.2 INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Net 2020/21 in thousands of euros	Net 2019/20 in thousands of euros
Operating revenue		
Sales of merchandise	12,806	60,817
Sales of services	5,040	4,686
Net revenue	17,846	65,503
Operating subsidies	0	1
Reversals of depreciation, amortisation, provisions and expense transfers	4,698	6,163
Other operating revenue	329	320
Total operating revenue	22,873	71,987
Operating expenses		
Purchases of merchandise	10,967	48,711
Changes in inventories of merchandise	412	-3,983
Other purchases and external expenses	9,623	12,743
Taxes other than on income	388	619
Wages and salaries	2,499	4,538
Social security costs	1,160	2,173
Additions to depreciation, amortisation and provisions for non-current assets	301	332
Additions to provisions for current assets	2,407	2,362
Additions to contingency and loss provisions	127	430
Other operating expenses	136	409
	28,020	68,334
Operating income	-5,147	3,653
Financial income		
Financial income from equity investments	838	3,263
Income from other non-current financial assets	7	10
Reversals of financial provisions	42	547
Foreign exchange gains	35	285
	922	4,105
Financial expenses		
Additions to financial provisions	107	269
Interest and financial expenses	235	478
Foreign exchange losses	286	113
	628	860
Net financial income/expense	294	3,245
RECURRING PRE-TAX INCOME	-4,853	6,898
Non-recurring income		
Relating to capital transactions	110	64
Reversals of provisions	89	447
	199	511
Non-recurring expenses		
Relating to operating transactions		536
Additions to provisions	162	455
	162	991
Net non-recurring income/(expense)	37	-480
Income tax	1,661	227
NET INCOME	-3,155	6,645

2 NOTES TO THE STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

This document constitutes the notes to Bigben Interactive SA's statutory financial statements for the year ended 31 March 2021.

Those statements show total assets of €236,557 thousand and a net loss of €3,155 thousand.

The figures in the notes are stated in thousands of euros unless otherwise mentioned.

The information relating to the year ended 31 March 2019, presented in the 2018/19 registration document D.18-0581 filed with the AMF on 19 June 2019, is incorporated by reference.

2.1. KEY EVENTS IN THE FINANCIAL YEAR

2.1.1. COMMERCIAL DEVELOPMENT

GAMING

In the 2019/20 financial year, the Gaming business was included in Bigben Interactive's statutory financial statements only in the first half as a result of the 31 October 2019 spin-off of the Gaming business to the newly established Nacon SA.

In the 2020/21 financial year, only the Audio business remains in Bigben Interactive's statutory financial statements.

AUDIO/TELCO

Despite the three successive lockdowns that severely impacted its distribution networks, Audio sales remained stable in the 2020/21 financial year owing to the healthy performance of *Thomson®* products and the success of listing product lines at 600 new sales outlets in the home decor and well-being business.

Mobile accessories sales rose slightly with the success achieved by the range of products to address Covid-19-related hygiene concerns.

2.1.2. CHANGE IN SCOPE

None

2.1.3. OWNERSHIP STRUCTURE

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

On 4 September 2019, Bigben Interactive SA's Board of Directors awarded 272,533 bonus shares, mainly to employees and corporate officers of recently acquired Nacon Group entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and a condition related to achieving a predetermined level of recurring operating income.

The performance condition was met by all the Group entities fully or in part, and given the departures that took place prior to the acquisition date, 251,155 shares were awarded in the end to 485 beneficiaries (including 311 employees and corporate officers of Nacon entities, representing 218,355 shares).

As a result, on 7 September 2020, the Bigben Group issued 251,155 new shares through the capitalisation of 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 to corporate officers of the Group's Audio/Telco entities, representing a total of 220 beneficiaries. The vesting of those shares after a 1-year period 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 Company's ownership structure at 31 March 2021 was as follows:

Ownership of the share capital and voting rights at 31 March 2021

Shareholder	Category	% of share capital	% of voting rights ⁽¹⁾
Alain Falc ⁽²⁾	Chairman	13.0%	22.6%
Nord Sumatra (Bolloré)	Institutional investor	19.8%	17.5%
Free float	-	65.8%	59.9%
Treasury shares/Liquidity agreement ⁽³⁾	-	1.3%	0.0%
Total		100.0%	100.0%

(1) gross voting rights

(2) directly and indirectly via AF Invest

(3) o/w 1.25% (250,319 shares) under the share buyback programme on 2 March 2021, and 0.05% (9,650 shares) under the liquidity agreement

At 31 March 2021, the Company's share capital consisted of 19,969,658 shares and 22,662,590 voting rights on a gross basis.

2.1.4. OTHER EVENTS

- **Covid-19 (coronavirus) pandemic**

Bigben Interactive SA has been affected by the global public health crisis in the following ways:

- Supply chain disruption in Asia at the beginning of the financial year
- Closure of the stores during the three lockdowns (spring 2020, autumn 2020 and spring 2021) imposed by the main European countries
- Measures have been taken to protect employees and third parties

To manage the health situation as effectively as possible, the Company took steps from the outset of the crisis to minimise its direct impact on its operations and costs. The vast majority of people working in support services and development did so remotely until May 2020, while the logistics warehouse adjusted its workload so that it can operate with a reduced staff in accordance with the 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.

The Company introduced a strict lockdown-easing plan once the successive lockdowns were lifted, to protect the health of its staff members and third parties when they return to the Group's premises and allow activities to resume gradually in accordance with health guidelines.

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

From a business perspective, revenue was worst-affected in the 2020/21 financial year by the exceptional effects of the Covid-19 crisis through a contraction in consumption of Audio products, which was evident during the successive lockdowns.

The targeted action plan to address the lockdown-easing period was applied in advance of the reopening of the stores. Measures included the opening of new “home decor and well-being” distribution channels and special promotional campaigns to bolster the distribution of physical products. Accordingly, the division demonstrated the resilience of its revenue, which recorded only a modest decline.

Only limited cash flow pressure was seen:

- the Company funded its working capital requirement over the first nine months of the 2020/21 financial year by arranging two French state-guaranteed loans in May 2020 amounting to €5 million;
- and completed in February 2021 an €87.3 million placement of conditionally guaranteed senior bonds exchangeable into Nacon SA shares
- A €2.5 million state-guaranteed loan was redeemed early in March 2021.

- **Changes in debt**

French state-guaranteed loans

As stated above, Bigben Interactive SA arranged two €2.5 million “PGE” state-guaranteed loans during the 2020/21 financial year, with two banks in each instance. Those loans had a one-year term, although the Company was able to request the rescheduling of payments over a five-year period. Following the issue of exchangeable bonds, raising €87.3 million for Bigben Interactive SA, one of these two state-guaranteed loans was repaid early in March 2021. The other will be repaid in June 2021.

Bigben Interactive SA also repaid its finance leases in line with their repayment schedules.

- **Issue of bonds exchangeable into Nacon shares**

On 19 February 2021, the Company issued a €87.3 million borrowing consisting of conditionally guaranteed senior bonds due 2026 exchangeable into the existing ordinary shares of its Nacon SA subsidiary (the “**Bonds**”).

The Bonds, with a par value of €100,000, have a 5-year maturity. They pay interest at a rate of 1.125% and were issued at par. Unless exchanged, redeemed or repurchased and cancelled prior to their maturity, the Bonds will be redeemed at maturity at a price corresponding to 103% of their par value (the “**Redemption Value**”), subject to the Company’s decision to deliver Nacon SA shares and, where appropriate, an additional amount in cash.

The initial unit exchange price of the Bonds was set at €9.60, representing an initial premium of 20% to the reference share price, based on the final price of the concomitant placement (through an accelerated bookbuild, the “**Concomitant Accelerated Bookbuild**”) of the existing Nacon SA shares by the global coordinators and joint bookrunners, to facilitate the introduction of cover arrangements for certain investors purchasing the Bonds.

Approximately 3 million shares were sold in the Concomitant Accelerated Bookbuild. A Nacon SA share lending and borrowing facility was arranged by the Company with BNP Paribas Arbitrage SNC, a subsidiary of BNP Paribas SA, to lend these shares to investors wishing to cover their exposure to Nacon SA shares arising from the Bonds.

The Bonds are exchangeable from the issue date of the Bonds (inclusive) through to the 51st business day prior to the maturity date or, in the event of the early repayment at the Company’s discretion, the 10th business day preceding the relevant redemption date.

In the event of an exchange, the Company shall have the option of paying an amount in cash, delivering the Nacon SA shares or a combination of both. The exchange price shall be subject to the customary adjustments in accordance with the terms and conditions of the Bonds (the “**Terms and Conditions**”).

The Bonds may be redeemed prior to maturity at the Company's discretion or at the discretion of the bondholders subject to certain conditions. In particular, the Company shall have the option of repaying the full amount, but not just a portion, of the Bonds in issue at the Redemption Value plus any accrued interest not yet paid in accordance with the Terms and Conditions (i) from 11 March 2024 up to the maturity date (exclusive) if the arithmetic mean of the product of the average share price weighted by trading volumes of the Nacon SA shares on the Euronext Paris market and the share allotment ratio per Bond in force (to be calculated over a 20-trading day period to be chosen by the Company from among 40 consecutive stock market trading days ending on (and including) the trading day preceding publication of the notice of early repayment) exceeds €130,000, or (ii) if less than 15% of the total nominal amount of the Bonds initially issued (including any fungible Bonds) remain outstanding.

In the event of a change of control of the Company or of Nacon SA, the occurrence of a liquidity event or the delisting of the Nacon SA shares (as these terms are defined in the Terms and Conditions), all Bondholders shall have the option of requiring the Company to repay all or some of their Bonds at the Redemption Value plus any accrued interest not yet paid.

The Company currently holds 76.67% of Nacon's share capital directly. If all the Bonds are exchanged or the option to redeem the Bonds in shares is exercised, the Company will hold a direct shareholding of 66% in Nacon SA's share capital and voting rights.

Pledge

In connection with an issue of bonds due 2026 exchangeable into the existing ordinary Nacon SA shares (the "**Bonds**"), the Company made a commitment that holders of the Bonds shall benefit from a statement of pledge to be recorded over the existing Nacon SA shares (the "**Pledged Shares**") representing at all times 200% of the number of shares underlying the Bonds.

On 9 April 2021, the Company formed a share pledge agreement with BNP Paribas Securities Services (acting as paying agent and transfer agent), the *masse* (body) of Bond holders represented by Aether Financial Services and Aether Financial Services acting as representative of the *masse*.

The statement of pledge (*déclaration de nantissement de compte-titres*) over the securities account in the books of BNP Paribas Securities Services (as administrator of the pledged shares account), including the associated cash account in the books of BNP Paribas SA (as administrator of the pledged cash account), as well as the certificate of pledge of the securities account and the certificate of pledge of the cash account were signed on 9 April 2021.

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

In accordance with the amended terms and conditions (the "**Terms and Conditions**"). For this purpose, the Company has undertaken to hold in the pledged securities account, until all the Bonds have been redeemed in full, a number of Shares equal to 200% of the number of shares underlying the Bonds (the "**Coverage Rate**"), it being specified that should the Company exercise its Share Cash Combination Election and/or Cash Election (as defined in the Terms and Conditions), the number of Shares exceeding the Coverage Rate given the number of Bonds in issue, shall be returned to the Company upon the instruction of the main transfer agent within five business days of the end of the calendar month based on a proportion to be set by the calculating agent.

The number of Pledged Shares shall be adjusted regularly up to the maturity date of the Bonds according to the number of Bonds in issue, the exercise by holders of their exchange right (and exercise by the Company of its right to deliver Shares and/or cash) and adjustments to the exchange price in accordance with the Terms and Conditions applicable to the Bonds.

Should the Company fail to honour the coverage rate of 200% stated hereinabove or the pledge agreed be voided, that would constitute default in accordance with the Terms and Conditions.

2.1.5. POST-BALANCE SHEET EVENTS

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

In the 2021/22 financial year, Bigben Interactive SA anticipates a sales recovery in its Audio business, which remains sensitive to the impacts of the pandemic crisis on its retail customers.

Revenue in the first quarter of 2021/22 was affected by the third wave of lockdowns introduced by European governments.

The Company plans to continue pursuing the policy it has introduced to mitigate the effects of the pandemic while still keeping its employees safe and healthy.

Bigben Interactive SA's order book suggests that sales of inventories will be satisfactory in the next few months.

Trade receivables at 31 March 2021 are being collected in accordance with agreed payment times.

Bigben Interactive SA does not anticipate any cash flow issues: it will fund its own working capital requirement in 2021/22 by using the €84.6 million in proceeds raised (less the €2.7 million in issuance expenses) from issuing bonds exchangeable for Nacon shares in February 2021.

As a result, the Company is in a position to maintain and develop its business activities in the 2021/22 financial year.

- **Repayment of the final French state-guaranteed loan**

As stated above, the last remaining €2.5 million state-guaranteed loan was repaid to the relevant bank after the close in June 2021.

- **Pledge of Nacon shares underlying the Bigben bonds exchangeable into Nacon shares**

See section 2.1.4.

2.2. ACCOUNTING POLICIES AND PRINCIPLES

Application of ANC regulation 2014-03 and subsequent regulations.

Generally accepted accounting conventions have been applied in accordance with the conservatism principle and the general rules for preparing and presenting the full-year financial statements, i.e. going concern, consistency of accounting policies and accrual basis.

Historical cost is the basic method used to measure items recorded in the financial statements.

When preparing the financial statements, the Company's management may make estimates and use assumptions that affect the value of assets and liabilities, income and expenses, along with information provided in the notes, particularly as regards non-current financial assets and other receivables.

Those estimates and assumptions are based on information and estimates known on the accounts closing date and may prove substantially different from actual figures. Assumptions relate in particular to the valuation of equity securities and associated loans, commitments to employees and provisions.

2.2.1. CHANGES IN ACCOUNTING POLICIES

No change in accounting policies took place during the financial year.

2.2.2. CHANGE IN PRESENTATION METHOD

The presentation methods adopted in the annual financial statements are identical to those used in Bigben Interactive SA's financial statements for the year ended 31 March 2020.

2.3. ADDITIONAL NOTES

2.3.1. ADDITIONAL NOTES TO THE BALANCE SHEET

► Note 1 – Intangible assets

Changes in the year were as follows:

(in thousands of euros)	31 March 2020	Acquisitions	Disposals or transfers	31 March 2021
Software	1,069	-	15	1,084
Trademarks	80	-	-	80
Patents	0	-	-	0
Advances	109	106	-15	200
Total	1,258	106	0	1,364

Changes in amortisation during the year were as follows:

(in thousands of euros)	31 March 2020	Additions	Reversals	31 March 2021
Software	1,035	44	-	1,079
Trademarks	33	-	-	33
Patents	0	-	-	0
Total	1,068	44	0	1,112

⇒ **Accounting policy – Intangible assets**

Intangible assets are recognised at cost and amortised as follows:

Category	Amortisation method
Software	12-36 months
Patents	Straight-line, 10 years
Trademarks	Not amortised - subject to impairment tests

Trademarks may be written down where indications of impairment are seen.

► Note 2 - Property, plant and equipment

Changes in the year were as follows:

(in thousands of euros)	31 March 2020	Acquisitions	Transfers	Disposals	31 March 2021
Land	0	-		-	0
Buildings	5,035	-		-	5,035
Building improvements	128	-		-	128
Plant and equipment	121	14		-	135
Fixtures and fittings	867	-	667	0	1,534
Vehicles	1	20		-1	20
Office furniture and equipment	526	21	11	0	558
Property, plant and equipment in progress	724	213	-678	0	259
Total	7,402	268	0	-1	7,669

Accounting depreciation of the photovoltaic installation (presented under “Buildings”) started on 1 October 2014.

Changes in depreciation during the year were as follows:

(in thousands of euros)	31 March 2020	Additions	Reversals	31 March 2021
Buildings	1,837	219	-	2056
Building improvements	47	9	-	56
Plant and equipment	100	9	-	109
Fixtures and fittings	725	67	-	792
Vehicles	2	5	-1	6
Office furniture and equipment	440	37	-	477
Total depreciation	3,151	346	-1	3,496
Photovoltaic installation - Impairment	1,450	-	-89	1,361
Total depreciation and provisions	4,601	346	-90	4,857

⇒ **Accounting policy – Property, plant and equipment**

Property, plant and equipment are recognised at cost and are mainly depreciated on a straight-line basis over their useful lives, as follows:

Category	Depreciation method
Buildings	Straight-line, between 15 and 25 years
Photovoltaic installations	Straight-line, between 10 and 25 years
Building improvements	Straight-line, between 10 and 20 years
Fixtures and fittings	Straight-line, between 4 and 10 years
Plant and equipment	Straight-line, between 5 and 8 years
Vehicles	Straight-line, 4 years
Furniture, office equipment	Straight-line, between 3 and 10 years

Property, plant and equipment may be written down where indications of impairment are seen.

► **Note 3 – Equity securities**

Gross value of equity securities at 31 March 2021

Company	Gross value 31 March 2020	Increases	Decreases	Gross value 31 March 2021
Bigben Interactive (HK) Ltd	269	-	-	269
Bigben Connected SAS	21,853	-	-	21,853
Innovi – MDL Technology	235	-	-	235
Bigben Interactive España	100	-	-	100
Sub-total - equity securities in the Audio/Telco business	22,457	0	0	22,457
Nacon SA	65,614	-	-	65,614
Sub-total - equity securities in the Gaming business	65,614	0	0	65,614
Total securities	88,071	0	0	88,071

⇒ **Accounting policy – Non-current financial assets**

Equity securities are measured at their cost on the date they became part of the company's assets.

At the end of the period, management assesses the recoverable amount of:

- equity securities (see section 2.3.1 Additional notes to the balance sheet – Equity securities)
- any receivables related to associates (see section 2.3.1 Additional notes to the balance sheet – Receivables related to associates)

- other non-current financial assets related to associates (losses on cancelled shares in a merger etc.) (see section 2.3.1 Additional notes to the balance sheet - Other non-current financial assets)

Provisions for impairment of these various items may be recognised at the end of the period depending on the value in use of equity securities and non-current financial assets relating to the relevant associates as assessed in aggregate by management. That assessment is carried out at the level of each Group business i.e. Audio/Telco and Gaming, according to the overall strategy adopted for each business and on the basis of discounted forecast cash flows for each business.

Where a subsidiary shows negative equity and the Company has an obligation (legal or constructive) to support that subsidiary, a contingency provision is recognised in the amount of the negative equity.

Impairment had been recognised on shares in the Bigben Interactive España subsidiary in 2019/20. The net values of securities are as follows:

Company	Gross value	Provision	Net value
Bigben Interactive (HK) Ltd	269		269
Bigben Connected SAS	21,853		21,853
Innovi – MDL Technology	235	235	0
Bigben Interactive España	100	100	0
Nacon SA	65,614		65,614
Total securities	88,071	335	87,736

The ModeLabs Group SAS (MDLG) subsidiary, former head holding company of the ModeLabs group that was acquired in 2011, was delisted in 2012 and is no longer active.

In its meeting on 20 November 2017, Bigben Interactive SA's Board of Directors gave its approval in principle to a transaction through which all of ModeLabs Group SAS' assets would be absorbed by Bigben Interactive SA, in order to simplify the Group's organisational structure. The absorption took place for legal purposes on 29 December 2017. ModeLabs Group SAS was wound up but not liquidated with retroactive effect for tax purposes on 1 April 2017.

The absorption had various accounting consequences for Bigben Interactive in 2017/18:

- Transfer of Bigben Connected SAS shares for €21,853 thousand
- Transfer of Innovi shares for €234 thousand, fully provisioned
- Technical merger loss of €55,218 thousand resulting from the transaction:

€99,252 thousand	value of ModeLabs Group shares
-€21,500 thousand	provision on ModeLabs Group shares set aside in 2014/15
<u>-€22,535 thousand</u>	Net equity transferred
€55,218 thousand	

In accordance with regulation 2015-06 of French accounting standards authority ANC, which applies to accounting periods starting on or after 1 January 2016, technical merger losses are allocated on a transaction-by-transaction basis to the underlying assets on which the unrealised gains existed. In the present case, the underlying assets are non-current financial assets received through the absorption transaction. As a result, the technical merger loss of €55,218 thousand, for which the underlying asset consisted of Bigben Connected shares, was allocated to an accounting item that appears on the balance sheet under "Other non-current financial assets". See Note 5 below.

► **Note 4 - Receivables related to associates**

There are no longer any receivables related to associates.

► **Note 5 – Other non-current financial assets**

(in thousands of euros)	31 March 2021	31 March 2020
Technical merger loss on the absorption of MDL Group	55,218	55,218
Deposits and guarantees	1	0
Cash held under the liquidity agreements	5,280	126
Total	60,499	55,344

Technical merger loss

Please refer to the "Equity securities" section in Note 3 above for an explanation of the technical merger loss on the absorption of ModeLabs Group's assets by Bigben Interactive, which affected figures in the 2017/18 financial year.

Liquidity agreement

After shareholders in the 28 July 2010 Shareholders' General Meeting authorised a share buyback programme, the Company contributed to the liquidity agreement formed with brokerage firm Oddo & Cie.

A new liquidity agreement was formed in 2018/19 with Oddo BHF SCA. That new agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 January 2019. Since that date, it has replaced the previous liquidity agreement with Oddo & Cie, which had taken effect on 1 December

2010. The signature of this new liquidity agreement followed Autorité des Marchés Financiers decision no. 2018-01 of 2 July 2018, applicable since 1 January 2019, which establishes liquidity agreements relating to equity securities as an accepted market practice.

After transactions in the market, available cash under the liquidity agreement amounted to €296 thousand.

Bigben share buyback programme

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 1 March 2021. Implementation of a share buyback programme began on 2 March 2021.

The Combined Shareholders' General Meeting of 30 July 2020 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,996,965 shares, with buybacks capped at a total amount of €10 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting of €28 per share, it is stipulated that the unit purchase price of shares may not exceed at any time a multiple of 2.90x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 1 March 2021 were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2020 (twenty-fifth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives are as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 2 March 2021 for an initial period expiring no later than 30 July 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2020, that is ending on 29 January 2022.

Between 2 March 2021 and 31 March 2021, 250,319 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €4,983,954.

After transactions in the market, available cash under the liquidity agreement amounted to €5,016 thousand.

⇒ **Accounting policy – Other non-current financial assets**

Other non-current financial assets consist of rental deposits and long-term investment securities. Rental deposits are recognised at cost.

Shares held in treasury are accounted for at acquisition cost and are impaired as appropriate to their market value.

► **Note 6 – Inventories and work in progress**

(in thousands of euros)	31 March 2021	31 March 2020
Inventories (gross value)	12,841	13,253
Impairment	-2,254	-1,936
Inventories (net value)	10,587	11,317

Provision at start of year - 1 April 2020	1,936
Additions during the year	2,254
Reversals during the year	-1,936
Provision at the end of the year – 31/03/2021	2,254

⇒ **Accounting policy – Inventories and work in progress**

Inventories consist of merchandise valued at its weighted average price. The purchase price includes incidental costs.

Impairment is recognised on products held in inventory in the following way:

- *After-sales service inventories are written down in full.*
- *At each closing date, the values of products held in inventory are reviewed by comparing their last selling price (in the last 12 months) with their weighted average price. Impairment is recognised where appropriate.*
- *Management recognises additional impairment on specific product lines.*
- *Finally, and in addition to the two approaches mentioned above, additional impairment is recognised based on the age of the products held in inventory.*

► **Note 7 – Trade receivables**

(in thousands of euros)	31 March 2021	31 March 2020
Trade receivables	3,707	6,858
Doubtful receivables	124	122
Provisions for contingencies and doubtful receivables	-256	-263
Net trade receivables	3,575	6,717

All receivables are due in less than one year.

Factored trade receivables amounted to €464 thousand at 31 March 2021 as opposed to €550 thousand at 31 March 2020.

Amounts receivable from subsidiaries totalled €2,510 thousand, including €2,198 thousand not yet due, reflecting a normal situation without any payment delays.

⇒ **Accounting policy – Receivables**

Receivables are measured at their nominal value.

A provision is set aside for doubtful or disputed receivables or receivables that show a collection risk, after assessment on a case-by-case basis. 100% of the ex-VAT amount of doubtful receivables is provisioned. This item consists mainly of receivables from customers in liquidation or judicial insolvency proceedings that have very little prospect of being settled.

► **Note 8 – Other receivables**

(in thousands of euros)	31 March 2021	31 March 2020
Credits and discounts receivable from suppliers	29	720
Other amounts receivable from suppliers	65	56
Various receivables	177	112
Loans to subsidiaries	62	12
Central government, tax, VAT receivables	2,107	2,670
Sub-total operating receivables	2,440	3,570
Receivables relating to divested non-current assets	-	-
Total other receivables	2,440	3,570

VAT

This includes a tax credit on charitable donations amounting to €437 thousand.

• Receivables: maturity schedule

	Gross amount	Less than 1 year	between 1 and 5 years	Over 5 years
Receivables related to associates	-	-	-	-
Other non-current financial assets	60,499	5,281	-	55,218
Trade receivables	3,831	3,707	-	124
Employees	2	2	-	-
Social security and other organisations	35	35	-	-
Central government and other public bodies				
- VAT	276	276	-	-
- Other taxes and levies	1,831	1,831	-	-
Miscellaneous receivables	169	169	-	-
Group and associates	62	62	-	-
Prepaid expenses	66	66		-
Total	66,771	11,429	0	55,342

► **Note 9 – Marketable securities**

• Own shares

The Company held own shares at 31 March 2021:

- Indirectly via the shares held by the Company but assigned to the liquidity agreement
- Directly via shares held by the Company and repurchased under the “Bigben share buyback programme”.

- Own shares allocated to the liquidity agreement

(in thousands of euros)	31 March 2021	31 March 2020
Own shares (gross value)	194	277
Impairment	-1	-23
Own shares (net value)	193	254

The liquidity agreement with market-maker Oddo Corporate is in compliance with the AMAFI charter, and the Company has contributed to it since 1 December 2010.

A new liquidity agreement was formed in 2018/19 with Oddo BHF SCA. That new agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 January 2019. Since that date, it has replaced the previous liquidity agreement with Oddo & Cie, which had taken effect on 1 December 2010. The signature of this new liquidity agreement followed Autorité des Marchés Financiers decision no. 2018-01 of 2 July 2018, applicable since 1 January 2019, which establishes liquidity agreements relating to equity securities as an accepted market practice.

Under the liquidity agreement, 9,650 shares were held with a gross value of €194 thousand at 31 March 2021, purchased at an average price of €20.06 per share. The average market price per share in March 2021 was €19.93, and the market price at the end of March 2020 was €19.74.

- Own shares allocated to the share buyback programme

See Note 5.

Between 2 March 2021 and 31 March 2021, 250,319 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €4,983,954.

► Note 10 - Prepaid expenses

(in thousands of euros)	31 March 2021	31 March 2020
General expenses and merchandise	50	87
Finance leases	10	11
Other expenses	6	1
Total	66	99

► Note 11 – Equity

- Share capital

The share capital is made up of 19,969,658 shares with par value of €2 each. During the financial year, changes corresponded to the following events:

- On 4 September 2020, 251,155 bonus shares under the 2019 bonus share plan vested in employees and corporate officers of Group entities, particularly those of newly acquired companies within Nacon. Since all Group entities met their performance conditions in part or in full, 251,155 new shares were issued through the capitalisation of reserves on 7 September 2020.

- Share and contribution premiums

There was no change in share and contribution premiums in 2020/21.

- Special appropriated earnings reserve

A special appropriated earnings reserve was set up for shares held in treasury under the liquidity agreement.

Since 2016, a special appropriated earnings reserve has also been set up to cover the issue of new shares through the capitalisation of reserves for the definitive purchase of these bonus shares with each initial grant under bonus share plans. Deductions are made from this special appropriated earnings reserve to reflect the actual number of shares purchased and issued.

This reserve stood at €431 thousand at 31 March 2021.

- Reserves

Net income of €6,644,977 in the financial year ended 31 March 2019 was appropriated as follows in the Combined Shareholders' General Meeting of 30 July 2020:

Appropriation of income

Net income for the financial year	€6,644,977
Appropriation to the statutory reserve	€43,677
Appropriation to retained earnings	€6,601,300
Dividend payment	€0
Previous balance of retained earnings	€32,993,354
New balance of retained earnings	€39,594,654

► **Note 12 – Change in equity**

Equity at 31 March 2019	136,344
August 2018 bonus share plan	437
Use of appropriated earnings	-437
Dividend payment	-3,898
Net income for the 2019/20 financial year	6,645
Regulated provisions	367
Equity at 31 March 2020	139,458
August 2019 bonus share plan	502
Use of appropriated earnings	-502
Dividend payment	0
Net income for the 2020/21 financial year	-3,155
Regulated provisions	73
Equity at 31 March 2021	136,376

- (1) The Company has changed its tax treatment of the exercise of the option under the Lesquin building finance lease in 2015. As a result, special amortisation was recognised in 2019/20 on a retroactive basis covering the periods from 2015/16 to 2019/20, generating a regulated provision of €367 thousand that will be remeasured every year until the building is sold.

► **Note 13 - Contingency and loss provisions**

(in thousands of euros)	31 March 2020	Additions	Provisions used	31 March 2021
Provisions for foreign exchange losses	18	-	-18	0
Provisions for unrealised losses on derivative instruments	0	48	-	48
Provisions for workforce-related disputes	34	-	-	34
Provisions for retirement benefits	84	13	-	97
Provisions for defective product returns	115	113	-115	113
Total	251	174	-133	292

- Provisions for exchange-rate risks

Given movements in the EUR/USD exchange rate, exchange-rate derivatives show unrealised losses of €48 thousand, which require a provision to be set aside.

⇒ **Accounting policy – Contingency and loss provisions**

Retirement benefit obligations: When they retire, employees are entitled to receive benefits under the collective agreement for the French wholesale distribution industry. The obligation is calculated assuming that employees retire voluntarily at age 65 and based on the probability that employees will be at the Company when they reach retirement age. Actuarial gains and losses are taken to the income statement.

Assumptions used	31 March 2021	31 March 2020
Discount rate	0.86%	1.57%
Turnover	7.0% to 8.0%	7.0% to 8.0%
Mortality rates	TF & TH 00.02	TF & TH 00.02
Rate of salary increase		
<i>Managers</i>	2.0%	2.0%
<i>Supervisory, technical and clerical staff members</i>	2.0%	2.0%

Derivative instruments: Since derivative instruments are not designated as hedges, they are valued at each accounts closing date. A contingency provision is set aside if they are likely to generate a loss.

Other provisions:

Provisions are assessed by Management to cover the Company's existing obligations (legal or constructive) in accordance with French GAAP. Litigation provisions are measured on the basis of claims made by third parties, adjusted as the case may be to take account of the Company's defence.

► **Note 14 – Borrowings and debt owed to financial institutions**

(in thousands of euros)	31 March 2021	within 1 year	from 1 to 5 years	over 5 years	31 March 2020
Other bond borrowings	89,919	-	89,919	-	-
Borrowings from financial institutions	2,500	2,500	-	-	-
Bank facilities	4	4	-	-	1,591
Accrued interest not due on borrowings	108	108	-	-	-
Total	92,531	2,612	89,919	0	1,591

See section 2.1.5 for more information about the post-close repayment of the final €2.5 million state-guaranteed loan.

See section 2.1.4 for more information about the 19 February 2021 issue of €87.3 million in senior bonds due 2026 exchangeable into existing ordinary Nacon shares. These bonds carry a coupon payable annually of 1.125% and will be redeemed at 103% of their unit par value.

⇒ **Accounting policy – Bonds exchangeable into shares**

Bank loans are recognised at their nominal value.

Bonds are recognised at their total value, including any redemption premiums.

Borrowing issuance costs are recognised as expenses.

Redemption premiums are accounted for in the relevant “Bond redemption premium” item for these bonds on the balance sheet and amortised over the life of the bonds.

► **Note 15 – Operating liabilities**

All operating liabilities are due in less than one year and break down as follows:

(in thousands of euros)	31 March 2021	31 March 2020
Trade payables	1,376	4,385
Social security liabilities	682	615
Tax liabilities	199	2,130
Total	2,257	7,130

► **Note 16 – Miscellaneous liabilities**

(in thousands of euros)	31 March 2021	31 March 2020
End-of-year discounts to be granted to customers	654	2,362
Customer accounts in credit	256	702
Advances from subsidiaries (1)	3,900	16,871
Liabilities relating to non-current assets	276	362
Total	5,086	20,297

(1) from Bigben Connected and Nacon SA

► **Note 17 - Liabilities: maturity schedule**

	Gross amount 31 March 2021	within 1 year	from 1 to 5 years	over 5 years
Other borrowings and debt	92,531	2,612	89,919	-
Trade payables	1,376	1,376	-	-
Employees	301	301	-	-
Social security and other organisations	381	381	-	-
Central government and other public bodies				
- Income tax	9	9	-	-
- VAT	127	127	-	-
- Other taxes and levies	63	63	-	-
Liabilities relating to non-current assets	276	276	-	-
Miscellaneous creditors	4,810	4,810	-	-
Prepaid income	12	12	-	-
Total	99,886	9,967	89,919	-

The €89.9 million bond issue was duly recorded under financial liabilities with a term of 5 years.

► **Note 18 – Items relating to several balance sheet and income statement items**

Item	Related companies	Associates
Non-current assets		
Associates (including technical merger loss on the absorption of MDL Group)	143,054	234
Receivables related to associates	-	-
Current assets		
Trade receivables	2,510	-
Other receivables	62	-
Liabilities		
Trade payables	208	-
Liabilities relating to non-current financial assets	-	-
Other payables	3,900	-
Net financial income/expense		
Dividends received from subsidiaries	838	-
Financial expense	89	-
Tax consolidation		
Tax credit on charitable donations	312	-

Values shown in this table are gross figures, excluding any impairment.

► **Note 19 – Accrued expenses**

(in thousands of euros)	31 March 2021	31 March 2020
Purchase invoices not yet received	496	373
Social security liabilities	526	458
Remuneration of Board members	52	59
Salary-based taxes	13	4
Tax liabilities	61	359
End-of-year discounts to be granted to customers	654	2,362
Interest on miscellaneous liabilities	112	2
Total	1,914	3,617

2.3.2. ADDITIONAL NOTES TO THE INCOME STATEMENT

► **Note 20 - Breakdown of revenue**

- Breakdown of revenue by geographical zone

(in thousands of euros)	2020/21	2019/20
France	15,001	25,377
Exports and deliveries within the EU	2,845	40,126
Total	17,846	65,503

For the 2019/20 financial year:

Gaming revenue from 1 April 2019 until the spin-off on 1 October 2019 and recorded at Bigben Interactive SA with respect to the 2019/20 financial year amounted to €44,764 thousand, including €15,985 thousand of Gaming Accessories revenue and €28,779 thousand of Video Games revenue.

⇒ **Accounting policy – Revenue**

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

- *Sales of audio products, retail games and accessories: Revenue generated by sales of audio products, physical video games and accessories is recognised on the date on which the products are delivered to distributors, minus any commercial discounts and the price reductions that Bigben applies if sales in retailers' stores prove insufficient.*
- *Sales of digital games: revenue is recognised on the date the content is made available to console manufacturers or platforms. Bigben Interactive acts as a principal with respect to console manufacturers and platforms, to which the games masters are sent (and not with respect to end-users) and therefore recognises the amounts specified in contracts with those console manufacturers and platforms in revenue (and not the amounts billed to end-customers). Amounts guaranteed by platforms are recognised as revenue as soon as the games master is made available, and additional amounts (royalties) depending on future console and platform sales are recognised when those sales take place.*

► **Note 21 – Other operating income and releases of provisions**

(in thousands of euros)	2020/21	2019/20
Reversals of operating provisions		
- Inventories	1,936	1,647
- Current assets	1	222
- Contingency and loss provisions	274	541
Sub-total	2,211	2,410
Miscellaneous operating income		
- Expense transfers	2,486	3,753
- Other operating revenue	330	320
Sub-total	2,816	4,073
Total	5,027	6,483

Expense transfers mainly correspond to the onward invoicing of expenses to Bigben Connected and Nacon.

► **Note 22 - Research and development costs**

(in thousands of euros)	2020/21	2019/20
Applications	107	500

Research and development costs include all fees paid for feasibility studies and patent, trademark and model applications relating to products developed by the Company. These costs are recognised as expenses.

► **Note 23 - Depreciation, amortisation and operating provisions**

(in thousands of euros)	2020/21	2019/20
Intangible assets	44	64
Property, plant and equipment	257	268
Inventories	2,255	1,936
Other current assets	152	426
Contingency and loss provisions	127	430
Total	2,835	3,124

► **Note 24 – Net financial income/expense**

(in thousands of euros)	2020/21	2019/20
Dividends received from subsidiaries	838	3,261
Foreign exchange gains/losses	-251	172
Loans interest paid to subsidiaries	-89	-92
Loan interest received from subsidiaries	0	2
Interest received	0	10
Redemption premium amortisation (exch. bond)	-57	0
Provisions for exchange-rate risks	18	-95
Provisions for unrealised losses on derivative instruments	-48	195
Additions to or reversals from provisions for securities in subsidiaries	0	200
Provisions for own shares	22	-21
Interest paid	-139	-386
Total	294	3,246

► **Note 25 - Net non-recurring income/(expense)**

• Non-recurring income and expense

(in thousands of euros)	2020/21	2019/20
Non-recurring expense		
Special amortisation (1)	73	366
Additions for provisions for property, plant and equipment	89	89
Donations and gifts	0	536
Total	162	991
Non-recurring income		
Disposal of non-current assets	3	4
Gains on own shares	87	59
Reversals of provisions for property, plant and equipment	89	89
Expense transfers	0	359
Other non-recurring income	20	-
Total	199	511

(1) The Company has changed its tax treatment of the exercise of the option under the Lesquin building finance lease in 2015. As a result, special amortisation was recognised in 2019/20 on a retroactive basis covering the periods from 2015/16 to 2019/20, generating a regulated provision of €366 thousand that will be remeasured every year until the building is sold.

• Non-recurring items by type

(in thousands of euros)	2020/21	2019/20
Gains or losses on disposals of own shares	87	59
Capital gains on disposals of property, plant and equipment	3	4
Donations and gifts	0	-177
Special depreciation and amortisation	-73	-366
Other	20	-
Total	37	-480

► **Note 26 – Income tax**

• Breakdown of income tax

(in thousands of euros)	Recurring income	Net non-recurring income/(expense) and employee profit-sharing	Miscellaneous	Total
Pre-tax income	-4,853	37		-4,816
Tax at the standard rate of 28%		-	1,661*	1,661
Income after tax	-4,853	37	1,661	-3,155

* Represents the tax consolidation gains

The “Miscellaneous” item consists of €1,661 in gains from tax consolidation.

- Deferred and contingent tax

Tax due on:

Regulated provisions	-
Expenses deducted from taxable income but not yet recognised	-
Total increases	-

Tax paid in advance on:

Provisions not deductible in the year of recognition (following year):	
Employee profit-sharing	-
CSSS (corporate social solidarity contribution)	0
To be deducted subsequently:	
Exchange differences (liabilities)	-
Provisions for exchange-rate risks	0
Remuneration of Board members	22
Real-estate finance lease payments added back	253
Impairment of non-current assets	381
Provisions for retirement benefit obligations	27
Taxable income not yet recognised	0
Total reductions	683
<i>(at the standard tax rate of 28%)</i>	
Future tax saving:	0
<i>Tax loss carryforwards in the tax consolidation group</i>	

- Tax inspection

It should be noted that Bigben Interactive SA was subject to an inspection by the tax authorities regarding its financial years from 1 April 2013 to 31 March 2018, including the Bigben Interactive SA gaming business that was transferred to Nacon SA on 1 October 2019. A reassessment proposal was received on 2 March 2020. Bigben Interactive SA responded in October 2020 to the tax authorities within the timeframe allowed within the context of the Covid-19 crisis, disputing most of the proposed reassessments. A settlement was recently agreed by Bigben Interactive SA with the tax authorities under which no additional corporate income tax was payable.

2.3.3. OTHER INFORMATION

► Note 27 – Off-balance sheet commitments

- Guarantees given

Commitments given (in thousands of euros)	By	To	31 March 2021	31 March 2020	Purpose of the commitment
Bank guarantee	Bigben Interactive SA	HSBC Hong Kong	9,379	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	8,863	12,574	Joint and several guarantee for borrowings transferred through the spin-off
Joint and several guarantee (4)	Bigben Interactive SA	CIC	2,250	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	2,250	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)	3,853	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.

- Import documentary credits

At 31 March 2021, no import documentary credits were outstanding.

- Exchange-rate risk management

At 31 March 2021, the Company held a number of FX TARN contracts. FX TARNs/accumulators are complex structured derivatives through which the Group undertakes to buy or sell USD according to a schedule and at rates defined when the contract is signed. The use of TARNs/accumulators is based on a strategy that aims to accumulate USD at an exchange rate that is better than currently available spot and forward rates in return for uncertainty about the total amount of USD that may be accumulated. In the event of a large change in the EUR/USD exchange rate (upward or downward respectively depending on whether the Company is buying or selling USD), long or short exposure may increase and cause foreign exchange losses to be recognised on these instruments.

⇒ **Accounting policy – Exchange-rate risk management**

Foreign-currency receivables are measured at the period-end exchange rate.

As regards exchange-rate risk, most purchases, including purchases of accessories, are in foreign currency (mainly USD and GBP). As part of its exchange-rate risk management, the Group has purchased complex derivative financial instruments.

The following table shows the positions at 31 March 2021:

Type of contract	Currency	Position	Status	Arrangement date	Maturity date	Nominal in USD (thousands)	Strike	At 31 March 2021, in thousands				
								Amount accumulated in USD	Amount raised in USD	Amount accumulated net of funds raised in USD	Maximum amount to be accumulated in USD	Mark-to-market value in EUR
TARN	USD	Purchase	Asset	28/05/2020	01/06/2021	10,600	1.1375	8,200	8,200	0	1,800	48

Valuation:

The mark-to-market value of these financial instruments was €48 thousand at 31 March 2021, compared with €0 thousand at 31 March 2020.

Sensitivity:

Foreign exchange gains and losses were modelled based on various different assumptions for the level of the EUR/USD: irrespective of the level, commitments arising from these instruments already barely cover 14% of annual USD purchasing requirements, which rules out any risk of overexposure.

- **Interest-rate risk management**

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

⇒ **Accounting policy – Interest-rate risk management**

As regards interest-rate risk, the Company may use floating-rate financing (linked to Euribor) or fixed-rate financing, i.e. short-term bank facilities and the historic medium-term debts of Bigben Interactive. In the past, the Group used swap-type derivative instruments to fix the interest rate on part of its debts, but no interest-rate hedges are in place now.

- **Bank covenants**

Since bank loans subject to covenants were transferred to the Nacon SA subsidiary at the time of the spin-off of the Gaming division, there are no longer any bank covenants applicable to Bigben Interactive SA.

► Note 28 - Finance lease liabilities at 31 March 2021

<u>(in thousands of euros)</u>	Buildings	Plant, equipment and tools	Other	Total
LEASE VALUE	12,358	2,190	191	14,739
ORIGINAL VALUE	11,104	2,121	189	13,414
DEPRECIATION				
Previous total	4,230	916	99	5,245
Current year	544	220	28	792
Net value	6,330	985	62	7,377
LEASE PAYMENTS MADE				
Previous total	8,835	1,496	121	10,452
Current year	991	199	26	1,216
LEASE PAYMENTS TO BE MADE				
Less than 1 year	1,015	212	22	1,249
Between 1 and 5 years	1,517	283	22	1,822
Over 5 years				
Total	2,532	495	44	3,071
RESIDUAL VALUE	0	21	2	23
EXPENSES	991	199	28	1,218

► Note 29 - Bonus shares

- Bonus share plan:

As mentioned in section 2.1.3 above:

- On 4 September 2019, the Board of Directors awarded 272,533 bonus shares, mainly to employees and corporate officers of entities that had recently joined the Group. The vesting of those shares after a 1-year period was again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income. All the performance conditions related to the 2019 bonus share plan had been met fully or partially at 31 March 2020 by all Group entities, and 251,155 bonus shares under the 2019 bonus share plan vested on 4 September 2020 largely in the employees and corporate officers of Bigben Group entities (including 218,355 shares in the employees and corporate officers of recently acquired Nacon Group entities).
- On 7 September 2020, Bigben Interactive SA's Board of Directors also awarded 120,275 bonus shares chiefly to employees and to corporate officers of the Group's Audio/Telco entities, representing a total of 220 beneficiaries. The vesting of those shares after a 1-year period is again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income. The performance conditions of the 2020 bonus share plan were fully or partly met by all the Group's Audio/Telco entities at 31 March 2021. The bonus shares will vest in the employees on 7 September 2021 subject to a presence condition. As a result, the 116,950 shares at 31 March 2021, based on the Bigben Group's workforce on the same date, represent the maximum number of shares that could vest on 7 September 2021 in Bigben Group beneficiaries.

Date of award (Board of Directors meeting)	31/08/2016	31/08/2017	03/09/2018	26/11/2018	04/09/2019	07/09/2020
Date of the Shareholders' General Meeting	EGM 22/07/2016	EGM 21/07/2017	EGM 20/07/2018	EGM 20/07/2018	EGM 19/07/2019	EGM 30/07/2020
Number of bonus shares initially awarded	155,700	153,260	230,201	19,799	272,533	120,275
Number of shares vested	140,800	143,760	198,585	19,799	251,155	n/a
Number of shares potentially capable of being awarded at 31 March 2021	-	n/a	n/a	n/a	n/a	116,950
Bonus share award date	31/08/2016	31/08/2017	03/09/2018	26/11/2018	04/09/2019	07/09/2020
Vesting date	31/08/2017	31/08/2018	03/09/2019	26/11/2019	04/09/2020	07/09/2021
End of the lock-up period	31/08/2019	31/08/2020	03/09/2021	26/11/2021	04/09/2022	07/09/2023
Share price on the date the plan was announced	5.05	9.72	10.62	7.72	12.0	14.2
Share price on the vesting date	9.79	10.52	11.8	14.9	14.14	n/a

At 31 March 2021, following the award of bonus shares in the 2020/21 financial year, Bigben Interactive SA recognised the following additional liabilities on its statutory balance sheet:

- Special appropriated earnings reserve equal to the total par value of the 120,275 awarded to Group employees, i.e. €240 thousand,
- Provision for the employer contributions payable at the time of the future vesting of bonus shares in the Group's own employees in an amount of €126 thousand.

► **Note 30- Remuneration of executives and corporate officers**

• Remuneration of the Executive Committee

Bigben Interactive SA's Executive Committee has five members. Total gross remuneration paid to all members of the Company's Executive Committee amounted to €416 thousand with respect to the 2020/21 financial year as opposed to €327 thousand in respect of 2019/20. Retirement benefit obligations relating to Executive Committee members amounted to €39 thousand at 31 March 2021 as opposed to €31 thousand at 31 March 2020.

- Remuneration of corporate officers

The remuneration of Bigben Interactive SA's corporate officers in respect of their roles at Bigben Interactive SA alone is summarised below:

Remuneration awarded to members of management bodies in respect of their roles as corporate officers

in thousands of euros	Short-term benefits	Provisions for retirement benefits ⁽¹⁾	Share-based payments	Termination benefits	Specific supplementary pension plan
at 31 March 2020	325	(20)	18		
at 31 March 2021	185	0	495		

The CEO and COO are included in both the above table and in the above Executive Committee remuneration figures.

Following the creation of Nacon and the subsequent spin-off of the Gaming division in October 2019, certain members of Bigben Interactive SA's Executive Committee were transferred to Nacon SA and joined Nacon SA's Executive Committee in the 2019/20 financial year, while other members joined Bigben Interactive SA's Executive Committee.

In the table and comments above, for convenience and to avoid any distortion with respect to figures for the 2020/21 financial year, the remuneration of executives transferred to Nacon has not been broken down between Bigben Interactive SA and Nacon SA in respect of the time when they were working for Bigben Interactive SA in 2019/20. All of their remuneration has been allocated to Nacon SA. Accordingly, they were regarded as belonging to Nacon SA's Executive Committee as if Nacon SA had existed in its current form in the financial year ended 31 March 2020. The same approach was taken for the new members of Bigben Interactive SA's Executive Committee.

► **Note 31 - Related-party transactions**

Until the IPO of its Nacon SA on 4 March 2020, no transactions with related parties were disclosable in the notes to the statutory financial statements because they were:

- carried out with wholly owned subsidiaries, or
- carried out on an arm's-length basis, or
- regarded as non-material.

Since 4 April 2020, Bigben Interactive SA has only owned 76.67% of Nacon SA's share capital and so it is no longer necessary to detail its transactions with parties related to the Nacon Group.

From 1 October 2019, amounts have been recharged between certain Bigben Group entities, particularly Bigben Interactive SA (the Bigben Group's parent company) and entities in the Nacon sub-group in the manner described below. These recharging agreements have been formed on an arm's-length basis.

The main intra-group flows with Nacon and its subsidiaries therefore consist of the following:

- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Nacon SA and its subsidiaries along with its own Bigben Connected subsidiary at a rate of 2.5% of gross revenue before any price reduction or discount, excluding product taxes and excluding Nacon SA's sales of digital video games. These agreements have been entered into on an arm's length basis, and in particular the fees paid for the services are in line with those practised by outside service providers;
- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Bigben Interactive Belgium at a rate of 2.5% of gross revenue before any price reduction or discount, taking any returns into account. This agreement has been entered into on an arm's length basis, particularly as regards the fees paid for the services, which are in line with those charged by outside service providers;
- To a lesser extent, the supply of

- Audio products by Bigben Interactive SA to certain Nacon SA subsidiaries²⁰ which continue to sell a few other Bigben Group products in addition to Nacon's gaming products; the Audio products concerned are Bluetooth speakers, sound bars, etc.;
 - The supply of Mobile products by Bigben Connected SAS to those same Nacon SA subsidiaries: the Mobile products concerned are mobile phone accessories (cables, protective cases and covers, etc.);
 - Sales for those distribution subsidiaries at 31 March 2021: amounted to €5.7 million, or 3.2% of the Nacon Group's full-year revenue (figures at 31 March 2020: €6.1 million or 4.7% of Nacon Group's full-year revenue),
- Monthly cross-invoicing takes place for administrative services provided by Bigben Interactive SA and Nacon SA. Under the agreements, remuneration is equal to the cost borne by the company providing the service, plus a margin of 5%. For 2020/21, that remuneration amounted to €23,800 per month in favour of Bigben Interactive SA and €48,800 per month in favour of Nacon SA (a net amount of €25,000 per month in favour of Nacon SA);
 - Rent for offices and shared space made available by Bigben Interactive SA to Nacon SA within its premises, amounting to €0.2 million per year; this agreement has been entered into on an arm's length basis;
 - A cash management agreement between Bigben Interactive and Nacon, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

► **Note 32- Average number of employees in the period**

Salaried staff members	31 March 2021	31 March 2020
Managers	16	51
Supervisory staff	9	15
Employees	62	76
Total	87	142

Bigben Interactive SA's average headcount fell sharply because of the transfer of almost 100 employees to Nacon SA as part of the spin-off that took place on 31 October 2019 with retroactive effect for accounting and tax purposes from 1 October 2019. The calculation at 31 March 2020 was based on a weighted annual average figure.

²⁰ Prior to the spin-off in October 2019 from Bigben Interactive to Nacon, the Bigben Interactive Italia, Bigben Interactive Belgium, Bigben Interactive GmbH and Games.fr subsidiaries generated less than €2 million of Audio and Mobile revenue. At the time of the spin-off in October 2019, it was decided not to split out these activities and create a second local subsidiary for the Audio/Telco business, as it would not have had the critical mass required to operate on a stand-alone basis. These revenues come under the "Other" category of Nacon's revenue.

► **Note 33 – Tax consolidation agreement**

The following companies are part of the tax consolidation group:

Company	% owned by the parent company (for tax purposes)	Date of entry into the Group	
Bigben Interactive SA	n/a	01/04/1999	Parent
Bigben Connected SAS (formerly ModeLabs SA)	100%	01/01/2012	Subsidiary

The former tax group made up of ModeLabs Group and Bigben Connected SAS (formerly ModeLabs SA) joined Bigben Interactive's tax consolidation group on 1 January 2012, as the Group opted to use tax loss carryforwards across a broader base.

At 31 March 2017, all tax losses of the group made up of ModeLabs Group and Bigben Connected became part of the tax consolidation group of Bigben Interactive, the Group's head company. ModeLabs Group left the tax consolidation group on 31 March 2018 after all of its assets were absorbed by Bigben Interactive in late 2017.

The Games.fr subsidiary, which joined Bigben Interactive's tax consolidation group on 1 April 1999 and was previously wholly owned by Bigben Interactive SA, was transferred to Nacon SA as part of the spin-off of Bigben Interactive SA's Gaming division to Nacon SA on 31 October 2019, with retroactive effect for accounting and tax purposes from 1 October 2019. That subsidiary then automatically left Bigben Interactive's tax consolidation group when Nacon SA's IPO took place on 4 March 2020, since the Bigben Interactive Group's indirect stake in it had fallen below 95%.

On 31 March 2021, Nacon SA's entities formed a tax consolidation group.

At 31 March 2021, the Bigben Interactive consolidated tax group did not give rise to any tax loss carryforwards.

Table of subsidiaries and associates

	Share capital		Percentage of share capital held (%)	Carrying amount of shares held		Loans and advances granted	Amount of guarantees and commitments provided for the	Ex-VAT revenue in the most recent financial year	Income or loss in the most recent financial year	Dividends received during the financial year
	Equity other than share capital			Gross	Net					
Subsidiaries (more than 50%-owned) in thousands of euros										
Bigben Interactive HK Ltd – Hong Kong	221	4,141	100%	269	269	-	9,379	30,402	817	838
Bigben Connected	2,977	41,029	100%	21,854	21,854	-	4,697	119,183	3,565	-
Bigben Interactive España	100	133	100%	100	0	-	-	447	19	-
Nacon SA	84,909	91,061	76.67%	65,614	65,614	-	19,015	49,068	1,396	-
Associates (25%- to 50%-owned)										

18.1.2 Change of accounting reference date

See the full-year consolidated financial statements presented in section 18.1.6.

18.1.3 Accounting standards

See the full-year consolidated financial statements presented in section 18.1.6.

18.1.4 Change of accounting standards

Not applicable.

18.1.5 French GAAP financial reporting

See the full-year statutory financial statements presented in section 18.1.1.

18.1.6 Consolidated financial statements

1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1.1 STATEMENT OF FINANCIAL POSITION

<i>in thousands of euros</i>	Notes	31 March 2021	31 March 2020
Goodwill	1	65,980	63,903
Right-of-use assets		9,743	4,904
Other intangible assets	2	103,347	81,332
Property, plant and equipment	3	12,801	13,179
Shares in associates	4	0	43
Other financial assets	5	1,649	1,447
Deferred tax assets	6	3,604	3,369
Non-current assets		197,125	168,178
Inventories	7	65,784	66,054
Trade receivables	8	72,479	65,082
Other receivables	9	15,933	16,672
Current tax assets		6,979	6,578
Cash and cash equivalents	10	177,834	118,147
Current assets		339,009	272,531
TOTAL ASSETS		536,134	440,709
Share capital		39,939	39,437
Share premiums		43,439	34,463
Consolidated reserves		154,698	147,659
Net income for the period		14,700	16,115
Exchange differences		290	917
Equity attributable to equity holders of the parent		253,066	238,592
Non-controlling interests		48,905	43,772
Total equity	16	301,971	282,364
Long-term provisions	14	1,757	1,306
Long-term financial liabilities	12	123,033	52,825
Long-term lease liabilities	12	7,392	2,474
Deferred tax liabilities	13	4,722	4,107
Non-current liabilities		136,904	60,713
Short-term provisions	14	577	564
Short-term financial liabilities	12	22,591	21,878
Short-term lease liabilities	12	2,362	2,426
Trade payables		35,137	37,777
Other payables	15	28,999	31,164
Current tax liabilities		7,592	3,823
Current liabilities		97,258	97,632
Total equity and liabilities		536,134	440,709

1.2 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(in thousands of euros)	Notes	2020/21	2019/20
Revenue	17	292,833	263,498
Purchases consumed	18	(171,001)	(154,573)
Gross profit		121,833	108,925
Other operating revenue	19	863	867
Other purchases and external expenses	20	(25,363)	(30,994)
Taxes other than income tax		(1,386)	(1,744)
Personnel costs		(26,848)	(22,991)
Other operating expenses		(1,603)	(1,565)
Gains or losses on disposals of non-current assets		104	0
EBITDA		67,601	52,498
Depreciation and amortisation of non-current assets		(31,391)	(28,812)
Recurring operating income		36,210	23,686
Bonus share and stock-option plans	21	(6,371)	(2,339)
Other non-recurring operating items	22		(522)
Income from associates - Similar activity	23		(1)
Operating income		29,840	20,823
Financial income		3,448	1,956
Financial expense		(6,183)	(3,039)
Net financial income/expense	24	(2,735)	(1,084)
Pre-tax income		27,105	19,739
Income tax	25	(8,187)	(3,492)
After-tax income from continuing operations		18,917	16,247
After-tax income from discontinued operations			
Net income for the period		18,917	16,247
Gains and losses recognised in other comprehensive income			6
Exchange differences		(627)	312
Comprehensive income for the period		18,291	16,565
of which attributable to non-controlling interests		4,218	132
of which attributable to equity holders of the parent		14,073	16,433
Net income for the period		18,917	16,247
of which attributable to non-controlling interests		4,218	132
of which attributable to equity holders of the parent		14,700	16,115
Earnings per share			
Basic earnings per share (in euros)	26	€0.97	€0.82
Weighted average number of shares before capital increase		19,601,658	19,696,233
Net income attributable to owners of the parent		18,917,379	16,247,487
Diluted earnings per share (in euros)	26	€0.96	€0.82
Average number of shares after dilution		19,718,608	19,896,518
Net income attributable to owners of the parent		18,917,379	16,247,487

EBITDA is not an indicator defined by IFRSs and does not have a standard definition. See the definition of EBITDA and calculation method used by the Bigben Group in section 2.3.1.

1.3 CHANGE IN EQUITY

in thousands of euros	Notes	Number of shares	Share capital	Share premiums	Consolidated reserves			Equity attributable to non-controlling interests	Total equity
					Reserves	Exchange differences	Equity attributable to equity holders of the parent		
Equity at 31 March 2019		19,500,119	39,000	43,439	81,305	605	164,350	0	164,350
Net income for the financial year ended 31 March 2020					16,115		16,115	132	16,247
Gains and losses recognised in equity						312	312		312
Actuarial gains and losses on provisions for retirement benefits					6		6		6
Comprehensive income					16,121	312	16,433	132	16,565
Dividends paid to the parent company's shareholders ⁽¹⁾					(3,898)		(3,898)		(3,898)
Capital increase – Nacon	27				102,974		102,974		102,974
Deconsolidation of ModelLabs Sourcing					710		710		710
Liquidity agreement					(122)		(122)		(122)
Change in income tax rates					(336)		(336)		(336)
Bonus share plan	26	218,384	437		1,902		2,339		2,339
Non-controlling interests					(43,858)		(43,858)	43,640	(218)
Other							0		0
Equity at 31 March 2020		19,718,503	39,437	43,439	154,798	917	238,592	43,772	282,364
Net income for the financial year ended 31 March 2021					14,700		14,700	4,218	18,918
Gains and losses recognised in equity						(627)	(627)	(72)	(699)
Actuarial gains and losses on provisions for retirement benefits					(90)		(90)	(15)	(105)
Comprehensive income					14,610	(627)	13,983	4,131	18,114
Liquidity agreement					(4,851)		(4,851)	(9)	(4,860)
Bonus share plan	26	251,155	502		4,689		5,191	1,180	6,371
Non-controlling interests					(49)		(49)	32	(17)
Other					201		201	(201)	0
Equity at 31 March 2021		19,969,658	39,939	43,439	169,398	290	253,066	48,905	301,971

(1) After shareholders in the 19 July 2019 Shareholders' General Meeting approved a dividend of €0.20 per share with respect to the 2018/19 financial year, payment of the dividend of €0.20 per share

1.4 CASH FLOW STATEMENT

in thousands of euros

	Notes	2020/21	2019/20
Net cash flow from operating activities			
Net income for the period		14,700	16,115
<i>Elimination of income and expenses that have no cash impact or are unrelated to operating activities</i>			
• Income from associates			(1)
• Attributable to non-controlling interests		4,218	132
• Additions to depreciation, amortisation and impairment		31,392	28,812
• Change in provisions		395	(248)
• Net gain or loss on disposals		(92)	10
• Net financial income/expense		1,609	1,394
• Other non-cash income and expense items		6,245	2,339
• Income tax expense		8,187	3,492
Funds from operations		66,655	52,045
Inventories		177	(8,780)
Trade receivables		(7,276)	(8,636)
Trade payables		845	(4,090)
Change in WCR		(6,254)	(21,506)
Cash from operating activities		60,401	30,539
Income tax paid		(7,835)	(2,993)
NET CASH FLOW FROM OPERATING ACTIVITIES		52,566	27,546
Cash flow from investing activities			
Purchases of intangible assets	2	(51,255)	(35,219)
Amortisation included in development costs		0	622
Purchases of property, plant and equipment	3	(1,377)	(1,253)
Disposals of property, plant and equipment and intangible assets		161	4
Purchases of non-current financial assets	5	(69)	(561)
Disposals of non-current financial assets		56	3
Net cash inflow/(outflow) from disposals and acquisitions of subsidiaries		(1,598)	(7,040)
NET CASH FLOW FROM INVESTING ACTIVITIES		(54,083)	(43,444)
Cash flow from financing activities			
Capital increase	1.3	0	102,974
Dividends paid to the parent company's shareholders	27	0	(3,899)
Own shares (repurchased) and resold		(4,955)	46
Interest paid	24	(1,628)	(1,353)
Increase/(decrease) in lease liabilities		(3,717)	
Cash inflows from borrowings		99,997	35,454
Repayments of borrowings and debts		(25,592)	(13,495)
NET CASH FLOW FROM FINANCING ACTIVITIES		64,105	119,727
Impact of changes in exchange rates		(442)	(64)
Net change in cash and cash equivalents		62,145	103,766
Cash and cash equivalents at start of period		113,051	9,285
Cash and cash equivalents at end of period	10	175,197	113,051

⇒ Accounting policy – Cash flow statement

The cash flow statement is prepared using the indirect method, which shows the transition from income to cash flows from operating activities. Cash and cash equivalents at the start and end of the period, as mentioned in the cash flow statement, include cash, marketable securities and short-term bank facilities.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 BASIS OF PREPARATION

2.1.1 Introduction

- **Information about the company**

The financial statements cover Bigben Interactive SA – whose registered office is located at 396/466 rue de la Voyette, CRT2, 59273 Fretin, France – and its subsidiaries (known collectively as the Bigben Interactive Group) for the 12 months ended 31 March 2021. Bigben Interactive SA is listed in compartment B of Euronext Paris's Eurolist exchange (ISIN: FR0000074072; Reuters: BIG.PA; Bloomberg: BIG FP).

The Bigben Interactive Group (hereinafter the "Group") is a pan-European player in publishing video games and designing and distributing mobile accessories, gaming accessories and audio products, with a strategy of having complementary expertise and product ranges in order to address the changing multimedia market. The Group is known for being innovative and creative, and aims to be one of Europe's leading companies in each of its business lines.

The consolidated financial statements for the financial year ended 31 March 2021 and the related notes were finalised by the Board of Directors on 31 May 2021. They will be submitted to shareholders for approval in the 30 July 2021 Shareholders' General Meeting and may therefore be amended (IAS 10.17).

- **Information relating to the spin-off of the Gaming division to form Nacon**

As explained in the previous financial year, the main events in the 2019/20 financial year included the spin-off of Bigben Interactive SA's Gaming division to form a new entity called Nacon, along with the initial public offering of Nacon SA.

The main information relating to the creation of the group consisting of Nacon and its subsidiaries is contained in this introduction.

Nacon SAS was incorporated on 18 July 2019 for a term expiring on 17 July 2118, and is registered with the Lille Métropole trade and companies register under number 852 538 461.

Its corporate purpose is the development, publishing, marketing and distribution of video game software in physical and digital form, along with the design, development, manufacturing and trading of video game accessories.

Bigben Interactive SA, Nacon's parent company, has over the years developed a Gaming division in France and abroad, particularly through subsidiaries that it has created, and has also acquired video game studios, with the aim of becoming a major global player in the video games across all media and in related accessories.

The spin-off of that business into Nacon took place, from the legal and economic point of view, through an internal restructuring of the Bigben Interactive Group with the aim of optimising the operational and strategic organisation of its Gaming activities.

The spin-off involved a carve-out of the Gaming activities of Bigben Interactive SA, Bigben Interactive España and Bigben Interactive (HK) Ltd, with all the assets of other subsidiaries focusing mainly on the Gaming business being transferred in full to Nacon SA. However, in Spain and Hong Kong, where a large proportion of the business activities of Bigben Interactive SA's subsidiaries other than Gaming are conducted, those subsidiaries underwent demergers. Assets relating to the Gaming business were transferred to companies newly created for that purpose, i.e. Nacon Gaming España and Nacon (HK) Ltd, before the shares in Gaming subsidiaries were spun off from Bigben Interactive SA to Nacon SA on 31 October 2019 with retroactive effect from 1 October 2019.

After the spin-off, Nacon owned, directly or indirectly, the shares of Nacon (HK) Ltd, Nacon Gaming España, Bigben Interactive Belgium SA, Bigben Interactive Nederland BV, Bigben Interactive GmbH (Germany), Bigben Interactive Italia SpA, Games.fr SAS, Cyanide SAS, Amusement Cyanide Inc., Eko Software SAS, Kylotonn SAS, Spiders SAS, Lunar Great Wall Studios S.r.l. (RaceWard) and the joint venture Bigben Interactive USA Inc.

This reorganisation gave the Gaming division its own identity, by equipping it with the resources it needs to pursue its development, particularly as regards financing. To support its future growth and continue if appropriate its policy of selectively acquiring games studios, Nacon then raised funds via a public offering in March 2020 (see section 2.2.4). The Bigben Interactive Group retained control over Nacon after these financing transactions and at 31 March 2020 owned a 76.67% equity stake in Nacon SA.

The spin-off of the Gaming activities in France, Hong Kong and Spain and the incorporation of the Nacon Group on 1

October 2019 through the transfer of Bigben Interactive SA's Gaming business to Nacon SAS constituted an internal restructuring transaction in which transfers took place at their carrying amounts. In the circumstances, and given that IFRSs contain no specific provisions for transactions involving the combination of businesses under common control, Nacon prepared its first consolidated financial statements for the year ending 31 March 2020 as a continuation of the combined financial statements already prepared, as if the spin-off transactions had been carried out at the start of the comparative period, i.e. on 1 April 2018.

2.1.2 Scope of consolidation

► List of consolidated companies

At 31 March 2021:

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 S.R.L.	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 S.r.l.	Italy	40.75%	Full consolidation
Nacon Gaming Inc.	United States	76.67%	Full consolidation
Nacon Pty Ltd	Australia	76.67%	Full consolidation
Neopica S.r.l.	Belgium	76.67%	Full consolidation

► Change in scope

See Note 2.2.2.

Bigben–Audio/Telco entities

None.

Nacon Gaming entities

Since Nacon SA's IPO on 4 March 2020, Bigben Interactive SA has held just a 76.67% equity stake in Nacon SA and its subsidiaries.

Bigben Interactive USA, a company that has been dormant in recent years, was wound up on 17 August 2020. This company, previously accounted for under the equity method, was deconsolidated from 30 September 2020.

Nacon SA acquired an additional stake of 10% in the share capital of Lunar Great Wall Studios S.r.l. (RaceWard) on 7 October 2020, lifting its shareholding to 53.15%.

Neopica S.r.l. joined the Nacon Group's scope of consolidation, and therefore that of the Bigben Group given the latter's stake in Nacon, on 19 October 2020, when it was acquired.

2.2 KEY EVENTS IN THE 2020/21 FINANCIAL YEAR

2.2.1 Commercial development

In 2020/21, full-year consolidated revenue from continuing operations totalled €292.8 million, up a hefty 11.1% compared with 2019/20.

GAMING

This growth was driven by Nacon Gaming's performance and the 37.4% surge in its full-year sales to €177.8 million.

The Gaming Accessories business posted record revenue of €103.1 million, up 96.1% as a result of the contribution from RIG® premium headsets, upbeat sales of controllers under licence and the introduction towards the end of the financial year of accessories for the new Xbox® Series X|S console.

The Video Games business got a boost from the tripling of back catalogue⁽³⁾ sales to €31.0 million and the successful releases introduced during the financial year. Despite major releases being postponed into the 2021/22 financial year, revenue slipped back only slightly (down 2.4%) to €69.0 million from the 2019/20 financial year.

The proportion of digital revenue rose further to reach 73% of Nacon Gaming's Video Games revenue in 2020/21, compared with 69% in 2019/20.

AUDIO/TELCO

At the same time, Bigben–Audio/Telco had to contend with three lockdowns, which severely affected its distribution networks. As a result, the business showed its resilience by curbing the decline in its revenue to €115.0 million, or a 14.2% fall on 2019/20, while maximising its margins through a more favourable mix of Audio/Telco products:

Despite the slow 5G roll-out, Mobile sales totalled €87.9 million (down 15.3% compared with 2019/20), with a very large contribution from the *Just Green*® and *Force Case*® premium ranges.

Audio revenues were €26.9 million, down 9.3% on 2019/20. That reflects the healthy sales performance by the *Thomson*® range and the success of listing product lines at 600 new sales outlets in the home decor and well-being business.

2.2.2 Change in scope

Bigben–Audio/Telco entities

- None

Nacon Gaming entities

- **Winding-up of Bigben USA**

Bigben USA, a company that has been dormant in recent years, was wound up on 17 August 2020. This company, which was previously accounted for by the Nacon Group under the equity method, was deconsolidated from 30 September 2020.

- **Acquisition of an additional stake in Lunar Great Wall Studios S.r.l. (RaceWard)**

On 29 July 2019, Bigben Interactive acquired a 43.15% stake in Italian development studio Lunar Great Wall Studios S.r.l., which is better known under its trade name RaceWard. Bigben Interactive also secured an option exercisable at any time up to 31 December 2021 to buy an additional 10% interest in the share capital.

The Nacon subsidiary, to which this shareholding was transferred together with all the other investments in video games studios as part of the 31 October 2019 spin-off, exercised the aforementioned option on 7 October 2020, increasing its shareholding to 53.15% in return for a cash payment. The Milan-based studio was founded in 2016 and has expanded rapidly, building up its team by 30 September 2020 to around 40 members, all of them passionate about racing and particularly motorbike simulation games.

The purchase of a stake in this studio has strengthened the Bigben Group's expertise via its Nacon-Gaming division in the Racing segment, one of the key pillars of its video-game portfolio, by developing synergies with its other studios. RaceWard uses and helps to improve the KT Engine technology created by the Kylotonn studio.

Under IFRS 3, this acquisition of an additional stake in the share capital of a business that was already fully consolidated was treated as a transaction between the equity attributable to equity holders of the parent and non-controlling interests in equity and did not result in the recognition of any additional goodwill. The non-controlling interests acquired were thus reclassified as equity attributable to equity holders of the parent and the cost of acquiring the shares was set off against equity attributable to equity holders of the parent. The difference between the purchase price of the shares and the additional proportion of equity acquired was thus recognised in equity, and the consolidated values of the relevant subsidiary's assets and liabilities were left unchanged.

- **Acquisition of 100% of Neopica S.r.l.**

On 19 October 2020, Nacon acquired all the share capital and voting rights of development studio Neopica for cash. Earn-out payments based on the quality and commercial potential of the next two games under development by the studio may be paid within 12 months of these games being released. Those payments are capped and contingent on achievement of a certain quality level and volume of future games sales.

Neopica was founded in 2007 by Peter Vermeulen and Filip Hautekeete among others. It is a well-known Belgian studio that developed around 60 game titles, including a number of casual games aimed at the general public, especially children, before turning its hand to more complex simulation-based video games.

Neopica and Nacon have had a successful working relationship for several years. Neopica has developed the *Hunting Simulator 1 & 2* games and the *FIA European Truck Racing Championship* racing game. Neopica used the KT Engine developed by KT Racing for the latter game.

The studio is located at Ghent in Belgium and employs around 30 developers. It is currently expanding its expertise in next-generation consoles (PlayStation®5 and Xbox Series X™).

Peter Vermeulen and Filip Hautekeete, the studio's current executive officers and co-founders, will continue to run Neopica with a high level of autonomy so they can focus on maintaining the creativity of its productions.

Neopica S.r.l. has been consolidated in the Group's financial statements since the beginning of October 2020.

See Note 1 for information about the treatment of goodwill and earn-out payments arising from this acquisition.

2.2.3 Ownership structure

► Bigben Interactive's capital increase following the vesting of bonus shares awarded in 2019

On 4 September 2019, Bigben Interactive SA's Board of Directors awarded 272,533 bonus shares, mainly to employees and corporate officers of recently acquired Nacon Group entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and a condition related to achieving a predetermined level of recurring operating income.

The performance condition was met by all the Group entities fully or in part, and given the departures that took place prior to the acquisition date, 251,155 shares were awarded in the end to 485 beneficiaries (including 311 employees and corporate officers of Nacon entities, representing 218,355 shares).

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

The Bigben Group's residual IFRS 2 expense for 2020/21 was €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.

► Award of Bigben Interactive 2020 bonus shares

On 7 September 2020, Bigben Interactive SA's Board of Directors awarded 120,275 Bigben bonus shares mainly to employees and to corporate officers of the Group's Audio/Telco entities, representing a total of 220 beneficiaries. The vesting of those shares after a 1-year period 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.

Bigben's IFRS 2 expense under this plan with respect to 2020/21 was €1.0 million, with a balancing entry under reserves.

On 7 September 2020, Nacon SA's Board of Directors awarded 1,123,983 bonus shares to 512 grantees, who were employees and corporate officers of Nacon Group entities. Those shares will vest after a 1- or 3-year period provided that an ongoing presence condition and a performance condition related to achievement of a predetermined level of recurring operating income are met.

On 26 October 2020, Nacon SA's Board of Directors granted 43,282 Nacon bonus shares to certain key managers of the studios newly acquired by the Nacon Group. The vesting of the shares after a 3-year period is 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 1,167,265 shares awarded, i.e. €1,167,265, was set up at the time of the award.

Nacon's IFRS 2 expense with respect to 2020/21 was €3.8 million, with a balancing entry under reserves.

The Bigben Group's consolidated IFRS 2 expense under both these plans combined with respect to 2020/21 was €4.8 million, with a balancing entry under reserves (including €3.8 million for the Nacon Group).

The Company's ownership structure at 31 March 2021 was as follows:

Ownership of the share capital and voting rights at 31 March 2021

Shareholder	Category	% of share capital	% of voting rights ⁽¹⁾
Alain Falc ⁽²⁾	Chairman	13.0%	22.6%
Nord Sumatra (Bolloré)	Institutional investor	19.8%	17.5%
Free float	-	65.8%	59.9%
Treasury shares/Liquidity agreement ⁽³⁾	-	1.3%	0.0%
Total		100.0%	100.0%

(1) gross voting rights

(2) directly and indirectly via AF Invest

(3) o/w 1.25% (250,319 shares) under the share buyback programme on 2 March 2021, and 0.05% (9,650 shares) under the liquidity agreement

At 31 March 2021, the Company's share capital consisted of 19,969,658 shares and 22,662,590 voting rights on a gross basis.

2.2.4 Other events

► Covid-19 (coronavirus) pandemic

The Bigben Group has been affected by this global public health crisis in the following ways:

- Supply chain disruption in Asia at the beginning of the financial year
- Closure of the stores during the three lockdowns (spring 2020, autumn 2020 and spring 2021) imposed by the main European countries
- Measures have been taken to protect employees and third parties

To manage the health situation as effectively as possible, the Group took steps from the outset of the crisis to minimise its direct impact on its operations and costs. The vast majority of people working in support services and development did so remotely until May 2020, while the logistics warehouse adjusted its workload so that it can operate with a reduced staff in accordance with the 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.

The Group introduced a strict lockdown-easing plan once the successive lockdowns were lifted, to protect the health of its staff members and third parties when they return to the Group's premises and allow activities to resume gradually in accordance with health guidelines.

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

From an economic standpoint, the Covid-19 health crisis has had mixed effects on the Nacon-Gaming and the Bigben–Audio/Telco segments in 2020/21:

Revenue was worst-affected by the exceptional effects of the Covid-19 crisis, but to contrasting extents between these two segments:

Nacon–Gaming

- The Group's performance was boosted by the strength of its digital back catalogue sales, which rose to €31 million in 2020/21 from €11 million in 2019/20;
- Global demand for accessories linked to new forms of working-from-home, videoconferencing and leisure activities (headsets, controllers, etc.) grew substantially, and Nacon's Gaming Accessories reaped the benefit;
- The Nacon Group, which had sourced its supplies in advance, was not affected by the components shortage that led to inventory outages affecting global video games companies, and so it achieved buoyant sales of controllers under licence;
- The introduction towards the end of the financial year of accessories for the new Xbox® Series X|S console was a real success;
- The division's revenue climbed 37.4% to €177.8 million.

Bigben–Audio/Telco

- Consumption of Audio/Telco products clearly declined during the series of lockdowns.
- The targeted action plan to address the lockdown-easing period and make up for the slow 5G roll-out was applied in advance of the reopening of the stores. Measures included the development of new accessories, the opening of new “home decor and well-being” distribution channels for Audio, new *Justgreen@* ranges and special promotional campaigns to bolster the distribution of physical products. Accordingly, the division demonstrated the resilience of its revenue, which recorded only a modest decline to €115.0 million, down 14.2% compared with 2019/20.

Bigben’s total sales rose by 11.1%.

Its profitability also improved through margin optimisation in both Gaming (higher proportion of digital sales) and for the Audio/Telco division (more favourable product mix).

Only limited cash flow pressure was seen:

- the Gaming segment still had a large cash position with which to fund its development following Nacon’s recent IPO in March 2020, through which it had raised €103 million (after deducting IPO expenses).
- while the Audio/Telco entities had
 - o funded their working capital requirement over the first nine months of the 2020/21 financial year by arranging French state-guaranteed loans (two state-guaranteed loans awarded in May and June 2020 for a total of €15 million);
 - o then completed in February 2021 a €87.3 million placement of conditionally guaranteed senior bonds exchangeable into Nacon shares;
 - o €12.5 million in state-guaranteed loans were repaid early in March 2021, with another €2.5 million to be repaid in June 2021.

▶ **Changes in debt**

As mentioned above, the Bigben Interactive Group arranged two French state-guaranteed loans during the 2020/21 financial year amounting to €10 million and €5 million respectively, from three banks. Those loans had a one-year term, although the Group will be able to request the rescheduling of payments over a five-year period. Following the issue of exchangeable bonds, raising €87.3 million for Bigben Interactive SA, €12.5 million of these two state-guaranteed loans were repaid early in March 2021. That left only €2.5 million to be repaid in June 2021. The remaining loan has thus been presented under current liabilities.

Bigben Interactive SA also repaid its finance leases in line with their repayment schedules.

▶ **Issue of bonds exchangeable into Nacon shares**

On 19 February 2021, the Company issued a €87.3 million borrowing consisting of conditionally guaranteed senior bonds due 2026 exchangeable into the existing ordinary shares of its Nacon SA subsidiary (the “**Bonds**”).

The Bonds, with a unit par value of €100,000, have a 5-year maturity. They pay interest at a rate of 1.125% and were issued at par. Unless exchanged, redeemed or repurchased and cancelled prior to their maturity, the Bonds will be redeemed at maturity at a price corresponding to 103% of their par value (the “**Redemption Value**”), subject to the Company’s decision to deliver Nacon SA shares and, where appropriate, an additional amount in cash;

The initial unit exchange price of the Bonds was set at €9.60, representing an initial premium of 20% to the reference price of Nacon shares, based on the final price of the concomitant placement (through an accelerated bookbuild, the “**Concomitant Accelerated Bookbuild**”) of the existing Nacon SA shares by the global coordinators and joint bookrunners, to facilitate the introduction of cover arrangements for certain investors purchasing the Bonds.

Approximately 3 million shares were sold in the Concomitant Accelerated Bookbuild. A Nacon SA share lending and borrowing facility was arranged by the Company with BNP Paribas Arbitrage SNC, a subsidiary of BNP Paribas SA, to lend these shares to investors wishing to cover their exposure to Nacon SA shares arising from the Bonds.

The Bonds are exchangeable from the issue date of the Bonds (inclusive) through to the 51st business day prior to the maturity date or, in the event of the early repayment at the Company’s discretion, the 10th business day preceding the relevant redemption date.

In the event of an exchange, the Company shall have the option of paying an amount in cash, delivering the Nacon SA shares or a combination of both. The exchange price shall be subject to the customary adjustments in accordance with the terms and conditions of the Bonds (the “**Terms and Conditions**”).

The Bonds may be redeemed prior to maturity at the Company's discretion or at the discretion of the bondholders subject to certain conditions. In particular, the Company shall have the option of repaying the full amount, but not just a portion, of the Bonds in issue at the Redemption Value plus any accrued interest not yet paid in accordance with the Terms and Conditions (i) from 11 March 2024 up to the maturity date (exclusive) if the arithmetic mean of the product of the average share price weighted by trading volumes of the Nacon SA shares on the Euronext Paris market and the share allotment ratio per Bond in force (to be calculated over a 20-trading day period to be chosen by the Company from among 40 consecutive stock market trading days ending on (and including) the trading day preceding publication of the notice of early repayment) exceeds €130,000, or (ii) if less than 15% of the total nominal amount of the Bonds initially issued (including any fungible Bonds) remain outstanding.

In the event of a change of control of the Company or of Nacon SA, the occurrence of a liquidity event or the delisting of the Nacon SA shares (as these terms are defined in the Terms and Conditions), all Bondholders shall have the option of requiring the Company to repay all or some of their Bonds at the Redemption Value plus any accrued interest not yet paid.

The Company currently holds 76.67% of Nacon's share capital directly. If all the Bonds are exchanged or the option to redeem the Bonds in shares is exercised, the Company will hold a direct shareholding of 66% in Nacon SA's share capital and voting rights.

Pledge

In connection with an issue of bonds due 2026 exchangeable into the existing ordinary Nacon SA shares (the "**Bonds**"), the Company made a commitment that holders of the Bonds shall benefit from a statement of pledge to be recorded over the existing Nacon SA shares (the "**Pledged Shares**") representing at all times 200% of the number of shares underlying the Bonds.

On 9 April 2021, the Company formed a share pledge agreement with BNP Paribas Securities Services (acting as paying agent and transfer agent), the *masse* (body) of Bond holders represented by Aether Financial Services and Aether Financial Services acting as representative of the *masse*.

The statement of pledge (*déclaration de nantissement de compte-titres*) over the securities account in the books of BNP Paribas Securities Services (as administrator of the pledged shares account), including the associated cash account in the books of BNP Paribas SA (as administrator of the pledged cash account), as well as the certificate of pledge of the securities account and the certificate of pledge of the cash account were signed on 9 April 2021.

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

In accordance with the amended terms and conditions (the "**Terms and Conditions**"). For this purpose, the Company has undertaken to hold in the pledged securities account, until all the Bonds have been redeemed in full, a number of Shares equal to 200% of the number of shares underlying the Bonds (the "**Coverage Rate**"), it being specified that should the Company exercise its Share Cash Combination Election and/or Cash Election (as defined in the Terms and Conditions), the number of Shares exceeding the Coverage Rate given the number of Bonds in issue, shall be returned to the Company upon the instruction of the main transfer agent within five business days of the end of the calendar month based on a proportion to be set by the calculating agent.

The number of Pledged Shares shall be adjusted regularly up to the maturity date of the Bonds according to the number of Bonds in issue, the exercise by holders of their exchange right (and exercise by the Company of its right to deliver Shares and/or cash) and adjustments to the exchange price in accordance with the Terms and Conditions applicable to the Bonds.

Should the Company fail to honour the coverage rate of 200% stated hereinabove or the pledge agreed be voided, that would constitute default in accordance with the Terms and Conditions.

2.2.5 Events after the 31 March 2021 balance-sheet date

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

The Group plans to continue pursuing the policy it has introduced to mitigate the effects of the pandemic.

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

Trade receivables at 31 March 2021 are being collected in accordance with agreed payment times.

The Group is not expecting any cash flow problems. The Gaming segment still has a large cash position with which to fund its development following the Nacon IPO, through which it raised €103 million (after deducting IPO expenses) in March 2020, while the Audio/Telco entities will cover their own working capital requirement in 2021/22 by using the €84.6 million raised (after deducting €2.7 million in issuance costs) from the issue of bonds exchangeable into Nacon shares in February 2021.

As a result, the Group is in a position to maintain and develop its business activities in the 2021/22 financial year.

▶ Changes in debt

As stated above, the last remaining €2.5 million state-guaranteed loan was repaid to the relevant bank after the close in June 2021. The remaining loan has thus been presented under current liabilities at 31 March 2021.

▶ Change in scope

◆ Acquisition of 100% of Passtech Games

On 1 April 2021, Nacon SA acquired full ownership of Passtech Games' share capital and voting rights.

Founded in 2012, Passtech gained experience by developing several games titles (*Space Run*, *Space Run Galaxy*, *Masters of Anima*) on various platforms, before specialising in rogue-like action games, such as *Curse of the Dead Gods*®, a recent release that has been a smash critical and commercial hit.

The deal will enable Nacon to support the outstanding expertise of the team of specialised developers in creating rogue-like action games.

◆ Acquisition of 100% of Big Ant

On 3 May 2021, Nacon SA acquired full ownership of Big Ant's share capital and voting rights for up to €35 million in consideration based on:

- a price tag of €15 million net (after deducting cash and debt) paid upfront entirely in cash;

- an earn-out, payable 50% in cash and 50% through the issuance of new Nacon shares based on performance through to 31 March 2024.

Founded in 2001 by industry veteran Ross Symons, Big Ant is one of the largest and oldest independent video games developers in Australia. The studio has developed games for legendary franchises such as *Spyro the Dragon*, but is known primarily for its high-calibre sports franchises, such as Australian Football League (AFL), Rugby League, tennis and cricket.

2.3 ACCOUNTING POLICIES AND PRINCIPLES

2.3.1 Statement of compliance

The consolidated financial statements of Bigben Interactive SA and its subsidiaries (the "Group") are prepared in accordance with IFRSs as endorsed by the European Union and applicable to the financial year ended 31 March 2021, compared with the consolidated financial statements for the financial year ended 31 March 2020 prepared according to the same accounting standards. The standards are available on the European Commission website.

New standards, amendments and interpretations in force and applicable to accounting periods covered by the combined financial statements are detailed below.

► **Standards and interpretations newly applicable to the financial year ending 31 March 2021**

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, IFRS 7 – Interest Rate Benchmark Reform – Phase 1	01/01/2020
Definition of a business (amendment to IFRS 3)	01/01/2020
Temporary amendment to IFRS 16 – Covid-19-related Rent Concessions	01/01/2020

The application of other standards did not have any material impact on the group's financial statements.

► **New texts adopted early in accounting periods starting on or after 1 April 2021**

New IFRS texts	EU adoption date (periods starting on or after)
Amendments to IFRS 3 – References to the conceptual framework	Not yet known
Amendments to IFRS 13 – Cost of Fulfilling a Contract (excluding transition provisions if not adopted by the European Union)	Not yet known
Annual Improvements to IFRS Standards 2018–2020 (solely for amendments related to IFRS 9 and IFRS 16)	Not yet known

The Group has not opted for early adoption other standards and amendments that may be adopted early or that will be mandatory in the 2020/21 or 2022/23 financial years.

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

► **Use of the alternative performance indicator EBITDA**

EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as recurring operating income before impairment, depreciation of property, plant and equipment and amortisation of intangible assets. It is equivalent to earnings before interest, taxes, depreciation, amortisation and provisions for non-current assets (but after additions to provisions for inventories and trade receivables). Since EBITDA is based on recurring operating income, it does not factor in IFRS 2 expenses relating to bonus shares and stock options or other non-recurring operating items, since they are excluded from recurring operating income.

The Group regards EBITDA as an alternative performance indicator.

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

The Group believes that this indicator is useful for people reading its financial statements because it gives them a measurement of its operating income/loss that excludes non-cash items such as impairment, depreciation and amortisation, providing information about the earnings of the Group's recurring commercial activities and cash flows and allowing investors to identify more effectively trends in its financial performance. EBITDA measures an organisation's ability to generate profits by selling products or services over a given period, without taking into account depreciation or amortisation practices, which can vary between countries and business segments.

EBITDA is not an indicator defined by IFRSs and does not have a standard definition. As a result, the method that the Group uses to calculate EBITDA may not be comparable to that used by other groups to calculate other measures with a similar name.

► Use of the “gross profit” financial indicator

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

See also Note 18 – Purchases consumed.

► Use of the “Recurring operating income before amortisation of Customer relationships” indicator

Recurring operating income before amortisation of customer relationships is defined as recurring operating income before amortisation of customer relationships, which correspond to the customer relationships recognised on the allocation of the purchase price of subsidiaries.

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

(in thousands of euros)	2020/21	2019/20
Recurring operating income	36,210	23,686
Amortisation of customer relationships	1,115	1,115
Recurring operating income before amortisation of customer relationships	37,325	24,801
<i>Recurring operating margin before amortisation of customer relationships (% of revenue)</i>	<i>12.7%</i>	<i>9.4%</i>

The amortisation at 31 March 2021 reflects the €22,300 thousand in Accessories and Mobile customer relationships recognised on the acquisition of the ModeLabs group at 1 September 2011. This customer relationship has since been amortised on a straight-line basis over 20 years.

The Group considers recurring operating income before amortisation of customer relationships as a non-IFRS performance indicator. The Group believes that this indicator is useful for users of its financial statements because it gives them a measurement of its recurring operating income of the Group’s recurring commercial activities, more directly correlated with cash flows and allowing investors to identify more effectively trends in its financial performance.

2.3.2 Basis of preparation

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

► Use of estimates

The preparation of financial statements according to IFRSs requires management to use estimates and assumptions that affect the amounts in the presented Group financial statements and information provided in the notes thereto. Those estimates and assumptions are based on information and estimates known on the accounts closing date and may prove substantially different from actual figures.

In particular, in the periods covered by the consolidated financial statements for 2019/20 and 2020/21, management has re-examined its estimates regarding:

- the recoverable amount of goodwill in order to identify any impairment losses (Note 1)
- tax assets relating to unused tax loss carryforwards (Note 6)
- provisions (Note 14)
- the useful lives of game development costs (see below)

Game development costs are amortised over the games’ expected lifetimes (currently between 1 and 4 years) using the diminishing balance method based on the associated expected sales, whether the game is sold physically or digitally, from its commercial release date. Under IAS 38, game amortisation periods vary according to market trends and sales prospects.

To take into account the digitalisation of the video game market, the increasing proportion of sales taking place on platforms and the related extension of games’ lifespans, the development costs of new games released in the market from 1 April 2020 by Bigben Interactive via its Nacon SA subsidiary are currently amortised using the diminishing balance method over a period of four years.

▶ **Basis of measurement**

The financial statements are presented on the basis of historical cost, except for certain financial assets and liabilities relating to derivative financial instruments and other financial instruments held for trading, which are measured at fair value.

▶ **Comparability of financial statements**

The accounting policies described above were applied consistently in all periods covered by the consolidated financial statements.

2.3.3 Consolidation principles

The consolidation principles below are “generic” consolidation principles that have been applied by Bigben Interactive.

▶ **Consolidation criteria**

Companies controlled by the Bigben Interactive Group are consolidated from the date on which the Group obtains control over them. Companies over which the Bigben Interactive Group has significant influence, but not control, are accounted for using the equity method.

The companies are consolidated on the basis of the full-year financial statements for the financial year ended 31 March 2021, and adjusted as the case may be to harmonise them with the Group’s accounting policies.

▶ **Loss of control**

When the Group loses control over a subsidiary, it derecognises its assets and liabilities, any non-controlling interests and other items of equity relating to that subsidiary. Any gain or loss resulting from the loss of control is taken to profit or loss. If the Group retains a stake in a former subsidiary, it is measured at fair value on the date control was lost. The stake is then recognised under associates or financial assets depending on the amount of influence retained.

▶ **Business combinations**

Business combinations are recognised by applying the acquisition method on the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity in order to derive benefit from its activities. When assessing control, the Group takes into account potential voting rights that are currently exercisable when decisions relating to the relevant activities need to be taken.

The Group measures goodwill on the acquisition date as:

- the fair value of the consideration transferred; plus
- the amount recognised for any non-controlling interest in the acquired company; plus
- if the business combination takes place in stages, the fair value of any stake previously held in the acquired company; less
- the net amount, recognised at fair value, of identifiable assets acquired and liabilities assumed.

Where the difference is negative, costs relating to the acquisition, other than those related to the issue of debt or equity securities, which the Group bears as a result of a business combination, are recognised as expenses when incurred.

▶ **Non-controlling interests**

For each business combination, the Group chooses to measure all non-controlling interests in the acquired company either at fair value or as a proportion of the acquired company’s identifiable net assets.

Changes to the percentage of equity securities held by the Group in a subsidiary that do not lead to a loss of control over that subsidiary are recognised as transactions with owners in their capacity as owners. Changes in non-controlling interests are determined on the basis of the relevant proportion of the subsidiary’s net assets. No adjustment is made to goodwill and no gain or loss is recognised in profit or loss.

▶ **Subsidiaries**

A subsidiary is an entity controlled by Bigben Interactive. Control exists where the Company’s relations with the entity expose it or entitle it to variable returns and where it has the ability to influence those returns because of the power it exerts over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the control starts until the date the control ends.

▶ Associates

Associates are entities in which Bigben Interactive has significant influence over financial and operational policies, without having control. Significant influence is presumed where the Group owns 20-50% of an entity's voting rights.

The consolidated financial statements include the Group's interest in the total amount of profits and losses recognised by associates, using the equity method, from the date significant influence is first exercised until the date it ends.

Interests in the profits and losses of associates with operating activities that are an extension of the Group's activities are presented below recurring operating income, while interests in the profits and losses of associates whose operating activities are not an extension of the Group's activities are presented after pre-tax income.

▶ Transactions within the Group

All transactions between fully consolidated companies are eliminated, as are all profits and losses generated within the combined whole.

▶ Translation of non-French companies' financial statements into euros

The Group's presentation currency is the euro.

The functional currencies of the Group's foreign subsidiaries are their local currencies, in which most of their transactions are denominated.

- The assets and liabilities of Group companies whose functional currency is not the euro are translated into euros at the exchange rate in force on the accounts closing date.
- The revenues and expenses of these companies and their cash flows are translated at the average exchange rate for the quarter in which the transactions take place.
- Differences arising from foreign exchange are recognised directly under other comprehensive income, under a separate equity item.

▶ Translation of transactions into foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate in force on the date of the transaction.

At the end of the period, monetary assets and liabilities denominated in foreign currencies (excluding derivatives) are translated at the closing rate. The resulting exchange differences are recorded in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical exchange rate in force on the transaction date.

Derivative instruments are measured and recognised in the manner described in the note on financial instruments.

2.3.4 Accounting policies

Accounting policies are presented directly in the notes to which they relate, in order to facilitate understanding of the financial statements.

2.3.5 Group policy regarding financial risk management

The Group is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk.

The description of these financial risks, the policy and procedures for measuring and managing them and quantitative information relating to them are included directly in the notes relating to balance-sheet items (Note 8) and income-statement items (Notes 35, 36 and 37).

2.3.6 Segment reporting

► Revenue

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

Given the highly integrated organisation of the Gaming business, a large proportion of costs are shared between the Video Games and Accessories businesses. The Video Games and Gaming Accessories businesses share most of their customers. As a result, the Group only calculates recurring operating income for the Nacon Group.

Games developed by the acquired studios Kylotonn, Cyanide, Eko, Spiders, RaceWard and Neopica are or will be marketed by all Group entities and therefore contribute to Nacon's overall cash flow.

Nacon SA has its own sales, marketing and finance functions.

Sales of games in digital form are invoiced exclusively in France.

The Group's distribution subsidiaries based outside France handle physical sales of all gaming products. The subsidiary based in Hong Kong mainly handles the development and procurement of accessories from manufacturing partners.

As a result, each Nacon Group subsidiary plays a specific role in the Nacon Group's value chain.

Similarly, Bigben Interactive's Audio and Telco businesses also show a high level of integration with each other. With the rise of smart devices, the Audio market is converging with the Telco market, they share many customers and the Bigben Interactive SA parent company in charge of Audio and its Bigben Connected subsidiary in charge of Telco share a manager in Michel Bassot, who is both Chief Operating Officer of Bigben Interactive SA and Chairman of Bigben Connected SAS.

Products developed by the Bigben Group's Audio/Telco segment are marketed by all Group entities and therefore contribute to Bigben's overall Audio/Telco cash flow.

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

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

As a result, each Bigben Group subsidiary plays a specific role in the Audio/Telco segment's value chain.

As a result, the Bigben Interactive Group considers that it has two operational business segments, which each have specific economic characteristics and represent a distinct market.

The Bigben Interactive Group's two business segments are Bigben–Audio/Telco and Nacon–Gaming.

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

The information presented below is that now used by the Bigben Group's chief operating decision maker for internal reporting purposes, allowing it to carry out effective analysis of the Group's business and risks. The Bigben Group's chief operating decision maker within the meaning of IFRS 8 is a two-person team consisting of the Bigben Group's CEO and COO.

Breakdown of revenue by business segment

The Group's reporting is mainly organised by business segment.

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

in thousands of euros	31 March 2020			
	Gaming	Mobile	Audio	Group
Total revenue	123,927	104,790	34,781	263,498
Bigben–Audio/Telco	566	103,799	29,705	134,071
Nacon–Gaming	123,361	991	5,075	129,427

Given the way in which the distribution subsidiaries were carved out in the 31 October 2019 spin-off from Bigben Interactive to Nacon, the Nacon–Gaming segment still includes a very small amount of non-Gaming revenue and the 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 covers all accessories for smartphones;
- Audio covers consumer products and is now focusing on developing original products, like the Mobile business;
- Gaming covers
 - o Accessories for consoles
 - o the development and publishing of video games sold in physical form or through digital downloads.

in thousands of euros	12-month total		Contribution	
	2020/21	2019/20	2020/21	2019/20
Revenue	292,833	263,498	100%	100%
<i>of which</i>				
<i>Gaming</i>	172,281	123,927	59%	47%
<i>Mobile</i>	89,471	104,790	31%	40%
<i>Audio</i>	31,082	34,781	11%	13%

► Revenue by geographical zone

in thousands of euros	12-month total		Contribution	
	2020/21	2019/20	2020/21	2019/20
Revenue	292,833	263,498	100.0%	100.0%
<i>of which</i>				
<i>France</i>	133,557	149,190	45.6%	56.6%
<i>Export</i>	159,276	114,308	54.4%	43.4%

Export revenue by geographical zone	159,276	114,308	100.0%	100.0%
<i>Europe</i>	91,419	74,284	57.4%	65.0%
<i>North America</i>	50,632	24,754	31.8%	21.7%
<i>Asia</i>	16,899	14,792	10.6%	12.9%
<i>Africa</i>	327	478	0.2%	0.4%

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
	2020/21	2020/21	2020/21	2019/20	2019/20	2019/20
Revenue	292,833	177,834	114,999	263,498	129,427	134,071
Purchases consumed	(171,001)	(84,342)	(86,659)	(154,573)	(50,377)	(104,196)
Gross profit	121,833	93,493	28,340	108,925	79,050	29,875
Gross margin (% of revenue)	41.6%	52.6%	24.6%	41.3%	61.1%	22.3%
Other operating revenue	863	1,189	(326)	867	705	162
Other purchases and external expenses	(25,363)	(18,047)	(7,315)	(30,994)	(19,272)	(11,722)
Taxes other than income tax	(1,386)	(438)	(948)	(1,744)	(702)	(1,043)
Personnel costs	(26,848)	(14,954)	(11,894)	(22,991)	(10,985)	(12,006)
Other operating expenses	(1,603)	(1,035)	(567)	(1,565)	(436)	(1,129)
Gains or losses on disposals of non-current assets	104	95	9	0	0	0
EBITDA	67,601	60,302	7,299	52,498	48,361	4,137
EBITDA margin (% of revenue)	23.1%	33.9%	6.3%	19.9%	37.4%	3.1%
Depreciation and amortisation of non-current assets	(31,391)	(27,771)	(3,619)	(28,812)	(25,741)	(3,071)
Recurring operating income	36,210	32,531	3,680	23,686	22,620	1,066
Recurring operating margin (% of revenue)	12.4%	18.3%	3.2%	9.0%	17.5%	0.8%
Bonus share and stock-option plans	(6,371)	(5,057)	(1,314)	(2,339)	(2,038)	(301)
Other non-recurring operating items	0	0	0	(522)	0	(522)
Income from associates	0	0	0	(1)	(1)	0
Operating income	29,840	27,474	2,366	20,823	20,580	243
Financial income	3,448	2,108	1,340	1,956		1,956
Financial expense	(6,183)	(3,615)	(2,569)	(3,039)		(3,039)
Net financial income/expense	(2,735)	(1,506)	(1,229)	460	(619)	1,079
Pre-tax income	27,105	25,967	1,137	19,739	19,961	(222)
Income tax	(8,187)	(7,721)	(467)	(3,492)	(4,705)	1,213
Net income for the period	18,917	18,246	671	16,247	15,256	991

Recurring operating income before amortisation of Customer relationships:

(in thousands of euros)						
Recurring operating income	36,210	32,531	3,680	23,686	22,620	1,066
Amortisation of customer relationships	1,115	0	1,115	1,115	0	1,115
Recurring operating income before amortisation of customer relationships	37,325	32,531	4,795	24,801	22,620	2,181
Recurring operating margin before amortisation of customer relationships (% of revenue)	12.7%	18.3%	4.2%	9.4%	17.5%	1.6%

2.4 ADDITIONAL NOTES

2.4.1 Additional notes to the balance sheet

○ Note 1 – Goodwill

in thousands of euros	Total Bigben– Audio/Telco	Total Nacon– Gaming	TOTAL
Goodwill arising from transactions in the financial year ended 31 March 2020	34,831	29,072	63,903
Business combinations	0	2,077	2,077
Impairment loss	0	0	0
Discontinued operations	0	0	0
Goodwill arising from transactions in the financial year ended 31 March 2021	34,831	31,150	65,980

⇒ Accounting policy - Goodwill

Goodwill is not amortised, in accordance with IFRS 3 “Business combinations” and IAS 36 “Impairment of assets”. It is tested for impairment whenever evidence of a loss of value appears and at least once every year on the closing date. For those tests, goodwill is broken down by Cash Generating Unit (CGUs) or group of CGUs, which are homogeneous units that together generate independent cash inflows.

Details about the impairment testing of Cash Generating Units are provided below.

Goodwill is stated at cost, less cumulative impairment losses. Any impairment losses are taken to the income statement. Impairment losses cannot be reversed.

Description of transactions in the 2020/21 financial year:

The Group carried out the following transaction in 2020/21:

- on 19 October 2020, it acquired 100% of the shares and voting rights in Neopica S.r.l.

Neopica S.r.l.

See section 2.2.2. Change in scope.

On 19 October 2020, Nacon acquired all the share capital and voting rights of development studio Neopica S.r.l. for cash. Earn-out payments based on the quality and commercial potential of the next two games under development may be paid to the sellers within 12 months of these games being released. Those payments are capped and contingent on achievement of a certain quality level and volume of future games sales.

Neopica S.r.l. has been consolidated from the acquisition date in the Group’s financial statements.

The acquisition of Neopica was not material for the Nacon Group, and so no detailed pro forma financial information was required.

€0.6 million of earn-out payments are included in the purchase price calculation. The estimated fair value of these earn-out payments at the acquisition date is based on the Nacon Group’s best estimates regarding the fulfilment of the conditions for making those earn-out payments, and these chiefly take into account Neopica’s historical sales figures as at the acquisition date and the Metacritic score for its most recent *Overpass* and *Hunting Simulator 2* games, which came out respectively in February 2020 and June 2020, on the assumption that the next few games developed by Spiders will 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 being settled, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date

gave rise, in accordance with IFRS 3 “Business combinations”, to the recognition of a financial liability in the Group’s financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled.

Allocation of the purchase price of Neopica S.r.l.

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise how business combinations are accounted for. The provisional measurement of the Neopica S.r.l. assets acquired and liabilities assumed is as follows:

<i>(in thousands of euros)</i>	
Property, plant and equipment	20
Deferred tax assets	91
Receivables	73
Cash and cash equivalents and miscellaneous	441
Prepaid expenses	4
Miscellaneous liabilities	-106
Total identifiable net assets acquired	523
Goodwill	2,077
Fair value of the consideration transferred	2,600

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

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

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

The Group carried out the following transactions in 2020/21:

- Acquisition by Nacon on 7 October 2020 of an additional 10% stake in the share capital of Italian development studio Lunar Great Wall Studios S.r.l., which is better known under its trade name RaceWard, lifting its shareholding to 53.15%;

RaceWard (Lunar Great Wall Studios S.r.l.)

The initial business combination had taken place on 29 July 2019, the date on which the Bigben Group acquired a 43.15% stake in Italian development studio Lunar Great Wall Studios S.r.l., which is better known under its trade name RaceWard. The transaction amount was paid entirely in cash. The Nacon Group, to which this investment was transferred in connection with the 31 October 2019 spin-off, had an option, which can be exercised at any time until 31 December 2021, to acquire an additional 10% stake in Lunar Great Wall Studios S.r.l., which it exercised on 7 October 2020, lifting its investment to 53.15% and paid for this additional investment in cash.

The IFRS 10 approach is based on the ability to exercise control. Given the absence of obstacles to the Nacon Group’s exercising control and the given the parties’ respective commercial interests, the conclusion was that the Nacon Group has exercised control over Lunar Great Wall Studios S.r.l. 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. At 31 March 2021, the determination of goodwill was definitive, with no changes compared with the preliminary allocation 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

Nacon then exercised this option on 7 October 2020, increasing its shareholding to 53.15% in return for a cash payment.

Under IFRS 3, this acquisition of an additional stake in the share capital of a business that was already fully consolidated was treated as a transaction between the equity attributable to equity holders of the parent and non-controlling interests in equity and did not result in the recognition of any additional goodwill. The non-controlling interests acquired were thus reclassified as equity attributable to equity holders of the parent and the cost of acquiring the shares was set off against equity attributable to equity holders of the parent. The difference between the purchase price of the shares and the additional proportion of equity acquired was thus recognised in equity, and the consolidated values of the relevant subsidiary's assets and liabilities were left unchanged.

Spiders SAS

The business combination took place on 3 September 2019, when the Bigben Group acquired the shares in Spiders SAS. The purchase price was paid entirely in cash. That company was transferred to Nacon as part of the spin-off 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 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 chiefly 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 being settled, the inclusion of these earn-out payments in the purchase price measured at fair value at the acquisition date gave rise, in accordance with IFRS 3 "Business combinations", to the recognition of a financial liability in the Group's financial statements. That financial liability will be measured at fair value at each closing date and any change to that fair value will be taken to income until it is settled, which will be in 2024 at the latest.

Allocation of the purchase price of Spiders SAS

In accordance with IFRS 3, €5.3 million of provisional goodwill was therefore recognised on the balance sheet at 31 March 2020. At 31 March 2021, the determination of goodwill was definitive, with no changes compared with the preliminary allocation at 31 March 2020.

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
Non-current 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

Reconciliation of acquisition-related disbursements with cash flows in the year ended 31 March 2021:

Disbursements relating to acquisitions of subsidiaries net of net cash acquired	2020/21
Neopica S.r.l. acquisition	2,000
Lunar Great Wall Studios S.r.l. acquisition	39
Net cash acquired	-441
Disbursements relating to acquisitions of subsidiaries net of net cash acquired	1,598

Goodwill impairment tests

The Group tests impairment on its two CGUs on an annual basis on the closing date (31 March) and whenever evidence of a loss of value is identified.

At 31 March 2021, no impairment had been recognised.

Impairment test on the Nacon–Gaming CGU

Assumptions:

WACC	8.45%
Perpetual growth rate	2.0%

The WACC and the perpetual growth rate take into account the rapid development of the Gaming business sector in which the Nacon Group operates.

Sensitivity test:

Carrying amount of the CGU*	€183,270 thousand
-----------------------------	------------------------------

Reduction in EBITDA in year N+3 that would result in the CGU's recoverable amount being equal to its carrying amount:	EBITDA	-43.00%
Reduction in EBITDA margin in year N+3 that would result in the CGU's recoverable amount being equal to its carrying amount:	EBITDA margin	-15.6 points
Reduction in the perpetual growth rate that would result in the CGU's recoverable amount being equal to its carrying amount:	Perpetual growth rate	-23.8 points
Increase in the discount rate (WACC) that would result in the CGU's recoverable amount being equal to its carrying amount:	WACC	+12.6 points

*The carrying amount of the CGU corresponds to economic net assets factoring in a normal working capital requirement.

Impairment test on the Bigben–Audio/Telco CGU

Assumptions:

WACC	7.88%
Perpetual growth rate	2.0%

The WACC and the perpetual growth rate take into account the characteristics of the Audio/Telco sector in which the Bigben Audio/Telco CGU operates, including technological changes in the sector.

Sensitivity test:

Carrying amount of the CGU	€106,325 thousand
----------------------------	------------------------------

Reduction in EBITDA in year N+3 that would result in the CGU's recoverable amount being equal to its carrying amount:	EBITDA	-7.02%
Reduction in EBITDA margin in year N+3 that would result in the CGU's recoverable amount being equal to its carrying amount:	EBITDA margin	-0.8 points
Reduction in the perpetual growth rate that would result in the CGU's recoverable amount being equal to its carrying amount:	Perpetual growth rate	-0.7 points
Increase in the discount rate (WACC) that would result in the CGU's recoverable amount being equal to its carrying amount:	WACC	+0.5 points

⇒ Accounting policy - Impairment of non-current assets

According to IAS 36 "Impairment of assets", an impairment loss is taken to income where recoverable amount falls below the net carrying amount.

The recoverable amount of non-current assets is the greater of fair value less costs to sell and value in use. The net carrying amounts of property plant and equipment and intangible assets are tested as soon as evidence of a loss of value appears and at least once per year for assets with an indefinite useful life (goodwill and trademarks).

For these tests, assets are grouped into cash-generating units (CGUs). CGUs are consistent groups of assets whose continued use generates cash inflows that are largely independent of cash inflows generated by other groups of assets. The Bigben Group recognises two CGUs that correspond to its two operational business segments: Bigben–Audio/Telco and Nacon–Gaming.

For the Bigben–Audio/Telco CGU

Given the highly integrated organisation of the Audio/Telco business, a large proportion of costs are shared between the Telco and Audio businesses. The Audio and Telco business share certain customers. Audio and Telco products are partly developed and procured by Bigben HK Ltd. As a result, the Group does not calculate recurring operating income by business line.

Products developed by Bigben Interactive entities and Bigben Connected are marketed by all Group entities and therefore contribute to the CGU's overall cash flow.

As a result, only one CGU has been identified within this operating segment: the goodwill arising from the acquisition of Modelabs has been allocated to that CGU.

For the Nacon–Gaming CGU

Given the highly integrated organisation of the Gaming business, a large proportion of costs are shared between the Video Games and Accessories businesses. The Video Games and Gaming Accessories businesses may share customers. As a result, the Group does not calculate recurring operating income by business line.

Games developed by the acquired studios Kylotonn, Cyanide, Eko and Spiders are marketed by all Group entities and therefore contribute to the CGU's overall cash flow.

As a result, only one CGU has been identified within the Nacon Group's sole operating segment: the goodwill arising from acquisitions of studios and from the Nacon Group's other entities have been allocated to that sole CGU.

The value in use of that CGU is determined with reference to future cash flows after tax and discounted to present value. The discount rate is determined at each closing date on the basis of the cost of capital specific to the Bigben Interactive Group.

Cash flow figures are those expected over a three-year period. They are based on the budget for year N+1, prepared by operating entities and validated by Executive Management. Cash flows for subsequent years (N+2 and N+3) are estimated by applying a growth rate, based on management forecasts. Beyond that, cash flows are extrapolated by applying a perpetual growth rate.

Where the CGU's recoverable amount is lower than its net carrying amount, an impairment loss equal to the difference is recognised in income and allocated first to goodwill and then deducted from the carrying amount of the entity's other assets in proportion to the net carrying amount of each of the unit's assets.

► Note 2 – Other intangible assets

in thousands of euros	31 March 2021	31 March 2020
Gross value	204,830	161,293
Amortisation	(91,361)	(74,451)
Impairment	(379)	(605)
Net value	113,090	86,237

Gross value	Software, concessions and patents	Trademarks	Trade goodwill	Lease rights	Customer relationships	Game development costs	Downpayments on intangible assets	Other intangible assets	TOTAL
31 March 2019	2,223	8,442	2	0	22,300	78,392	0	1,979	113,338
Acquisition	1,476	1,562				32,799		273	36,110
Change in scope	80					5,919			5,998
Application of IFRS 16				7,253					7,253
Disposals	(300)							(1,107)	(1,407)
31 March 2020	3,478	10,004	2	7,253	22,300	117,110	0	1,145	161,292
Acquisition	276	773		7,943		48,482	300	136	57,910
Change in scope	12								12
Transfers						(12,562)			(12,562)
Disposals				(1,822)					(1,822)
31 March 2021	3,766	10,777	2	13,374	22,300	153,030	300	1,281	204,830
Amortisation	Software, concessions and patents	Trademarks	Trade goodwill	Lease rights	Customer relationships	Game development costs	Downpayments on intangible assets	Other intangible assets	TOTAL
31 March 2019	(2,099)	(261)	0	0	(8,455)	(34,464)	0	(1,871)	(47,150)
Additions	(1,253)				(1,115)	(18,749)		(79)	(21,196)
Change in scope						(5,767)			(5,767)
Application of IFRS 16				(2,350)					(2,350)
Disposals	300							1,107	1,407
31 March 2020	(3,052)	(261)	0	(2,350)	(9,570)	(58,980)	0	(843)	(75,056)
Additions	(200)			(2,453)	(1,115)	(26,515)		(121)	(30,404)
Change in scope	(12)								(12)
Transfers						12,562			12,562
Disposals				1,170					1,170
31 March 2021	(3,264)	(261)	0	(3,633)	(10,685)	(72,934)	0	(964)	(91,740)
Net value	503	10,516	2	9,741	11,615	80,096	300	317	113,090

At 31 March 2021, the “Trademarks” item mainly consisted of trademarks owned by the development studio Cyanide and the RIG™ trademark belonging to the Nacon Group following the acquisition of Cyanide in the year ended 31 March 2019 (see Note 1) and the acquisition of RIG™ assets from Poly in the year ended 31 March 2020.

The “Game development costs” item represents expenses incurred in developing games on the market or currently being developed and with the prospect of being launched in the market. The video game tax credits (CIJV) received by the Group’s development studios are recognised as a deduction from development costs.

⇒ **Accounting policy – Other intangible assets**

Trademarks are not amortised. They do not undergo individual impairment tests but are combined with all of the CGU's goodwill and assets as part of an annual impairment test.

Right-of-use assets are amortised over the lease term used to calculate the related lease liability.

Acquired software is capitalised and amortised over a useful life of 3 years. Expenditure on internally generated brands is expensed when incurred.

Subsequent expenditure on intangible assets is capitalised if and only if it increases the future economic benefits associated with the corresponding asset. Other expenditure is recognised as an expense.

Research expenditure on acquiring scientific or technical understanding and knowledge is expensed when incurred.

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

Recognised development costs mainly relate to the cost of developing games on the market or currently being developed and with the prospect of being launched in the market. Capitalised development costs, less any related tax credits, are recognised at cost less accumulated amortisation and less any 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 recognised.

Game development costs are amortised over the games' expected lifetimes (currently between 1 and 4 years) using the diminishing balance method based on the associated expected sales, whether the game is sold physically or digitally, from its commercial release date. Contrary to the presumption under IAS 38, the rate at which revenue is generated from the games publishing business provides an appropriate basis to assess the consumption of economic benefits associated with games because the revenue resulting from the commercial exploitation of the games and the use of intangible assets are very closely correlated. The rights associated with games no longer have any value when they are no longer being commercially exploited. Game amortisation periods vary according to market trends and sales prospects. To take into account the digitalisation of the video game market and the related extension of period over which economic benefits will be obtained, the amortisation method has changed from year to year.

► **Note 3 - Property, plant and equipment**

in thousands of euros	31 March 2021	31 March 2020
Gross value	32,799	32,063
Depreciation	(19,999)	(18,884)
Impairment		
Net value	12,801	13,179

⇒ **Accounting policy – Property, plant and equipment**

In accordance with IAS 16, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The gross value of property, plant and equipment corresponds to their purchase or production cost. They are not remeasured. Where the components of an item of property, plant and equipment have different useful lives, they are recognised as separate items of property, plant and equipment, each depreciated over its specific useful life.

Depreciation is calculated using the straight-line method, based on purchase cost minus any residual value and any impairment from the date on which the asset is available for use.

Except in specific cases, residual values are zero. Depreciation periods are based on the estimated useful lives of the different categories of assets, of which the main ones are listed below:

Category	Depreciation method
Buildings	Straight-line, between 15 and 25 years
Photovoltaic installations	Straight-line, between 10 and 25 years
Plant and equipment	Straight-line, between 5 and 8 years
Building improvements	Straight-line, 10 years
Fixtures and fittings	Straight-line, between 4 and 10 years
Furniture, office equipment	Straight-line, between 3 and 10 years
Vehicles	Straight-line, between 1 and 3 years

Gross value	Land	Buildings	Technical installations	Downpayments on property, plant and equipment	Other property, plant and equipment	TOTAL
31 March 2019	1,430	19,130	4,577	320	5,214	30,671
Acquisition		17	289	466	512	1,284
Change in scope					275	275
Transfers						0
Disposals					(220)	(220)
Exchange differences			44		9	53
31 March 2020	1,430	19,147	4,910	786	5,790	32,063
Acquisition		1	77	151	1,764	1,993
Change in scope			111			111
Transfers					(496)	(496)
Disposals				(678)	(88)	(766)
Exchange differences			(82)		(23)	(105)
31 March 2021	1,430	19,148	5,016	259	6,947	32,799

Depreciation	Land	Buildings	Technical installations	Downpayments on property, plant and equipment	Other property, plant and equipment	TOTAL
31 March 2019	0	(9,403)	(4,045)	0	(3,803)	(17,252)
Additions		(890)	(314)		(538)	(1,742)
Change in scope					(190)	(190)
Transfers						0
Reversals		89			220	309
Exchange differences					(9)	(9)
31 March 2020	0	(10,204)	(4,359)	0	(4,320)	(18,884)
Additions		(916)	(253)		(572)	(1,740)
Change in scope			(91)			(91)
Transfers					496	496
Reversals		89			28	116
Exchange differences			82		22	104
31 March 2021	0	(11,031)	(4,622)	0	(4,346)	(19,999)
Net value	1,430	8,116	395	259	2,601	12,801

Assets purchased under finance leases:

in thousands of euros	Land	Buildings	Equipment	TOTAL
Gross value	1,385	13,028	3,223	17,636
Depreciation		(6,695)	(3,050)	(9,745)
Net value	1,385	6,333	173	7,891

The real estate (land and buildings) at the Lesquin and Lauwin-Planque sites were funded using finance leases. The cost price of the land and buildings was €14,413 thousand and depreciation has totalled €6,695 thousand, giving a net carrying amount of €7,718 thousand at 31 March 2021. For the logistics system, computerised lift trucks and shelving, the cost price was €3,223 thousand and depreciation has totalled €3,050 thousand, giving a net carrying amount of €173 thousand at 31 March 2021.

Depreciation of the photovoltaic installation began on 1 October 2014.

► Note 4 – Shares in associates

Group companies accounted for under the equity method are not listed and so do not have any publicly listed price.

At 31 March 2020, this item included the fair value of Bigben Interactive USA shares. At that time, the company was being wound up because it was dormant. The company, which was previously accounted for under the equity method, was wound up on 17 August 2020 and thus has been deconsolidated. At 31 March 2021, it was no longer part of the scope of consolidation.

No other companies are accounted for under the equity method.

► Note 5 – Other non-current financial assets

Net	Security deposits	Other securities	Other receivables	TOTAL
31 March 2019	710	37	172	919
Acquisition	558			558
Change in scope	13			13
Disposals			(46)	(46)
Exchange differences	2			2
31 March 2020	1,283	37	126	1,446
Acquisition	50		171	221
Disposals		(12)		(12)
Exchange differences	(6)			(6)
31 March 2021	1,327	25	297	1,649

⇒ **Accounting policy – Financial assets**

Non-derivative financial assets and liabilities

Financial assets and liabilities are presented as non-current except for those that have less than 12 months to maturity on the closing date, which are classified as “current assets”, “cash equivalents” or “current liabilities” as the case may be.

Non-derivative financial assets include:

- non-current financial assets,
- current financial assets representing operating receivables, debt securities or investment securities, and cash.

Measurement and recognition of financial assets

A financial asset is measured at amortised cost if it meets the criteria relating to the business model and cash flow characteristics defined by IFRS 9 and if it is not designated as at fair value through profit or loss. It is initially measured at fair value plus directly connected transaction costs, with the exception of trade receivables without a significant financing component, which are initially measured at the transaction price under IFRS 15. Impairment is recognised in respect of financial assets to take account of any expected credit losses. For trade receivables (see Note 8) and contract assets, credit losses are measured over the total life of the assets using the simplified approach under IFRS 9, on the basis of a provisioning schedule.

► Note 6 - Deferred tax assets

► Group total

in thousands of euros	31 March 2021	31 March 2020
Deferred tax assets relating to tax loss carryforwards	846	1,307
Deferred tax assets relating to timing differences	2,759	2,062
DEFERRED TAX ASSETS	3,604	3,369

► Details by entity

in thousands of euros	1 April 2020	Recognised	Used	31 March 2021
Cyanide SAS	1,106		(477)	629
Lunar Great Wall Studios S.r.l.	0	156		156
Kylotonn SAS	175		(175)	0
Neopica S.r.l.		91	(31)	60
Nacon Gaming Inc.	26		(26)	0
TOTAL TAX LOSS CARRYFORWARDS	1,307	247	(708)	846

Given the short- and medium-term taxable income of the entities concerned, all tax losses (which can be carried forward indefinitely) have been recognised.

Deferred tax assets relating to temporary differences derive chiefly from amortisation of video game development costs.

See also Note 1 concerning deferred tax assets related to the acquisitions of Neopica, RaceWard and Spiders.

⇒ Accounting policy – Tax

Income tax includes current tax and deferred tax.

Tax expense and income are recognised in the income statement except where they relate to items recognised directly in equity, in which case they are also recognised in equity.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amount of assets and liabilities and their tax base. The following do not give rise to the recognition of deferred tax: (i) initial recognition of goodwill and (ii) recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit.

The measurement of deferred tax takes into account known changes in tax rates (and in tax regulations) that have been enacted or substantively enacted at the closing date.

Deferred tax assets are recognised when they can be offset against deferred tax liabilities or tax loss carryforwards, if it is likely that future taxable profits will be available against which those tax assets can be offset. The carrying amount of deferred tax assets is reviewed at each closing date.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

► **Note 7 – Inventories**

in thousands of euros	Gaming	Mobile	Audio	31 March 2021	31 March 2020
Gross value	37,680	39,204	11,820	88,704	87,019
Of which physical inventories	34,070	39,156	11,760	84,986	85,452
Of which goods in transit	3,610	48	60	3,717	1,567
Impairment loss	(12,494)	(9,223)	(1,202)	(22,920)	(20,965)
Net value	25,186	29,981	10,618	65,784	66,054

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

⇒ **Accounting policy – Inventories**

In accordance with IAS 2 “Inventories”, inventories are measured at the lower of cost and net realisable value. The cost of the inventories of each product line (accessory or game) is determined using the weighted average cost method. In accordance with IAS 2 “Inventories”, that cost takes into account production costs and incidental, logistics and transport expenses incurred to bring inventories to their present location. For inventories of physical games released up to 31 March 2019, the amount took into account the amortisation of each game’s development costs in proportion to the percentage of total sales coming from physical sales. For new games released from 1 April 2019, given that most sales take place digitally and given the limited production of physical copies of those games, no proportion of the cost of developing those new games was deducted from the related inventories. The cost is net of discounts and deferred payment terms obtained from suppliers.

Borrowing costs are not included in the cost of inventories.

Net realisable value is the estimated selling price in the ordinary course of business less estimated completion costs and the estimated costs necessary to realise the sale. At each closing date, the values of products held in inventory are reviewed based on their sales prospects and their age.

Impairment is recognised on products held in inventory in the following way:

- *After-sales service inventories are written down in full.*
- *At each closing date, the values of products held in inventory are reviewed by comparing their average selling price (in the last 12 months) with their weighted average cost, and impairment is recognised as appropriate.*
- *Management recognises additional impairment on specific product lines based on sales prospects.*
- *In addition to these approaches, additional impairment is recognised based on the age of the products held in inventory.*

► **Note 8 – Trade receivables**

in thousands of euros	31 March 2021	31 March 2020
Trade receivables and notes	73,684	65,955
Impairment losses for doubtful receivables	(1,205)	(873)
TOTAL TRADE RECEIVABLES	72,479	65,082

The temporary increase in receivables at the end of the financial year was caused by the following factors.

- Sales were strong at the end of the financial year ended 31 March 2021.
- At 31 March 2020, client payments had been temporarily delayed by store closures resulting from lockdown measures imposed by most European countries to combat the spread of Covid-19.

The Bigben Group uses factoring for certain clients. The factoring agreement does not result in receivables being deconsolidated, and trade receivables factored but not settled by clients at 31 March 2021 were included in the “Trade receivables and notes” item. They amounted to €10.8 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.

▶ Client concentration:

The Group's largest client accounted for 8.9% of its consolidated revenue in 2020/21 (12.1% in 2018/19).

▶ Trade receivables:

in thousands of euros	31 March 2021	
Trade receivables not due	59,564	81%
Trade receivables due	14,120	19%
Less than 30 days	9,585	68%
30 to 60 days	505	4%
60 to 90 days	909	6%
90 to 120 days	523	4%
Over 120 days	1,519	11%
Doubtful receivables	1,080	8%
Trade receivables and notes	73,684	

The Bigben Group does not have a material amount of receivables that show the risk of a loss of value.

Bigben's customers are mainly international platforms, large distribution groups and major telecoms operators, which settle invoices rapidly. As a result, the Group analysed its customer portfolio by type, and saw that the risk of future losses was very limited.

⇒ Counterparty risk

Counterparty risk represents the risk of a financial loss if a client were to breach its contractual obligations. With respect to trade receivables, this risk is managed in particular through:

- authorisation procedures for new client accounts, ensuring the solvency of all new clients,
- monthly client reporting, allowing the Group to analyse the average credit term granted to each client, as well as the percentage and age of amounts receivable from each client.

In addition, the Group's main regular clients are major European retailers and digital game distribution platforms whose solvency is proven, and this limits credit risk for the Group. Other clients, including all export clients, are covered by credit insurance where the Group has exposure.

⇒ Accounting policy – Trade receivables

Trade receivables and other receivables related to operating activities are recognised at amortised cost which, in most cases, corresponds to nominal value less impairment losses, which are recorded in a specific impairment account. Since receivables have a maturity of less than one year, they do not contain any significant financing component.

After the adoption of IFRS 9 from 1 April 2019, the Group uses the simplified approach to impairment of trade receivables based on the analysis of expected losses over a receivable's life.

▶ **Note 9 – Other receivables**

in thousands of euros	31 March 2021	31 March 2020
Central and local government (excluding income tax)	5,737	8,627
Personnel	304	206
Credits receivable from suppliers	3,333	1,972
Prepaid expenses	2,279	1,657
Advances and downpayments on orders	3,895	3,108
Miscellaneous receivables	385	1,102
TOTAL	15,933	16,672

Reconciliation of changes in trade receivables with cash flows in the year ended 31 March 2021:

	31 March 2021	31 March 2020
Change in trade receivables on the balance sheet	7,060	9,678
Changes related to entries into the scope	216	-1,042
Net cash flows – trade receivables	7,276	8,636

► **Note 10 – Net cash and cash equivalents**

in thousands of euros	31 March 2021	31 March 2020
Bank facilities	(2,637)	(5,096)
Marketable securities	600	750
Cash and cash equivalents	177,234	117,397
Net cash and cash equivalents	175,197	113,051

Cash and cash equivalents at 31 March 2021 consisted mainly of

- €50 million held by Nacon SA 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 deposit matures on 6 September 2021. The interest rate on that account rises every six months. If some or all of the money is withdrawn early, the interest rates are reduced to the rates applicable in the prior period. Interest calculated in previous quarters is accrued.
- €85 million at Bigben Interactive SA from the proceeds raised from the issue of Bigben bonds exchangeable into shares of its Nacon SA subsidiary (see Note 2.2.6).
 - €30 million was placed in two deposit accounts, one at a fixed rate over 12 months and the other at a progressive rate for 18 months. These deposit accounts are due to reach maturity on 19 February 2022 and 19 August 2022 respectively.
 - If some or all of the money is withdrawn early, the interest rates are reduced to the rates applicable in the prior period.

⇒ **Accounting policy – Cash and cash equivalents**

Non-derivative financial assets and liabilities

Financial assets and liabilities are presented as non-current in Notes 5 and 12 except for those that have less than 12 months to maturity on the closing date, which are classified as “current assets” (Note 5), “cash equivalents” (this Note) or “current liabilities” (Note 12) as the case may be.

Cash and cash equivalents include cash in bank current accounts and units in money-market funds that are readily convertible into known amounts of cash (i.e. in less than three months) and are subject to a non-material risk of changes in value in the event of an increase in interest rates.

Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are a component of cash for the purposes of the cash flow statement.

► **Note 11 – Employee benefits**

Pension provisions

in thousands of euros	1 April 2020	Additions	Used	Reversals	OCI - Actuarial gains and losses	Change in scope	31 March 2021
Provisions for retirement benefit obligations and similar	962	375		(25)	100		1,412
TOTAL	962	375	0	(25)	100	0	1,412

in thousands of euros	1 April 2019	Additions	Used	Reversals	OCI - Actuarial gains and losses	Change in scope	31 March 2020
Provisions for retirement benefit obligations and similar	869	102		(73)	(6)	70	962
TOTAL	869	102	0	(73)	(6)	70	962

Employee-related obligations and similar for which provisions are set aside relate solely to French companies. Only the group's French companies have defined-benefit pension plans.

The following assumptions are used to measure obligations arising at these companies in France:

Assumptions used	31 March 2021	31 March 2020
Discount rate	0.86%	1.57%
Turnover	7% to 8.3%	6.5-8.0%
Mortality rates	TF & TH 00.02	TF & TH 00.02
Rate of salary increase		
<i>Managers</i>	2.0%	2.0%
<i>Supervisory staff</i>	2.0%	2.0%

Remuneration in shares and similar (bonus share plans)

See Notes 21 and 26

⇒ **Accounting policy – Pension and similar liabilities**

In addition to pension contributions required by legislation in force in countries in which the companies that employ them are based, the Group's employees receive additional pension contributions and post-employment benefits. The Group offers those benefits through either defined-contribution plans or defined-benefit plans.

Under defined-contribution plans, the Group is under no obligation other than to pay contributions. The corresponding charge, which reflects the payment of contributions, is expensed as incurred.

In accordance with IAS 19 "Employee benefits", as part of defined-benefit plans, pension liabilities and similar are measured using the projected unit credit method. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to obtain the final obligation.

This final obligation is then discounted to present value. The calculations mainly take into account:

- *an assumed retirement age of 65 for French employees;*
- *a discount rate;*
- *an inflation rate;*
- *assumptions regarding wage increases and staff turnover.*

Actuarial gains and losses are generated through changes in assumptions or experience adjustments (differences between projected and actual figures) regarding obligations or plan assets are recognised under "Other comprehensive income". They are presented on the balance sheet under equity in the "Other comprehensive income" item, and cannot be recycled to profit or loss.

► **Note 12 – Financial liabilities by category**

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

in thousands of euros	TOTAL	Maturity date Less than 1 year	Maturity date between 1 and 5 years	Maturity date Over 5 years
Total financial liabilities at 31 March 2021	145,625	22,591	122,783	250
Bank loans that were long-term at inception	55,438	18,888	36,300	250
Bonds exchangeable into shares	77,019		77,019	
Derivative component of bond borrowings	7,979		7,979	
Finance lease liabilities	2,513	1,027	1,486	
Bank facilities	2,637	2,637		
Accrued interest not due	39	39		
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 due	58	58		
Other financing	35	35		

⇒ **Accounting policy – Financial liabilities**

Non-derivative financial liabilities

Financial liabilities are presented as non-current except for those that have less than 12 months to maturity on the closing date, which are classified as “current liabilities”.

Current and non-current financial liabilities include bank borrowings, other bank financing and overdrafts and operating payables.

Measurement and recognition of financial liabilities

The Group initially recognises debts and subordinated liabilities on the date on which they arise. All other financial liabilities are initially recognised on the transaction date, which is the date on which the Group becomes a party to the instrument’s contractual provisions.

The Group derecognises financial liabilities when its contractual obligations have been extinguished or terminated or have expired.

The Group classifies non-derivative financial liabilities under other financial liabilities. Those financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs. After initial recognition, the financial assets are measured at amortised cost using the effective interest rate method.

Other financial liabilities include borrowings, bank overdrafts, trade payables and other payables.

The bonds exchangeable into Nacon shares have a conventional financial liability component and a derivative instrument component insofar as the exchange option does not necessarily provide for the redemption of the instrument for a fixed number of equity instruments.

The financial liability component reflects the financial liability arising from the contractual obligation to deliver cash without the exchange option. This component reflects the par value of the bonds issued minus the fair value at inception of the derivatives component. The financial liability is then recognised at amortised cost.

In this situation, the derivatives component is an instrument measured at fair value through profit or loss.

Transaction fees are allocated on a pro rata basis to each component. The portion of fees allotted to the financial liability component is recognised under the effective interest rate method.

The portion of fees allotted to the derivatives component is recognised immediately under financial expenses in the income statement.

▶ Bank borrowings

Nacon

The borrowings arranged by Bigben Interactive prior to 1 October 2019 and relating to the development of its Gaming business were transferred to Nacon as part of the 31 October 2019 spin-off, with retroactive effect from 1 October 2019.

Medium-term bank borrowings totalling €35.0 million were arranged between 1 April 2019 and 31 March 2020, in particular to fund the acquisition of development studio Spiders SAS, the purchase of an equity stake in RaceWard and the acquisition of assets from Plantronics Inc. ("Poly") along with the RIG™ trademark.

For some of those loans, which were transferred in full to Nacon at the time of the spin-off, Nacon has undertaken to comply with annual financial covenants. For just one of those loans, the Bigben Group undertook to meet an annual financial covenant based on a leverage ratio.

At 31 March 2021, the financial ratios concerned (interest cover and net leverage ratio) were met (see Note 29).

Bigben–Audio/Telco

French state-guaranteed loans

In May and June 2020, the Bigben Group arranged two new state-guaranteed loans totalling €15 million from three banks to cover the Audio/Telco's working capital requirement, which was affected by the Covid-19 pandemic. Those loans had a one-year term, although the Group will be able to request the rescheduling of payments over a five-year period. Following the issue of exchangeable bonds, raising €87.3 million for Bigben Interactive SA, €12.5 million of these two state-guaranteed loans were repaid early in March 2021. That left only €2.5 million to be repaid in June 2021. The remaining loan has thus been presented under current liabilities at 31 March 2021.

▶ Issue of Bigben bonds exchangeable into shares of its Nacon SA subsidiary

On 19 February 2021, the Company issued €87.3 million in senior bonds (ISIN: FR0014001WC2) due 2026, conditionally guaranteed and exchangeable into existing ordinary Nacon shares (the "**Bonds**").

These bonds carry a coupon payable annually of 1.125% and will be redeemed at 103% of their unit par value, representing a yield to maturity of 1.7024%.

(see section 2.2.4.)

▶ Finance lease liabilities

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

Reconciliation of changes in liabilities with cash flow from financing activities

	Liabilities			Equity		Total
	Bank overdrafts	Other borrowings	Liabilities related to finance leases	Share capital/Share premiums	Reserves	
Balance at 31 March 2020	5,096	70,988	3,520	82,877	155,715	318,196
Changes related to cash flow from financing activities						
Capital increase					0	0
Cash inflows from borrowings		99,997				99,997
Repayment of borrowings		(24,585)	(1,007)			(25,592)
Change in lease liabilities (IFRS 16)			(3,717)			(3,717)
Dividends paid to the parent company's shareholders					0	0
Own shares repurchased and resold					(4,955)	(4,955)
Accrued interest		(1,628)				(1,628)
Total changes related to cash flow from financing activities		73,784	(4,724)	0	(4,955)	64,105
Changes resulting from gaining or losing control over subsidiaries		99				99
Impact of changes in exchange rates					(627)	(627)
Changes in fair value						0
Other changes						0
Related to liabilities						0
Changes in bank overdrafts	(2,459)					(2,459)
New finance leases						0
Change in lease liabilities (IFRS 16)			7,408			7,408
Accrued interest		1,667				1,667
Total other changes related to liabilities	(2,459)	1,766	7,408	0	(627)	6,088
Total other changes related to equity				502	19,554	20,056
Total at 31 March 2021	2,637	146,537	6,204	83,379	169,688	408,445

◆ Lease liabilities

▶ Current and non-current lease liabilities

These are lease liabilities arising from application of IFRS 16.

<i>in thousands of euros</i>	31 March 2020	Change	31 March 2021
Lease liabilities	4,900	4,854	9,754
Current portion	2,426	(64)	2,362
Non-current portion	2,474	4,918	7,392

► **Note 13 – Deferred tax liabilities**

Deferred tax liabilities chiefly comprise temporary differences arising on trademarks and customer relationships recognised as a result of acquisitions.

Deferred tax liabilities correspond mainly to the balance at 31 March 2021 of deferred tax recognised on “Mobile Accessories” customer relationships in relation to the ModeLabs acquisition.

The increase in non-current deferred taxes reflects the tax treatment of the bonds.

See also Note 1 concerning deferred tax assets related to the acquisitions of development studios.

⇒ **Accounting policy – Tax**

Income tax includes current tax and deferred tax.

Tax expense and income are recognised in the income statement except where they relate to items recognised directly in equity (or under other comprehensive income), in which case they are also recognised in equity.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amount of assets and liabilities and their tax base. The following do not give rise to the recognition of deferred tax: (i) initial recognition of goodwill and (ii) recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit.

The measurement of deferred tax takes into account known changes in tax rates (and in tax regulations) that have been enacted or substantively enacted at the closing date.

Deferred tax assets are recognised when they can be offset against deferred tax liabilities or tax loss carryforwards, if it is likely that future taxable profits will be available against which those tax assets can be offset. The carrying amount of deferred tax assets is reviewed at each closing date.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

► **Note 14 – Long-term and short-term provisions**

	1 April 2020	Change in scope	Additions	Reversals		Exchange differences	Other	31 March 2021
				used	unused			
Non-current	1,307		375		75			1,757
Provisions for contingencies	345							345
- workforce-related								
- tax-related	345							345
Provisions for losses - other								
Provisions for pension liabilities	962		375		75			1,412
Current	564		13					577
Provisions for contingencies	564							577
- commercial	(0)							(0)
- workforce-related	34		13					47
- other	530							530
Provisions for losses - other								
TOTAL	1,870		388		75			2,334

	1 April 2019	Change in scope	Additions	Reversals		Exchange differences	Other	31 March 2020
				used	unused			
Non-current	1,214	70	102		(79)			1,307
Provisions for contingencies	345							345
- <i>workforce-related</i>								
- <i>tax-related</i>	345							345
Provisions for losses - other								
Provisions for pension liabilities	869	70	102		(79)			962
Current	908			(344)				564
Provisions for contingencies	908							564
- <i>commercial</i>	344			(344)				(0)
- <i>workforce-related</i>	34							34
- <i>other</i>	530							530
Provisions for losses - other								
TOTAL	2,122	70	102	(344)	(79)			1,870

▶ Industrial property dispute

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

However, in 2015, a French court ordered Nacon to pay €530 thousand on the ground of unfair competition. 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 at 31 March 2021 and at 31 March 2020.

▶ Bigben Connected tax inspection

Bigben Connected 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. During the 2020/21 financial year, the Company outlined its position to the tax authorities in written submissions.

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 proceedings against some of its suppliers and competitors, which may be resolved in its favour:

- During the 2019/20 financial year, the Group had previously 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. The supplier had initially rejected the proposed settlement. However, the Berlin appeal court reiterated the proposed settlement in Nacon's favour, and the supplier ultimately agreed to it. Accordingly, the Berlin appeal court

brought the proceedings to a close once the settlement agreement between the parties had been entered into and executed, with the supplier agreeing to pay Nacon compensation (plus interest and costs) and Nacon withdrawing its action.

- There is a dispute between a Canadian publisher and one of Nacon SA's studios regarding a purported breach of a video game development contract. The case was brought before the Superior Court of Quebec in December 2017. Nacon SA argued in its defence filed in April 2018 that the publisher's claim was manifestly ill-founded and asked the Court to find that the publisher's claim is improper and require it to pay damages in the form of its lawyers' fees and other costs.
- One of Nacon SA's studios is in dispute with a licensing company concerning the latter's unjustified decision to block the release of a video game. Nacon SA plans to take legal action rapidly to have the licensing company's decision to block the release declared improper and unfounded and to order it to pay compensation to remedy the loss incurred by Nacon SA and its studio.
- Finally, there is a dispute between Nacon SA as publisher and a foreign development studio, regarding purported breaches of contract and in particular intellectual property claims that Nacon SA regards as questionable.

In the Group's view, the claims are without merit, and these disputes are not significant. At this stage in the proceedings, the probability and potential amount of any outflow of resources cannot be estimated. As a result, no provision was recorded in the financial statements at 31 March 2021.

► 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. Bigben Interactive SA responded in October 2020 to the tax authorities within the timeframe allowed within the context of the Covid-19 crisis, disputing most of the proposed reassessments. A settlement was recently agreed by Bigben Interactive SA with the tax authorities under which no additional corporate income tax was payable.

⇒ **Accounting policy – Provisions**

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when the Group has a legal or constructive obligation towards a third party and it is probable that an outflow of resources will be required to settle the obligation.

If the effect of time value is material, provisions are discounted at a pre-tax rate that reflects, where appropriate, the risks specific to the liability.

If no reliable estimate of the amount of the obligation can be made, no provision is booked, and a disclosure is made in the notes.

► **Note 15 – Other payables**

in thousands of euros	31 March 2021	31 March 2020
Central and local government (excluding income tax)	4,921	4,276
Employees and social security agencies	7,283	5,758
Client discounts and trade payables	10,774	11,930
Derivative financial instruments	312	
Liabilities relating to non-current assets	3,280	4,407
Prepaid income	1,430	2,461
Miscellaneous creditors	1,000	2,332
TOTAL	28,999	31,164

Fair value of derivative financial instruments: see Notes 33 and 34.

Reconciliation of changes in trade payables with cash flows in the year ended 31 March 2021:

	31 March 2021	31 March 2020
Change in trade payables on the balance sheet	-1,036	1,443
Change in liabilities related to acquisitions of subsidiaries	600	-1,270
Changes related to entries into the scope	1,280	-4,263
Net cash flows – trade payables	845	-4,090

► **Note 16 – Equity**

► **Number of shares**

Number of shares at 31 March 2019	19,500,119
Payment of dividends in shares	
Capital increase	
Bonus shares issued	218,384
Number of shares at 31 March 2020	19,718,503
Payment of dividends in shares	
Capital increase	
Bonus shares issued	251,155
Number of shares at 31 March 2021	19,969,658

All shares give an entitlement to the Company's residual assets. Shareholders are entitled to dividends where a decision to pay dividends has been made, and have the right to vote in Shareholders' General Meetings. As regards shares in the Company held by the Group, all rights are suspended until the shares are put back into circulation.

► **Own shares**

Liquidity agreement

A new liquidity agreement was formed in 2018/19 with Oddo BHF SCA. That new agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 January 2019. Since that date, it has replaced the previous liquidity agreement with Oddo & Cie, which had taken effect on 1 December 2010. The signature of this new liquidity agreement followed Autorité des Marchés Financiers decision no. 2018-01 of 2 July 2018, applicable since 1 January 2019, which establishes liquidity agreements relating to equity securities as an accepted market practice.

Bigben share buyback programme

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 1 March 2021. Implementation of a share buyback programme began on 2 March 2021.

The Combined Shareholders' General Meeting of 30 July 2020 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the date of the buybacks, that is up to around 1,996,965 shares, with buybacks capped at a total amount of €10 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting of €28 per share, it is stipulated that the unit purchase price of shares may not exceed at any time a multiple of 2.90x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 1 March 2021 were to enable the

Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2020 (twenty-fifth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives are as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 2 March 2021 for an initial period expiring no later than 30 July 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2020, that is ending on 29 January 2022.

Between 2 March 2021 and 31 March 2021, 250,319 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €4,983,954.

The following tables show the purchases and sales under these two agreements:

Period	Balance at start of period	Purchases	Contributions	Sales	Balance at end of period
Mar. 2019 - Mar. 2020	19,100	336,254		333,826	21,528
Mar. 2020 - Mar. 2021	21,528	403,901		165,460	259,969

Period	Purchases	Sales
Mar. 2019 - Mar. 2020	13.2495	13.2051
Mar. 2020 - Mar. 2021	18.1728	15.2724

► Special appropriated earnings reserve

A special appropriated earnings reserve was set up for shares held in treasury under the liquidity agreement.

Since 2016, a special appropriated earnings reserve has also been set up to cover the issue of new shares through the capitalisation of reserves for the definitive purchase of these bonus shares with each initial grant under bonus share plans. Deductions are made from this special appropriated earnings reserve to reflect the actual number of shares purchased and issued.

This reserve stood at €431 thousand at 31 March 2021.

2.4.2 Additional notes to the income statement

► Note 17 – Revenue

► Revenue by product category

in thousands of euros		12-month total		Contribution	
		2020/21	2019/20	2020/21	2019/20
Revenue		292,833	263,498	100%	100%
<i>of which</i>	<i>Gaming</i>	172,281	123,927	59%	47%
	<i>Mobile</i>	89,471	104,790	31%	40%
	<i>Audio</i>	31,082	34,781	11%	13%

In 2020/21, Gaming revenue comprised €103.2 million from Gaming Accessories and €69.0 million from Video Games (physical and digital). In 2019/20, Gaming Accessories revenue totalled €52.9 million and Video Games revenue €71.0 million.

► Revenue by business segment

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

in thousands of euros	2019/20			
	Gaming	Mobile	Audio	Group
Total revenue	123,927	104,790	34,781	263,498
Bigben–Audio/Telco	566	103,799	29,705	134,071
Nacon–Gaming	123,361	991	5,075	129,427

Breakdown by segment	2020/21			
	Gaming	Mobile	Audio	Group
Total revenue	59%	31%	11%	100%
Bigben–Audio/Telco	0%	98%	87%	39%
Nacon–Gaming	100%	2%	13%	61%

	2019/20			
	Gaming	Mobile	Audio	Group
Total revenue	47%	40%	13%	100%
Bigben–Audio/Telco	0%	99%	85%	51%
Nacon–Gaming	100%	1%	15%	49%

Given the way in which the distribution subsidiaries were carved out in the 31 October 2019 spin-off from Bigben Interactive to Nacon effective 1 October 2019, the Nacon–Gaming segment still includes a very small amount of non-Gaming revenue and the Audio/Telco segment still includes some non-Audio/Mobile revenue.

► Breakdown of revenue by geographical zone

in thousands of euros	12-month total		Contribution	
	2020/21	2019/20	2020/21	2019/20
Revenue	292,833	263,498	100.0%	100.0%
of which				
France	133,557	149,190	45.6%	56.6%
Export	159,276	114,308	54.4%	43.4%

Export revenue by geographical zone	159,276	114,308	100.0%	100.0%
Europe	91,419	74,284	57.4%	65.0%
North America	50,632	24,754	31.8%	21.7%
Asia	16,899	14,792	10.6%	12.9%
Africa	327	478	0.2%	0.4%

The breakdown above is based on the countries in which invoiced clients are based. The figures stated above are identical to the information in Section 2.3.6 above.

⇒ Accounting policy – Revenue

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

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

► **Note 18 – Purchases consumed**

in thousands of euros	2020/21	2019/20
Merchandise	(170,731)	(162,979)
Change in merchandise inventories	1,685	10,185
Impairment losses on inventory	(1,955)	(1,778)
TOTAL	(171,001)	(154,573)

in thousands of euros	2020/21	2019/20
Provisions for impairment of inventories	(22,920)	(20,965)

Purchases consumed comprise:

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

For the Gaming business: purchases consumed include the cost of producing physical games and the cost of sales relating to gaming accessories.

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

As digital sales of video games increase, purchases consumed are falling as a proportion of total revenue. This has led to an increase in gross profit in the two financial years presented.

► **Note 19 – Other operating revenue**

in thousands of euros	2020/21	2019/20
Subsidies	24	4
Other income	839	863
TOTAL	863	867

► **Note 20 – Other purchases and external expenses**

in thousands of euros	2020/21	2019/20
Purchases not held in inventory	(976)	(1,061)
Subcontracting	(581)	(414)
Rent	(820)	(1,160)
Maintenance and repairs	(1,188)	(1,233)
Insurance premiums	(615)	(446)
Other external services	(84)	(127)
Fees	(5,310)	(4,970)
R&D expenses	(572)	(525)
Advertising	(5,984)	(9,219)
Transportation of goods sold	(5,413)	(6,450)
Travel costs	(435)	(2,309)
Communication costs	(1,198)	(1,220)
Bank fees and services	(326)	(424)
Other external expenses	(1,859)	(1,438)
TOTAL	(25,363)	(30,994)

The €5.6 million reduction in expenses during the 2020/21 financial year chiefly reflects the savings generated during the lockdowns introduced as a result of the Covid-19 pandemic.

► **Note 21 – Share-based payment - Bonus share and stock-option plans**

The residual IFRS 2 expense, corresponding to the fair value of current Bigben bonus share plans under which Bigben Group employees may receive benefits, with a balancing entry under reserves, amounted to:

- €4.8 million for the Bigben Group in 2020/21
- €2.3 million for the Bigben Group in 2019/20.

See also Note 26, which covers the number of bonus shares vested in or awarded to the Group's qualifying employees during the relevant period.

► **Note 22 – Other non-recurring operating items**

There were no other non-recurring operating items in 2020/21.

Non-recurring operating items in 2019/20 included €239 thousand of fees relating to the spin-off of Bigben Interactive SA's Gaming segment to Nacon.

► **Note 23 – Income from associates**

(see Note 4).

There was no income from associates in the 2020/21 financial year.

In 2019/20, the Company had recognised a €1 thousand expense corresponding to its share in the net income/losses of associate Bigben USA.

► **Note 24 – Net financial income/expense**

in thousands of euros	2020/21	2019/20
Other interest and similar income	411	120
FINANCIAL INCOME	411	120
Interest expense on medium-term funding	(1,377)	(1,348)
Finance lease expense	(256)	(65)
Other interest expense	(274)	(96)
FINANCIAL EXPENSE	(1,907)	(1,509)
NET FINANCIAL INCOME/EXPENSE EXCLUDING FOREIGN EXCHANGE GAINS/LOSSES	(1,496)	(1,389)
Foreign exchange gains	3,037	1,836
Foreign exchange losses	(4,276)	(1,531)
Foreign exchange gains and losses	(1,239)	305
NET FINANCIAL INCOME/EXPENSE	(2,735)	(1,084)

Other interest and similar income includes €234 thousand in proceeds from the change in the fair value of the derivative linked to the bond (measurement difference between the fair value at 19 February 2021 and the fair value at 31 March 2021). See Note 2.2.4.

The new bond was the main factor behind the higher financial expenses.

Derivative financial instruments were measured at €312 thousand at 31 March 2021, versus €0 thousand at 31 March 2020 (see Note 34).

► **Note 25 – Income tax**

in thousands of euros	2020/21	2019/20
Current tax	8,478	3,899
Deferred tax	352	254
Tax expense	8,830	4,153
Tax credits	(642)	(661)
TOTAL	8,187	3,492

in thousands of euros	2020/21	2019/20
Consolidated pre-tax income, impairment losses and income from discontinued operations and associates	27,105	19,741
Tax rate of BBI SA (parent company)	28.00%	31.00%
Theoretical tax	(7,589)	(6,120)
Tax expense	(8,187)	(3,492)
Difference to be analysed	(598)	2,628
Income tax on permanent differences	326	1,851
Tax credit on charitable donations recognised in income tax	343	314
Recognition of taxes without basis	(1,499)	(364)
Difference in tax rates	372	1,090
Other	(139)	(263)
Analysed difference	(598)	2,628

The €1,514 thousand of income tax on permanent differences relates to the Nacon SA IPO expenses charged directly to reserves in the consolidated financial statements at 31 March 2020. The permanent differences at 31 March 2021 predominantly relate to the CIJV tax credits held by Nacon subsidiaries.
The recognition of taxes without basis item relates to the IFRS 2 expense on bonus share plans.

The difference in tax rates item relates mainly to the lower tax rate applicable to the Hong Kong and Polish subsidiaries.

The scope of the Bigben Group's tax consolidation group changed as follows in 2019/20:

- the assets and liabilities of Games.fr were transferred to the Nacon Group through the spin-off of Bigben Interactive SA's Gaming division to Nacon SAS on 31 October 2019 with retroactive effect for accounting and tax purposes from 1 October 2019;
- subsequently, Nacon SA's IPO reduced Bigben Interactive's indirect stake in Games.fr from 100% to 78.17% on 4 March 2020, the first day on which Nacon SA's were traded, and then to 76.67% on 4 April 2020.

Since Bigben Interactive SA no longer holds a stake of more than 95% in Games.fr, that company automatically left Bigben Interactive SA's tax consolidation group.

No Nacon Group company was part of any tax consolidation group at 31 March 2020. The Nacon Group set up its own tax consolidation group in the 2020/21 financial year.

⇒ Accounting policy – Tax

Income tax includes current tax and deferred tax.

Tax expense and income are recognised in the income statement except where they relate to items recognised directly in equity, in which case they are also recognised in equity.

See Notes 6 and 13 for calculations of deferred tax assets and liabilities.

► Note 26 – Earnings per share - Share-based payment

► Earnings per share:

in euros	2020/21	2019/20
Net income attributable to equity holders of the parent	18,917,379	16,247,487
Weighted average number of shares before capital increase	19,601,658	19,696,233
Dilutive effect of future awards under bonus share plans*	116,950	200,285
Average number of shares after dilution	19,718,608	19,896,518
Par value of shares (in euros)	€2.00	€2.00
Basic earnings per share	0.97	0.82
Diluted earnings per share	0.96	0.82

* According to IAS 33 (Contingently issuable shares): As for the calculation of basic earnings per share, contingently issuable ordinary shares are taken into account, if they have a dilutive impact, in the calculation of diluted earnings per share based on the number of shares to be issued, if the closing date for the period was the end of the contingency period. The conditions to be met must be satisfied at the closing date. The standards also states that the purpose of diluted earnings per share is to present earnings per share taking into account the maximum dilution, that is the maximum amount of dilutive potential ordinary shares that may be converted (IAS 33.44).

In the spirit of this standard, the Bigben Group took into account the maximum dilutive effect of the rights to bonus shares awarded to salaried employees of the Group and potentially giving rise to the issuance of new shares (provided that the beneficiaries meet the vesting conditions).

The performance conditions of the 2020 bonus share plan were fully or partly met by all Group entities at 31 March 2021. The bonus shares will vest in the employees on 7 September 2021 subject to a presence condition. As a result, the 116,950 shares, based on the workforce at 31 March 2021, represent the maximum number of shares that could vest on 7 September 2021.

Weighted average number of shares used to calculate earnings per share

	2020/21	2019/20
Ordinary shares in issue at 1 April	19,718,503	19,500,119
Number of shares issued, adjusted on a pro rata temporis basis	143,124	217,642
Treasury shares	(259,969)	(21,528)
Number of shares at period-end	19,601,658	19,696,233
Shares issued during the financial year	251,155	218,384
<i>Number of shares issued, adjusted on a pro rata temporis basis</i>	<i>143,124</i>	<i>217,642</i>

⇒ **Accounting policy – Earnings per share**

Earnings per share are calculated by dividing net income attributable to equity holders of the parent by the weighted average number of shares in issue during the period. To determine diluted earnings per share, the weighted average number of shares is adjusted to take account of the maximum impact arising from the conversion of dilutive instruments into ordinary shares.

▶ Newly issued Bigben shares:

Shares issued by Bigben Interactive in 2020/21 for the benefit of Bigben Group employees and corporate officers related to the following events:

- On 4 September 2020, 251,155 bonus shares under the 2019 bonus share plan vested mainly in the employees and corporate officers of Bigben Group entities (including 218,355 shares in the employees and corporate officers of recently acquired Nacon Group entities). Since all Group entities met their performance conditions in part or in full, 251,155 new shares were issued through the capitalisation of reserves on 7 September 2020.

The shares issued by Bigben Interactive in 2019/20 for the benefit of Bigben Group employees and corporate officers related to the following events:

- On 3 September 2019, 198,585 bonus shares under the 2018 bonus share plan vested mainly in the employees and corporate officers of Bigben Group entities (including 150,616 shares in the employees and corporate officers of recently acquired Nacon Group entities). Since all Group entities met their performance conditions, 198,585 new Bigben shares were issued through the capitalisation of Bigben reserves on 3 September 2019.
- On 26 November 2019, 19,799 bonus shares under the 2018 bonus share plan vested in certain key executives of studios newly acquired by the Nacon Group. Since the employees concerned fulfilled the presence condition, 19,799 new shares were issued through the capitalisation of reserves on 27 November 2019.

▶ Bonus shares:

The Bigben Group has deemed it useful to provide details of Bigben shares awarded to or vested in Bigben Group employees in the last few years:

Summary of bonus shares awarded by the Bigben Group to Bigben Group beneficiaries:

Date of award	31/08/2016	31/08/2017	03/09/2018	26/11/2018	04/09/2019	07/09/2020
Vesting period	1 year	1 year	1 year	1 year	1 year	1 year
Lock-up period	2 years	2 years	2 years	2 years	2 years	2 years
Number of bonus shares initially awarded	155,700	153,260	230,201	19,799	272,533	120,275
Number of shares vested at 31 March 2021	140,800	143,760	198,585	19,799	251,155	n/a
Number of shares capable of being awarded at 31 March 2021	n/a	n/a	n/a	n/a	n/a	116,950
Share price on the date the plan was announced	5.05	9.72	10.62	7.72	12	14.2
Fair value per share on the award date	5.24	9.56	10.78	7.52	11.54	13.31

The vast majority of these shares have been awarded to employees and corporate officers of recently acquired Nacon Group entities.

Bonus shares currently in the vesting period:

- On 7 September 2020, Bigben Interactive SA's Board of Directors also awarded 120,275 bonus shares chiefly to employees and to corporate officers of the Group's Audio/Telco entities, representing a total of 220 beneficiaries. The vesting of those shares after a 1-year period is again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income. The performance conditions of the 2020 bonus share plan were fully or partly met by all the Group's Audio/Telco entities at 31 March 2021. The bonus shares will vest in the employees on 7 September 2021 subject to a presence condition. As a result, the 116,950 shares at 31 March 2021, based on the Bigben Group's workforce on the same date, represent the maximum number of shares that could vest on 7 September 2021 in Bigben Group beneficiaries.

Note that rights 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 512 grantees, who were employees and corporate officers of Nacon Group entities. Those shares will vest after a 1- or 3-year period again provided that an ongoing presence condition and a performance condition related to achievement of a predetermined level of recurring operating income are met. The performance conditions of the 2020 bonus share plan were fully met by all Nacon Group entities at 31 March 2021. The bonus shares will vest in the employees on 7 September 2021 subject to a presence condition. At 31 March 2021, therefore, the 1,083,449 shares, based on the Nacon Group's workforce at 31 March 2021, represented the maximum number of shares that could vest in Group beneficiaries at 7 September 2021.
- On 26 October 2020, Nacon SA's Board of Directors also granted 43,282 bonus shares to certain key managers of the studios newly acquired by the Nacon Group. The vesting of the shares after a 3-year period is again subject to an ongoing presence condition. The bonus shares will vest in the employees on 26 October 2021 subject to a presence condition. At 31 March 2021, therefore, the 43,282 shares, based on the Nacon Group's workforce at 31 March 2021, represented the maximum number of shares that could vest in Group beneficiaries at 7 September 2021.

The dilutive impact of these Nacon bonus shares is thus only reflected in the Nacon Group's earnings per share figures and not in the above table, which relates solely to Bigben shares.

See also section 2.2.5.

⇒ **Accounting policy – Share-based payments (IFRS 2)**

Under IFRS 2 "Share-based payment", stock option and bonus share awards made to employees and settled in equity instruments must be measured at fair value, which must be stated on the income statement over the period in which the exercise rights vest in employees, with a balancing entry consisting of an increase in equity. The fair value of bonus share entitlements granted is determined by an external consultancy based on assumptions determined by management.

2.4.3 Other information

► Note 27 – Dividends

Despite the Group's strong results in the 2019/20 financial year and taking into account uncertainties about how the Covid-19 crisis will affect the Bigben Group's business, the Board of Directors in its 25 May 2020 meeting, for social responsibility reasons, decided not to put any dividend payment with respect to 2019/20 to a vote in the Shareholders' General Meeting of 30 July 2020.

Given the Group's strong full-year 2020/21 results, the Board of Directors in its 31 May 2021 meeting decided to put a dividend of €0.30 per share with respect to the 2020/21 financial year to a vote in the Shareholders' General Meeting of 30 July 2021.

► Note 28 – Off-balance sheet commitments

► Guarantees given

By Bigben Interactive SA:

Commitments given (in thousands of euros)	By	To	31 March 2021	31 March 2020	Purpose of the commitment
Bank guarantee	Bigben Interactive SA	HSBC Hong Kong	9,379	9,971	USD11,000 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	8,863	12,574	Joint and several guarantee for borrowings transferred through the spin-off
Joint and several guarantee (4)	Bigben Interactive SA	CIC	2,250	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	2,250	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)	3,853	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	By	To	31 March 2021	31 March 2020	Purpose of the commitment
Bank guarantee	Cyanide SAS	BRED	180	500	Pledge of Cyanide SAS business assets
Bank guarantee	Cyanide SAS	HSBC	198	500	Pledge of Cyanide SAS business assets
Bank guarantee	Nacon SA	CIC	2,250	5,000	Pledge of Cyanide SAS shares
Bank guarantee	Nacon SA	Banque Postale	2,364	5,000	Pledge of Cyanide SAS shares
Bank guarantee	Nacon SA	CIC	1,015	2,000	Pledge of Kylotonn SAS shares
Bank guarantee	Kylotonn SAS	HSBC	358	358	Pledge of Kylotonn SAS business assets
Bank guarantee	Nacon SA	CIC	2,800	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

No other guarantees have been given by Bigben Interactive SA or its subsidiaries.

► **Note 29 – Bank covenants**

To fund the acquisitions of four development studios – Cyanide SAS, Kylotonn SAS, Eko Software SAS and Spiders SAS – and development costs related to publishing, Nacon SA, subsidiary of Bigben Interactive SA, has taken out several loans repayable over 5 years with the following covenants:

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

Following the transfer of borrowings through the spin-off of Bigben Interactive assets to Nacon, the banks concerned applied the same covenants to Nacon.

All covenants were complied with at 31 March 2021.

► Note 30 – Financial instruments (additional information pursuant to the adoption of IFRS 7)

At 31 March 2021:

<i>in thousands of euros</i>	Value by category of instruments					FAIR VALUE			Fair value of the class
	Net carrying amount	Assets at fair value through profit and loss	Assets at amortised cost	Liabilities at fair value through profit and loss	Liabilities at amortised cost	Quoted prices, cash or bank overdrafts	Internal model with observable parameters	Internal model with non-observable parameters	
Equity securities	25	25						25	25
Other long-term financial assets	1,624		1,624				1,624		1,624
Non-current financial assets	1,649	25	1,624	0	0	0	1,624	25	1,649
Trade receivables	72,479		72,479				72,479		72,479
Other receivables	15,933		15,933				15,933		15,933
Cash and cash equivalents	177,234	177,234				177,234			177,234
Current financial assets	265,646	177,234	88,412	0	0	177,234	88,412	0	265,646
ASSETS	267,295	177,259	90,036	0	0	177,234	90,036	25	267,295
Long-term financial liabilities	(123,033)			(7,979)	(115,055)		(115,055)	(7,979)	(123,033)
Short-term financial liabilities	(22,591)				(22,591)	(2,637)	(19,954)		(22,591)
<i>of which long-term borrowings</i>	(19,954)				(19,954)		(19,954)		(19,954)
<i>of which current bank facilities</i>	(2,637)				(2,637)	(2,637)			(2,637)
Trade payables	(35,137)				(35,137)		(35,137)		(35,137)
Other payables	(28,999)			(2,712)	(26,287)		(28,999)		(28,999)
<i>of which other current financial liabilities</i>	(28,687)			(2,400)	(26,287)		(28,687)		(28,687)
<i>of which liabilities relating to derivative instruments</i>	(312)			(312)			(312)		(312)
Current financial liabilities	(86,728)	0	0	(2,712)	(84,016)	(2,637)	(84,091)	0	(86,728)
LIABILITIES	(209,761)	0	0	(10,690)	(199,071)	(2,637)	(199,145)	(7,979)	(209,761)

31 March 2020:

<i>in thousands of euros</i>	Value by category of instruments					FAIR VALUE			Fair value of the class
	Net carrying amount	Assets at fair value through profit and loss	Assets at amortised cost	Liabilities at fair value through profit and loss	Liabilities at amortised cost	Quoted prices, cash or bank overdrafts	Internal model with observable parameters	Internal model with non-observable parameters	
Equity securities	38	38						38	38
Other long-term financial assets	1,409		1,409				1,409		1,409
Non-current financial assets	1,447	38	1,409	0	0	0	1,409	38	1,447
Trade receivables	65,082		65,082				65,082		65,082
Other receivables	16,672		16,672				16,672		16,672
Cash and cash equivalents	118,147	118,147				118,147			118,147
Current financial assets	199,900	118,147	81,753	0	0	118,147	81,753	0	199,900
ASSETS	201,347	118,185	83,162	0	0	118,147	83,162	38	201,347
Long-term financial liabilities	(52,825)				(52,825)		(52,825)		(52,825)
Short-term financial liabilities	(21,878)				(21,878)	(5,096)	(16,782)		(21,878)
<i>of which long-term borrowings</i>	(16,782)				(16,782)		(16,782)		(16,782)
<i>of which current bank facilities</i>	(5,096)				(5,096)	(5,096)			(5,096)
Trade payables	(37,777)				(37,777)		(37,777)		(37,777)
Other payables	(31,164)			0	(31,164)		(31,164)		(31,164)
<i>of which other current financial liabilities</i>	(31,164)				(31,164)		(31,164)		(31,164)
<i>of which liabilities relating to derivative instruments</i>	0			0			0		0
Current financial liabilities	(90,819)	0	0	0	(90,819)	(5,096)	(85,723)	0	(90,819)
LIABILITIES	(143,644)	0	0	0	(143,644)	(5,096)	(138,548)	0	(143,644)

► Principle for determining fair value:

The fair value of financial assets and liabilities is determined on the closing date either for recognition purposes or for the purpose of including them in information in the Notes. Fair value is determined:

- Either on the basis of quoted prices in active markets (level 1);
- Or based on measurement techniques that use mathematical computation methods incorporating observable market data such as forward prices or yield curves (level 2);
- Or based on internal measurement techniques that include parameters estimated by the Group in the absence of observable data or quoted prices (level 3).

Quoted prices in active markets (level 1):

Whenever quoted prices on an active market are available, these are primarily used to determine market value. For the Group, only cash, cash equivalents and current bank facilities are measured on that basis.

Fair values determined using models including data observable in the markets (level 2)

Derivative financial instruments (interest-rate swaps and FX TARNs) are traded on markets in which there are no quoted prices. As a result, they are measured on the basis of models commonly used by market participants to price such derivative financial instruments.

Fair values determined using models including parameters used by the Group (level 3)

The fair value of level 3 financial assets and liabilities is determined by the Group using measurement methods drawing on valuation techniques based on non-observable parameters (inputs with a value not resulting from assumptions based on observable transaction prices in markets in the same instrument or on observable market data available at the closing date) or only to a limited extent.

For the Group, it applies to the bonds exchangeable into Nacon shares.

For payables and receivables due in less than one year and floating-rate debt, their carrying amounts are regarded as a reasonable approximation of fair value.

► **Note 31 – Contractual repayment schedule**

The following tables set out, for recognised financial liabilities (excluding current bank facilities, factoring and accrued interest not matured), the contractual schedule for the repayment of principal and interest, excluding any discounting to present value.

31 March 2021

in thousands of euros	YEARS						TOTAL
	Less than 1 year	from 1 to 2 years	from 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 years and over	
Borrowings and debts	18,888	15,772	11,704	6,888	91,855	250	145,357
Finance leases	1,027	1,486					2,513
Lease liabilities	2,359	1,571	1,794	911	901	2,215	9,752
Total financial liabilities	22,275	18,828	13,498	7,800	92,756	2,465	157,622

31 March 2020

in thousands of euros		MONTHS			YEARS					TOTAL
		0-1	1-3	3-12	1-2	2-3	3-4	4-5	More than 5	
Borrowings and debts	Principal	1,154	2,919	11,585	16,423	15,356	11,162	5,928	1,466	65,994
	Interest	41	140	482	492	316	171	90	11	1,744
Finance leases	Principal	83	167	757	1,027	985	501			3,520
	Interest	7	14	53	51	27	5			157
Financial liabilities		1,285	3,241	12,877	17,993	16,684	11,839	6,019	1,477	71,415
Trade payables		13,786	14,708	9,150	72	14	47	0	0	37,777
Other payables		5,634	5,880	17,161	1,200	0	1,200	89		31,164
Current tax liabilities				3,823						3,823
Lease liabilities		213	447	1,767	1,533	496	148	116	180	4,900
Total financial liabilities		20,918	24,276	44,779	20,798	17,194	13,234	6,223	1,657	149,079

The above table at 31 March 2021 was prepared based on the assumption that the bonds exchangeable into Nacon shares would be repaid in cash at maturity without factoring in invocation of the option of exchanging the bonds for shares.

► **Note 32 – Breakdown of debt by maturity and type**

At 31 March 2021:

in thousands of euros	YEARS						TOTAL
	Less than 1 year	from 1 to 2 years	from 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 years and over	
Fixed rate	19,916	17,258	11,704	6,888	91,855	250	147,870
%/total 1	13%	12%	8%	5%	62%	0%	100%
Floating rate							0
%/total 2	0%	0%	0%	0%	0%	0%	0%
TOTAL	19,916	17,258	11,704	6,888	91,855	250	147,870

in thousands of euros	Less than 1 year	More than 1 year	TOTAL
Trade payables	35,137		35,137
Other payables	25,999	3,000	28,999
Current tax liabilities	7,592		7,592
TOTAL	68,728	3,000	71,728

“Other payables” liabilities due in more than one year consist of earn-out liabilities recognised on acquisitions of development studios.

At 31 March 2020:

in thousands of euros	YEARS					TOTAL
	0-1	1-2	2-3	3-4	5 years and over	
Fixed rate	16,665	17,450	16,341	11,663	7,394	69,514
%/total 1	24%	25%	24%	17%	11%	100%
Floating rate						0
%/total 2	0%	0%	0%	0%	0%	0%
TOTAL	16,665	17,450	16,341	11,663	7,394	69,514

Quarterly analysis of the repayment schedule for the current financial year

in thousands of euros	QUARTER				TOTAL
	1	2	3	4	
Fixed rate	4,323	4,203	4,123	4,016	16,665
%/total 1	26%	25%	25%	24%	100%
Floating rate					0
%/total 2	0%	0%	0%	0%	0%
TOTAL	4,323	4,203	4,123	4,016	16,665

► **Note 33 – Exchange-rate risk on supplies**

Most of the exchange-rate risk relates to USD-denominated items purchased by Bigben Interactive SA and Bigben Connected SAS from its Bigben Interactive Hong Kong Ltd subsidiary and USD-denominated gaming accessories purchased by Nacon SA from its Nacon Hong Kong Ltd subsidiary.

in thousands of euros	2020/21	2019/20
Purchases made by subsidiaries from Bigben and Nacon Hong Kong		
Bigben Interactive SA	(7,261)	(22,146)
Bigben Connected SAS	(23,268)	(21,417)
Nacon SA	(29,047)	(23,540)
TOTAL	(59,576)	(67,103)
Sensitivity to the USD exchange rate		
+10% = benefit	(5,020)	(5,705)
-10% = additional cost	6,143	6,973

⇒ **Market risk**

Market risk corresponds to the risk of changes in market prices (exchange rates, interest rates, prices of equity instruments) affecting the Group's income or the value of the financial instruments it holds.

The purpose of market risk management is to control exposure to market risk and/or acceptable limits in terms of the risk/return profile.

Exchange-rate risk

While most of the Group's sales are in euros, a large proportion of its purchases are denominated in USD, which creates exchange-rate risk for the Group. As part of its exchange-rate risk management, the Group has purchased complex derivative financial instruments (see Note 34).

Internal reference rates are revised for each purchasing campaign in order to control the impact of exchange-rate movements on margins.

The Group's cash, cash equivalents and debts are exclusively in euros.

► **Note 34 – Exchange-rate derivative instruments**

At 31 March 2021, the Company held a number of FX TARN contracts. FX TARNs/accumulators are complex structured derivatives through which the Group undertakes to buy or sell USD according to a schedule and at rates defined when the contract is signed. The use of TARNs/accumulators is based on a strategy that aims to accumulate USD at an exchange rate that is better than available spot and forward rates in return for uncertainty about the total amount of USD that may be accumulated. In the event of a large change in the EUR/USD exchange rate (upward or downward respectively depending on whether the Company is buying or selling USD), long or short exposure may increase and cause foreign exchange losses to be recognised on these instruments.

The following table shows the positions at 31 March 2021:

Type of contract	Currency	Position	Status	Arrangement date	Maturity date	Nominal in USD (thousands)	Strike	At 31 March 2021, in thousands				
								Amount accumulated in USD	Amount raised in USD	Amount accumulated net of funds raised in USD	Maximum amount to be accumulated in USD	Mark-to-market value in EUR
TARN	USD	Purchase	Asset	28/05/2020	01/06/2021	10,600	1.1375	8,200	8,200	0	1,800	48
TARN	USD	Purchase	Asset	20/05/2020	26/05/2021	10,600	1.165	700	700	0	0	80
							1.11	7,600	7,600	0	1,600	
TARN	USD	Purchase	Asset	28/05/2020	15/06/2021	10,800	1.166	400	400	0	0	100
							1.1325	1,100	1,100	0	0	
							1.114	6,600	6,600	0	2,200	
TARN	GBP	Sale	Asset	20/01/2021	25/01/2022	4,240	0.865	640	640	0	3,440	83
												312

Valuation:

The mark-to-market value of these financial instruments was €312 thousand at 31 March 2021, compared with €0 thousand at 31 March 2020.

Sensitivity:

Foreign exchange gains and losses were modelled based on various different assumptions for the level of the EUR/USD: irrespective of the level, commitments arising from these instruments already barely cover 7% of annual USD purchasing requirements, which rules out any risk of overexposure.

⇒ **Accounting policy – Derivative financial instruments**

Derivatives are initially recognised at fair value; attributable transaction costs are taken to income when incurred. Since no derivative financial instruments have been designated as hedging instruments, derivatives are measured, after initial recognition, at fair value and the resulting changes are immediately taken to income.

► **Note 35 – Interest-rate risk management**

There are no interest-rate hedges in place.

⇒ **Market risk**

Market risk corresponds to the risk of changes in market prices (exchange rates, interest rates, prices of equity instruments) affecting the Group's income or the value of the financial instruments it holds.

The purpose of market risk management is to control exposure to market risk and/or acceptable limits in terms of the risk/return profile.

Interest-rate risk

When funding its operations, the Group uses fixed-rate financing, whether it consists of short-term bank facilities or the Group's historical medium-term debts.

In 2016/17, the Group used swap-type derivative instruments to fix the interest rate on part of its debts, but no interest-rate hedges have been in place since July 2016.

► **Note 36 – Liquidity risk management**

Liquidity risk is managed as follows:

⇒ **Liquidity risk**

The Bigben Group manages liquidity risk by ensuring that short- and medium-term credit facilities are sufficient in view of its business activity and the changes caused by business activities to the working capital requirement and debt repayments. It also funds its business activities on a short-term basis using factoring, discounting (depending on the territory and counterparty) and other alternative funding solutions.

► **Note 37 – Other information on contracts with clients**

- Order book: Given the absence of any contracts with a term of more than one year, no information about the order book is presented.
- Contract assets and liabilities:

in thousands of euros	Balance at start of period	Change	Balance at end of period
Contract assets	65,082	7,397	72,479
Contract liabilities	14,391	(2,187)	12,204

Contract assets at 31 March 2021 consisted of:

- €8,481 thousand of invoices not yet raised;
- €63,998 thousand of trade receivables net of provisions.

Contract liabilities at 31 March 2021 arose in the 2020/21 financial year and consisted of:

- €10,774 thousand of client discounts payable;
- €1,430 thousand of prepaid income.

Contract assets at 31 March 2020 consisted of:

- €10,067 thousand of invoices not yet raised;
- €55,015 thousand of trade receivables net of provisions.

Contract liabilities at 31 March 2020 arose in the 2019/20 financial year and consisted of:

- €11,930 thousand of client discounts payable;
- €2,461 thousand of prepaid income.

2.4.4 Related-party disclosures

Transactions with related parties concern commercial and financial transactions between the Bigben Interactive parent company, its subsidiaries, the Bigben Group's sister companies and its managers (corporate officers or Executive Committee members) and mainly purchases and sales of merchandise.

Transactions between related companies

From 1 October 2019, when the spin-off of Bigben Interactive's Gaming division to Nacon took effect, amounts have been recharged between certain Bigben Group entities, particularly Bigben Interactive SA (the Bigben Group's parent company) and entities in the Nacon sub-group in the manner described below. These recharging agreements have been formed on an arm's-length basis.

The Bigben Group's main intra-group flows therefore consist of the following.

Within Bigben Interactive's Audio/Telco entities:

- Audio products supplied to Bigben Interactive SA and Mobile products supplied to Bigben Connected SAS by Bigben HK Ltd: Bigben HK Ltd negotiates prices with the Group's Chinese manufacturing sub-contractors, monitors production from a quality assurance standpoint, and is responsible for logistics and for shipping the products to Bigben Interactive SA's Lauwin-Planque logistics platform. Bigben HK Ltd bills Bigben Interactive SA and Bigben Connected SAS for these services. Bigben Connected SAS' European distribution subsidiaries then source Mobile products from Bigben Connected SAS.
- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Bigben Connected SAS and its subsidiaries. This agreement has been entered into on an arm's length basis, particularly as regards the fees paid for the services, which are in line with those charged by outside service providers;
- A cash management agreement between Bigben Connected SAS and Bigben Connected Polska, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L. 511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

Within the Nacon Group:

- Development costs incurred by the development studios charged to Nacon SA: each of the Group's studios develops games, each at a cost of several million euros divided into milestones throughout the development period (usually two years). These milestone payments are generally made monthly by Nacon SA to the studios;
- Accessories supplied to Nacon SA by Nacon HK Ltd: Nacon HK Ltd negotiates prices with the Group's Chinese manufacturing sub-contractors, monitors production from a quality assurance standpoint, and is responsible for logistics and for shipping the products to Bigben Interactive SA's Lauwin-Planque logistics platform. Nacon HK Ltd bills Nacon SA for these services. Nacon SA's European distribution subsidiaries then source the products from Nacon SA.
- A cash management agreement was put in place between Kylotonn SAS and Nacon SA, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L. 511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.
- A cash management agreement between Nacon Gaming Inc. and Nacon SA, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L. 511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

Between the Nacon Group, Bigben Interactive SA (parent company) and Bigben Connected SAS:

- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Nacon SA and its subsidiaries at a rate of 2.5% of gross revenue before any price reduction or discount, excluding product taxes and excluding Nacon SA's sales of digital video games. This agreement has been entered into on an arm's length basis, particularly as regards the fees paid for the services, which are in line with those charged by outside service providers;
- Logistics services (storage, order preparation and shipment) provided by the Lauwin-Planque logistics platform owned by Bigben Interactive SA are billed to Bigben Interactive Belgium at a rate of 2.5% of gross revenue before any price reduction or discount, taking any returns into account. This agreement has been entered into on an arm's length basis, particularly as regards the fees paid for the services, which are in line with those charged by outside service providers;
- To a lesser extent, the supply of
 - o Audio products by Bigben Interactive SA to certain Nacon SA subsidiaries²¹ which continue to sell a few other Bigben Group products in addition to Nacon's gaming products; the Audio products concerned are Bluetooth speakers, sound bars, etc.;
 - o The supply of Mobile products by Bigben Connected SAS to those same Nacon SA subsidiaries: the Mobile products concerned are mobile phone accessories (cables, protective cases and covers, etc.);
 - o Sales for those distribution subsidiaries at 31 March 2021: amounted to €5.7 million, or 3.2% of the Nacon Group's full-year revenue (versus €6.1 million or 4.7% of Nacon Group's full-year revenue in 2019/20),
- Monthly cross-invoicing of administrative services provided by Bigben Interactive SA and Nacon SA, amounting to €23,800 in favour of Bigben Interactive SA and €48,800 in favour of Nacon SA (a net amount of €25,000 per month in favour of Nacon SA);
- Rent for offices and shared space made available by Bigben Interactive SA to Nacon SA within its premises, amounting to €0.2 million per year; this agreement has been entered into on an arm's length basis;
- A cash management agreement between Bigben Interactive and Nacon, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7, I-3 of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

Between Bigben Interactive Group subsidiaries

- The Bigben España subsidiary invoices its sister company Nacon Gaming España for administrative services provided by employees working for both companies.
- The Bigben HK Ltd subsidiary in Hong Kong invoices its sister company Nacon HK Ltd for administrative services provided by employees working for both companies.

²¹ Prior to the spin-off in October 2019 from Bigben Interactive to Nacon, the Bigben Interactive Italia, Bigben Interactive Belgium, Bigben Interactive GmbH and Games.fr subsidiaries generated less than €2 million of Audio and Mobile revenue. At the time of the spin-off in October 2019, it was decided not to split out these activities and create a second local subsidiary for the Audio/Telco business, which would not have had the critical mass required to operate on a stand-alone basis. These revenues come under the "Other" category of Nacon's revenue.

Transactions with corporate officers or Executive Committee members

► Remuneration of Bigben Interactive SA's corporate officers

The remuneration of Bigben Interactive SA's five corporate officers in respect of their roles at all Bigben Group entities is summarised below:

in thousands of euros	Short-term benefits	Provisions for retirement benefits ⁽¹⁾	Share-based payments	Termination benefits	Specific supplementary pension plan
2019/20	933	(32)	32		
2020/21	1,023	3	1,689		

⁽¹⁾ Post-employment benefits

► Remuneration of Bigben Interactive SA's Executive Committee

The Bigben Interactive SA group's Executive Committee has five members. Only annual remuneration received by those members in respect of their roles at all Bigben Group subsidiaries has been included in the table below. The CEO's and COO's remuneration is included in both the table below and in the table above relating to corporate officers.

in thousands of euros	Short-term benefits	Provisions for retirement benefits ⁽¹⁾	Share-based payments	Termination benefits	Specific supplementary pension plan
at 31 March 2020	608	(30)	51		
at 31 March 2021	660	8	1,258		

⁽¹⁾ Post-employment benefits

Following the creation of Nacon and the subsequent spin-off of the Gaming division in October 2019, many members of Bigben Interactive SA's Executive Committee were transferred to Nacon SA and joined Nacon SA's Executive Committee.

In the table above, for convenience and to avoid any distortion with respect to comparative figures for the 2019/20 financial year, the remuneration of executives transferred to Nacon has not been broken down between Bigben Interactive SA and Nacon SA in respect of the time when they were working for Bigben Interactive SA in 2019/20. All of their remuneration has been allocated to Nacon SA. Accordingly, they were regarded as belonging to Nacon SA's Executive Committee as if Nacon SA had existed in its current form in the financial years ended 31 March 2020 and 31 March 2021.

► Transaction with key executives and directors

Transactions with executive officers

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

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

2.4.5 Statutory auditors' fees

in thousands of euros	2020/21			2019/20		
	KPMG	FMA	Other firms	KPMG	FMA	Other firms
Statutory auditors' fees						
Audit of the financial statements	263	170	170	230	164	210
Issuer ⁽¹⁾	164	156	0	150	150	0
Fully consolidated companies	99	14	170	80	14	210
Non-audit services	17	1	29	552	20	56
Issuer ⁽²⁾	17	1	0	552	20	0
Fully consolidated companies	0	0	29	0	0	56
Other services	0	0	0	0	0	0
TOTAL	279	171	199	782	184	266

⁽¹⁾ including Nacon SA audit fees.

⁽²⁾ of which at 31 March 2020: €536 thousand of audit fees related to the Nacon SA IPO.

The above fees for the 2020/21 and 2019/20 financial years include fees relating to the audit of the statutory and consolidated financial statements of Bigben Interactive SA and its Audio/Telco subsidiaries, along with fees relating to the audit of the statutory and consolidated financial statements of the Nacon SA group and its subsidiaries.

18.1.7 Date of latest financial information

31 March 2021, in the form of the statutory and consolidated financial statements.

18.2 INTERIM AND OTHER FINANCIAL INFORMATION

None.

18.3 AUDIT OF HISTORICAL FINANCIAL INFORMATION

18.3.1 Statutory auditors' report on the statutory financial statements for the financial year ended 31 March 2021

To the shareholders of Bigben Interactive SA,

Opinion

In accordance with our appointment as statutory auditors by your Shareholders' General Meetings, we have audited the accompanying statutory financial statements of Bigben Interactive SA for the financial year ended 31 March 2021.

In our opinion, the statutory financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 March 2020 and of the results of its operations for the year in accordance with French accounting principles.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we have collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities under those standards are stated in the "Responsibilities of the statutory auditors in relation to auditing the statutory financial statements" section of this report.

Independence

We conducted our audit in accordance with the independence rules provided for by the French Code of Commerce and the code of conduct for statutory auditors between 1 April 2020 and the date on which we issued our report, and in particular we did not provide any services prohibited by Article 5, paragraph 1 of Regulation (EU) No. 537/2014 or by the code of conduct of the statutory auditors' profession in France.

In addition, the non-audit services we provided during the financial year to the Company and to the entities it controls, other than those stated in the management report or in the notes to the statutory financial statements, were as follows:

- Preparation by FMA of an attestation concerning the quantitative information prepared by the entity in relation to the accounts, in connection with a loan agreement.

Justification of our assessments – Key audit matters

In view of the global Covid-19 pandemic and related crisis, the audit of the financial statements took place in highly unusual conditions. The pandemic and the exceptional measures taken in connection with the emergency health situation had myriad implications for businesses, especially their operations and their financing arrangements, as well as creating greater uncertainty about their future outlook. Some of these measures, such as travel restrictions and homeworking, also affected the internal organisation of businesses and the audit implementation arrangements.

In this complex and constantly shifting environment, as required by Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgement, the main risks of material misstatement in relation to our audit of the year's statutory financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the statutory financial statements taken as a whole, and in the formation of our opinion stated above. We express no opinion on items of the statutory financial statements taken in isolation.

Valuation of equity securities

Risks identified

Equity securities and other non-current financial assets had a net carrying amount of €87,736 thousand and €60,499 thousand respectively on the balance sheet at 31 March 2021, accounting for 62.7% of total assets. They are recognised at the date of acquisition at cost and written down on the basis of the recoverable amount estimated by the Company at the end of the period.

As stated in Notes 2.3.1 to the statutory financial statements “Additional notes to the balance sheet - Note 3 Equity securities” and “Note 5 – Other non-current financial assets”, management estimates the value in use of equity securities and other non-current financial assets relating to those equity securities at the level of each Group business, i.e. Audio/Telco and Gaming, according to the Group's overall strategy for each business, based on discounted forecast cash flows for each business.

Estimating the value in use of these securities requires management to use judgement in selecting the forecasts to consider.

Accordingly and because of the uncertainty inherent in certain elements and particularly in the probability of forecasts being realised, we took the view that the correct measurement of equity securities and other non-current financial assets was a key audit matter.

Audit procedures implemented to address the risks identified

We assessed whether the method used by the Company to calculate the recoverable amount of equity securities and other non-current financial assets complies with accounting standards in force.

We also carried out a critical examination of the way in which value in use is calculated, and in particular checked:

- whether cash flow forecasts are consistent with the Audio/Telco and Gaming businesses' performances during the year and management's latest estimates, established as part of the Group's budget process;
- whether the discount rate and perpetual growth rate are reasonable, with the help of our valuation specialists;

We also assessed the appropriateness of information provided in Notes 2.3.1 “Additional notes to the balance sheet - Note 3 - Equity securities” and “Note 5 – Other non-current financial assets” in the notes to the statutory financial statements.

Specific verifications

We also performed, in accordance with professional standards applicable in France, the specific verifications required by statutory and regulatory provisions.

Information provided in the management report and in other documents concerning the financial position and statutory financial statements addressed to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and financial statements addressed to the shareholders.

We confirm that the information relating to payment times, provided for by Article D. 441-6 of the French Commercial Code, is accurate and consistent with the statutory financial statements.

Corporate governance report

We confirm that the report of the Board of Directors on corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to the remuneration and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the Company from controlled by it within the scope of consolidation. Based on this work, we confirm that this information is accurate and fairly presented.

As regards information relating to items that your Company considered capable of having an impact in the event of a public exchange or purchase offer, provided in accordance with Article L. 22-10-11 of the French Commercial Code, we have checked that it is consistent with the documents from which it originates and that were sent to us. On the basis of our work, we have no observations to make on that information.

Other verifications and information required by law and the regulations

Reporting format of the annual financial statements to be included in the annual financial report

In accordance with III of Article 222-3 of the AMF General Regulation, the management of your Company has informed us of its decision to postpone application of the single electronic reporting format as laid down in Delegated Regulation no. 2019/815 of 17 December 2018 to periods beginning on or after 1 April 2021. Accordingly, this report does not include any conclusions on whether the format has been complied with in the presentation of the annual financial statements for inclusion in the annual financial report required by I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of the statutory auditors

Fiduciaire Métropole Audit (FMA) was appointed as statutory auditor of Bigben Interactive SA by your Shareholders' General Meeting of 30 September 2005 and KPMG by your Shareholders' General Meeting of 8 November 1998.

At 31 March 2021, Fiduciaire Métropole Audit (FMA) was in its 16th year of uninterrupted engagement as statutory auditor and KPMG in its 23rd year of uninterrupted engagement, or their 16th and 22nd years respectively since the Company's shares were admitted to trading on a regulated market.

Responsibilities of management and persons involved in corporate governance in relation to the statutory financial statements

Management is responsible for preparing statutory financial statements that present a true and fair view, in accordance generally accepted accounting principles in France, and for setting up the internal controls it deems necessary for preparing statutory financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the statutory financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the company or discontinue its operations.

The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures for preparing and processing accounting and financial information.

The statutory financial statements are the responsibility of the Board of Directors.

Responsibilities of the statutory auditors in relation to auditing the statutory financial statements

Audit objective and procedure

Our responsibility is to prepare a report on the statutory financial statements. Our objective is to obtain reasonable assurance about whether the statutory financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by Article L. 823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.

When conducting an audit in accordance with professional standards applicable in France, statutory auditors use their professional judgement throughout the audit. In addition:

- they identify and assess the risks that the statutory financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;

- auditors familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by management, along with information about those estimates provided in the statutory financial statements;
- they assess whether management has appropriately applied the going concern principle and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the company's ability to continue as a going concern. That assessment is based on information collected up to the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the Company's status as a going concern. If the auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the statutory financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;
- they assess the overall presentation of the statutory financial statements and assess whether the statutory financial statements reflect the underlying operations and events so that they give a true and fair view.

Reporting to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and processing accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the statutory financial statements, and which are therefore the key audit matters. It is our role to describe those matters in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

The statutory auditors,

Paris La Défense, 5 July 2021

Roubaix, 5 July 2021

KPMG Audit IS

Fiduciaire Métropole Audit

Stéphanie Ortega

François Delbecq

Partner

Partner

18.3.2 Statutory auditors' report on the consolidated financial statements for the financial year ended 31 March 2021

To the shareholders of Bigben Interactive SA,

Opinion

In accordance with our appointment as statutory auditors by your Shareholders' General Meetings, we have audited the accompanying consolidated financial statements of Bigben Interactive SA for the financial year ended 31 March 2021.

In our opinion, the consolidated financial statements give a true and fair view in accordance with IFRSs of the financial position, assets and liabilities and results of the group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as adopted by the European Union.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we have collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities under those standards are stated in the "Responsibilities of the statutory auditors in relation to auditing the consolidated financial statements" section of this report.

Independence

We conducted our audit in accordance with the independence rules provided for by the French Code of Commerce and the code of conduct for statutory auditors between 31 March 2021 and the date on which we issued our report, and in particular we did not provide any services prohibited by Article 5, paragraph 1 of Regulation (EU) No. 537/2014.

In addition, the non-audit services we provided during the financial year to the Company and to the entities it controls, other than those stated in the management report or in the notes to the consolidated financial statements, were as follows:

- Preparation by FMA of an attestation concerning the quantitative information prepared by Nacon SA in relation to the accounts, in connection with the grant of a public subsidy.
- Preparation by FMA of an attestation concerning the quantitative information prepared by the entity in relation to the accounts, in connection with a loan agreement.

Justification of our assessments – Key audit matters

In view of the global Covid-19 pandemic and related crisis, the audit of the financial statements took place in highly unusual conditions. The pandemic and the exceptional measures taken in connection with the emergency health situation had myriad implications for businesses, especially their operations and their financing arrangements, as well as creating greater uncertainty about their future outlook. Some of these measures, such as travel restrictions and homeworking, also affected the internal organisation of businesses and the audit implementation arrangements.

In this complex and constantly shifting environment, as required by Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgement, the main risks of material misstatement in relation to our audit of the year's consolidated financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and in the formation of our opinion stated above. We express no opinion on items of the consolidated financial statements taken in isolation.

Measurement of goodwill

Risk identified

As part of its development, the Group carries out acquisitions and as a result recognises goodwill, the total amount of which on the asset side of the consolidated balance sheet was €65,980 thousand at 31 March 2021. For each transaction, goodwill is measured at the acquisition date in the manner defined in Note 2.3.3 “Basis of measurement - Business combinations”.

At each accounts closing, or whenever there is evidence of an impairment loss, management checks that the carrying amount of goodwill is not higher than its recoverable amount.

For these tests, assets are grouped into cash-generating units (CGUs). Given the high level of integration of its business activities, the Group recognises two CGUs that correspond to its two operational business segments: Bigben–Audio/Telco and Nacon–Gaming.

As described in Note 2.4.1 “Additional notes to the balance sheet – Note 1 – Goodwill”, the recoverable amount of the CGUs is the greater of fair value less costs to sell and value in use. The CGUs’ value in use is determined with reference to future cash flows after tax and discounted to present value over a three-year period, after which cash flows are extrapolated by applying a perpetual growth rate.

The calculation of the recoverable amount of goodwill is based on estimates and management’s judgement, particularly as regards cash flows, the perpetual growth rate used to project cash flows and the discount rate applied to them. As a result, we regarded the measurement of goodwill as a key audit matter.

Audit procedures implemented to address the risk identified

We assessed whether the method used by the Company to calculate the recoverable amount of Bigben Interactive’s CGUs complies with accounting standards in force.

We also carried out a critical examination of the way in which the impairment test is implemented, and in particular checked:

- whether cash flow forecasts are consistent with the Nacon–Gaming and Bigben–Audio/Telco businesses’ performances during the year and management’s latest estimates, established as part of the Group’s budget process;
- how the discount rate and perpetual growth rate have been calculated, with the help of our valuation specialists;
- the test for sensitivity to key assumptions forming part of the recoverable amount calculation.

We also assessed the appropriateness of information provided in the notes to the consolidated financial statements.

Measurement of game development costs

Risks identified

At 31 March 2021, the net cost included in other intangible assets of developing games published by the Group and developed by the Group’s studios and external studios was €80,096 thousand.

As stated in Note 2.4.1 “Additional notes to the balance sheet – Note 2 – Other intangible assets” in the notes to the consolidated financial statements, capitalised development costs, less any related tax credits, are recognised at cost less accumulated amortisation and less any impairment losses. At the end of each financial year or wherever indications of a loss of value appear, management estimates forecast revenue and gross margins for each game. Where those cash flows are lower than the net carrying amount of the games, impairment is recognised.

Game development costs are amortised over the games’ expected lifetimes using the diminishing balance method based on the associated expected sales, whether the game is sold physically or digitally, from its commercial release date. Game amortisation periods vary according to market trends and sales prospects.

In our view, the risk of the net carrying amount of those assets exceeding their recoverable amount and that the corresponding impairment is not recognised on the balance sheet is a key audit matter, because of the importance of the item in the financial statements and management’s use of judgement in estimating future games sales.

Audit procedures implemented to address the risks identified

We assessed whether the methods used by the Company comply with accounting standards in force.

We familiarised ourselves with the processes used to monitor game development costs, the definition of the amortisation method and the determination of the recoverable amounts of games.

We assessed the consistency of the most recent amortisation methods used, comparing them with analysis of revenue generated since launch for a representative sample of games.

We selected games currently under development and games already on the market for which significant costs had been capitalised at 31 March 2021 and, for each game selected, we:

- assessed whether the amortisation plan was reasonable in view of the expected life of the games using data analysis by studying in a representative sample the correlation between trends in games' net carrying amount and the trends in total revenue, then adjusted how amortisation of the development costs to be recognised is to be calculated.
- assessed whether estimates of future games sales used to determine the related recoverable amounts of games were reasonable, and in particular whether they were consistent with actual past figures for similar games.

We also assessed the appropriateness of information provided in the notes to the consolidated financial statements.

Recognition of "Digital games" revenue at the end of the period

Risk identified

As stated in Note 2.2.1 to the consolidated financial statements, the proportion of digital revenue rose further to reach 73% of Video Games revenue in 2020/21, compared with 69% in 2019/20.

As stated in section 2.4.2 – Note 17 – Revenue, revenue from sales of digital games is recognised from the date the content is made available to console manufacturers or platforms. Guaranteed amounts are recognised in revenue as soon as the games master is made available, and additional amounts (royalties) depending on future console and platform sales are recognised when those sales take place. At the end of the period, the Company estimates the royalty revenue not yet invoiced based on sales generated on each platform.

Revenue is also a key indicator of the Group's performance.

For these reasons, we took the view that the recognition of revenue from "Digital games" at the end of the period is a key audit matter.

Audit procedures implemented to address the risks identified

We assessed whether the revenue recognition principles applied by Bigben Interactive are consistent with IFRS 15. In particular, we looked at whether Bigben Interactive fulfilled its performance obligations when delivering games masters to console manufacturers and platforms and whether the contracts included distinct obligations (new content, free updates, premium downloadable content and other add-ons that extend the game's life) that would be fulfilled at a later date.

As regards estimates of digital sales on platforms at 31 March 2021 but still to be invoiced, we obtained data concerning platforms' sales completed prior to the period-end where possible or alternatively we assessed management's calculations based on sales trends observed since the relevant games were released.

We also assessed the appropriateness of information provided in the notes to the consolidated financial statements.

Specific verifications

In accordance with professional standards applicable in France, we also carried out specific verifications, as required by statutory and regulatory texts, of information relating to the group provided in the Board of Directors' management report.

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

The declaration of non-financial performance calls for the following observation:

We attest that the consolidated declaration of non-financial performance, required under Article L. 225-102-1 of the French Commercial Code, is included in the Group's management report, it being stipulated that, in accordance with the provisions of Article L. 823-10 of this Code, we have not verified the fair presentation or consistency with the consolidated financial statements of the information provided in this declaration, which must be reviewed in a report by an independent third party.

Other verifications and information required by law and the regulations

Reporting format of the consolidated financial statements to be included in the annual financial report

In accordance with III of Article 222-3 of the AMF General Regulation, the management of your Company has informed us of its decision to postpone application of the single electronic reporting format as laid down in Delegated Regulation no. 2019/815 of 17 December 2018 to periods beginning on or after 1 January 2021. Accordingly, this report does not include any conclusions on whether the format has been complied with in the presentation of the consolidated financial statements for inclusion in the annual financial report required by I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of the statutory auditors

KPMG was appointed as a statutory auditor by Bigben Interactive SA in the Shareholders' General Meeting of 8 November 1998.

Fiduciaire Métropole Audit (FMA) was appointed as a statutory auditor by Bigben Interactive SA in the Shareholders' General Meeting of 30 September 2005.

At 31 March 2021, Fiduciaire Métropole Audit (FMA) was in its 16th year of uninterrupted engagement and KPMG in its 23rd year of uninterrupted engagement, or their 16th and 22nd years respectively since the Company's shares were admitted to trading on a regulated market.

Responsibilities of management and persons involved in corporate governance in relation to the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and fair view, in accordance with IFRSs as adopted by the European Union, and for setting up the internal controls it deems necessary for preparing consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.

The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures for preparing and processing accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors in relation to auditing the consolidated financial statements

Audit objective and procedure

Our responsibility is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although

there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by Article L. 823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.

When conducting an audit in accordance with professional standards applicable in France, statutory auditors use their professional judgement throughout the audit. In addition:

- they identify and assess the risks that the consolidated financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;
- auditors familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by management, along with information about those estimates provided in the consolidated financial statements;
- they assess whether management has appropriately applied the going concern principle and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the company's ability to continue as a going concern. That assessment is based on information collected up to the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the company's status as a going concern. If the auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the consolidated financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so that they give a true and fair view;
- regarding financial information relating to persons or entities included in the scope of consolidation, they collect the information that they regard as sufficient and appropriate to express an opinion on the consolidated financial statements. The statutory auditors are responsible for managing, supervising and conducting the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

Reporting to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and processing accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's consolidated financial statements, and which are therefore the key audit matters. It is our role to describe those matters in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France, as

determined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

Statutory auditors

Paris La Défense, 5 July 2021

Roubaix, 5 July 2021

KPMG Audit IS

Fiduciaire Métropole Audit

Stéphanie Ortega
Partner

François Delbecq
Partner

18.4 PROFORMA FINANCIAL INFORMATION

None.

18.5 DIVIDEND POLICY

18.5.1 Dividend distribution policy

Given the Group's strong full-year 2020/21 results, the Board of Directors in its 31 May 2021 meeting decided to put a dividend of €0.30 per share with respect to the 2020/21 financial year to a vote in the Shareholders' General Meeting of 30 July 2021.

18.5.2 Dividends paid in the last three financial years

In the last decade, a dividend has only been paid with respect to three financial years. The Board of Directors decided not to propose a dividend payment to the Shareholders' General Meeting:

- with respect to the 2010/11, 2011/12 and 2012/13 financial years, in order to preserve all of its financial resources for the acquisition and integration of ModeLabs, which was a particularly significant transaction for Bigben Interactive;
- with respect to the 2014/15, 2015/16 and 2016/17 financial years, given results in those financial years.
- with respect to the 2019/20 financial year given the Covid-19 pandemic in a spirit of responsibility to society.

However, dividends were paid:

- with respect to the 2013/14 financial year in an amount of €0.15 per share, which shareholders had the choice of receiving in cash or new shares;
- with respect to the 2017/18 financial year, comprising an interim payment of €0.10 per share paid on 8 January 2018 after first-half results were in line with forecasts, and a final dividend of €0.10 per share paid on 3 August 2018 after shareholders in the 20 July 2018 Shareholders' General Meeting voted for a dividend of €0.20 per share with respect to the 2017/18 financial year;
- with respect to the 2018/19 financial year in an amount of €0.20 per share, approved in the 19 July 2019 Shareholders' General Meeting and paid on 26 July 2019.

18.6 LEGAL AND ARBITRATION PROCEEDINGS

▶ Industrial property dispute

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

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

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

No additional provisions were set aside in the Group's financial statements on 31 March 2021. This position is similar to the one adopted at 31 March 2020.

▶ Bigben Connected tax inspection

Bigben Connected 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. During the 2020/21 financial year, the Company outlined its position to the tax authorities in written submissions.

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

To the best of the Company's knowledge, at the date of the Universal Registration Document there are no pending or potential administrative, criminal, judicial or arbitration proceedings involving the Company and/or the Group that may have or have had in the past 12 months a material effect on the financial position or profitability of the Company and/or the Group.

Please refer to Note 14 to the consolidated financial statements for the period ended 31 March 2021 and Note 13 to the statutory financial statements for the period ended 31 March 2021 for information on all litigation involving the Company.

18.7 MATERIAL CHANGE IN THE FINANCIAL OR TRADING POSITION

Please see section 7.1.2 concerning the implications of the Covid-19 (coronavirus) crisis.

To the best of the Company's knowledge, no other material change in the Group's financial position has taken place since 31 March 2021.

18.8 **OTHER INFORMATION**

18.8.1 Information required under France's economic modernisation act (LME) about supplier payment times and trade receivables

The table showing the maturity schedule of trade payables at 31 March 2021 is presented below. The late payments chiefly reflect deductions applied pending credit notes relating to year-end discounts, price reductions or returns of merchandise.

18.8.2 Table of the Company's results over the past five financial years

in euros	2020/21	2019/20	2018/2019	2017/2018	2016/2017
<u>1 - Share capital at year-end</u>					
Share capital	39,939,316	39,437,006	39,000,238	36,726,678	36,445,078
Number of ordinary shares in issue	19,969,658	19,718,503	19,500,119	18,363,339	18,222,539
Number of preference shares in issue		-	-	-	-
Maximum number of shares that may be issued in the future					
- Through the conversion of bonds		-	-	-	-
- Through the exercise of stock options		-	-	-	-
- Through bonus share awards	120,275	272,533	250,000	153,260	145,500
- Through the exercise of warrants		-	-	-	-
<u>2 - Transactions and results for the financial year</u>					
Revenue excluding VAT	17,845,683	65,503,363	88,406,013	83,229,767	74,008,844
Income before tax, employee profit sharing, depreciation, amortisation and provisions	(4,053,396)	7,219,494	19,854,046	2,264,455	(2,172,389)
Income tax	(1,660,930)	(227,823)	(1,916,734)	(2,815,629)	(2,735,283)
Employee profit-sharing in respect of the financial year					
Income after tax, employee profit sharing, depreciation, amortisation and provisions	-3,154,774	6,644,977	18,122,571	2,058,401	3,318,083
Dividends paid	0	3,897,824	1,903,843	1,835,707	-
<u>3 - Earnings per share</u>					
Income after tax and employee profit sharing but before depreciation, amortisation and provisions	(0.12)	0.38	1.12	0.28	0.03
Income after tax, employee profit sharing, depreciation, amortisation and provisions	(0.16)	0.34	0.93	0.11	0.18
Dividend paid per share		0.20	0.10	0.10	-
<u>4 - Personnel</u>					
Number of employees	87	142	175	163	162
Total payroll	2,499,378	4,538,480	6,015,574	5,607,602	5,423,380
Amount paid with respect to employee benefits (social security, other social benefits, etc.)	1,159,887	2,172,594	2,636,295	2,557,736	2,244,031

19. ADDITIONAL INFORMATION

19.1 SHARE CAPITAL

19.1.1 Amount of share capital

At the date of this Universal Registration Document, the Company's share capital totalled €38,911,576, divided into 19,455,788 shares²² with par value of two euros (€2) each, fully paid up and of the same class.

See section 19.1.7 regarding changes in Bigben Interactive's share capital in the last few years.

19.1.2 Securities not representing capital

None.

19.1.3 Share buybacks

Authorisation

In the 30 July 2020 Shareholders' General Meeting, Bigben Interactive shareholders voted to renew the Company's share buyback programme in accordance with Articles L. 225-209 and following of the French Commercial Code and market practices accepted by the Autorité des Marchés Financiers. As a result, the authority was given to the Board of Directors to buy back up to 10% of its own shares, based on a maximum purchase price of €28.00 per share and subject to an overall limit of €10 million.

The Company is bound by the following disclosure requirements in relation to share buybacks:

- 1) before the share buyback programme is implemented: publication of a description of the share buyback programme (effectively and fully distributed electronically by a primary information provider and posted online on the Company's website);
- 2) during the share buyback programme: publication by the seventh day of trading following the transaction's execution date by posting information online on the Company's website (excluding transactions carried out by an investment service provider as part of a liquidity agreement). Monthly reporting by the Company to the AMF;
- 3) each year: presentation of an implementation report regarding the buyback programme and the use of shares purchased in the Board of Directors' report to the shareholders' general meeting.

Use of this authority in connection with the Bigben share buyback programme

The authority granted by shareholders for the Company to buy back its own shares was used by the Board of Directors following its meeting on 1 March 2021. Implementation of a share buyback programme began on 2 March 2021.

The Combined Shareholders' General Meeting of 30 July 2020 set the maximum percentage of shares that may be held by the Company at 10% of the number of shares making up the share capital on the

²² At its meeting on 1 July 2021, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2020, decided to reduce the Company's share capital by cancelling 513,870 shares held in treasury, purchased between 2 March 2021 and 17 June 2021, and representing around 2.57% of the Company's share capital. Accordingly, the number of shares making up the Company's share capital stood at €38,911,576 divided into 19,455,788 shares at the publication date of the Universal Registration Document.

date of the buybacks, that is up to around 1,996,965 shares, with buybacks capped at a total amount of €10 million.

Subject to a maximum purchase price set by the Shareholders' General Meeting of €28 per share, it is stipulated that the unit purchase price of shares may not exceed at any time a multiple of 2.90x the price of Nacon shares (ISIN FR0013482791).

Objective

The objectives of the buyback programme launched by the Board of Directors on 1 March 2021 were to enable the Company to buy back its own shares, primarily in order to:

- cancel them subsequently through a reduction in the Company's share capital, in accordance with the authority granted to the Board of Directors by the Combined Shareholders' General Meeting of 30 July 2020 (twenty-fifth resolution),
- make a market in the shares via an investment service provider acting in the name and on behalf of the Company, notably under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers.

Details

The implementation arrangements of these objectives are as follows:

- programme of share purchases to be carried out by an investment services provider
- implementation to take place from 2 March 2021 for an initial period expiring no later than 30 July 2021, and
- continuation of the liquidity agreement.

CIC Market Solutions was given a mandate to buy shares.

Term

The programme's term was set at 18 months from the Combined Shareholders' General Meeting of 30 July 2020, that is ending on 29 January 2022.

Between 2 March 2021 and 31 March 2021, 250,319 Bigben shares were bought back by CIC Market Solutions on behalf of Bigben Interactive SA at a total cost of €4,983,954.

At its meeting on 1 July 2021, Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2020, decided to reduce the Company's share capital by cancelling 513,870 shares held in treasury, purchased between 2 March 2021 and 17 June 2021, and representing around 2.57% of the Company's share capital. Accordingly, the number of shares making up the Company's share capital stood at €38,911,576 divided into 19,455,788 shares at the publication date of the Universal Registration Document.

Liquidity agreement

A liquidity agreement had been set up in late 2010 with Oddo & Cie to support the liquidity of Bigben Interactive's shares, in accordance with the share buyback programme approved in the 28 July 2010 Shareholders' General Meeting.

Bigben Interactive formed a new liquidity agreement with Oddo BHF SCA in 2018/19. That liquidity agreement, which has a one-year term and is renewable by tacit agreement, took effect on 2 January 2019. Since that date, it has replaced the previous liquidity agreement with Oddo & Cie, which had taken effect on 1 December 2010. The signature of this new liquidity agreement follows Autorité des Marchés Financiers decision no. 2018-01 of 2 July 2018, applicable since 1 January 2019, which establishes liquidity agreements relating to equity securities as an accepted market practice.

As part of the new liquidity agreement, the following resources were allocated to the liquidity account at 31 December 2018:

- 23,500 shares,
- €129,157 in cash.

On 31 March 2021, the Company held 9,650 of its own shares, representing around 0.05% of the Company's current share capital, through its liquidity agreement with Oddo BHF SCA. The total par value of those shares was €19,300.

Summary of the share buyback programme in 2020/21

Shareholder	Category
Number of shares purchased	403,901
Number of shares sold	165,460
Average price of purchases during the period	18.1728
Average price of sales during the period	15.2724
Trading fees	33,489
Number of shares in the account at end-March 2021	259,969
Value of shares held in the account	€5,177,525
Par value of shares held in the account	€519,938
Proportion of the share capital represented by shares held in the account	1.30%

19.1.4 Securities giving access to the share capital

None.

19.1.5 Authorised unissued share capital

In accordance with decisions taken in the 30 July 2020 Shareholders' General Meeting, the following authorisations and grants of authority were given to the Board of Directors.

Grant of authority	Validity period	Upper limit (par value)	Method of determining the price	Used
<i>Grant of authority to the Board of Directors to issue ordinary shares in the Company and securities giving access to the Company's share capital, with shareholders' preferential subscription rights maintained (17th resolution)</i>	18 months	€9.00 million		
<i>Authorisation given to the Board of Directors, in the event of a capital increase with shareholders' preferential subscription rights withheld or maintained, to increase the number of securities to be issued (18th resolution)</i>	18 months	€1.35 million <i>(subject to a limit of 15% of the initial issue amount)</i>	<i>same price as the initial issue</i>	
<i>Grant of authority to the Board of Directors to decide upon one or more capital increases through the capitalisation of premiums, reserves, earnings or other (20th resolution)</i>	18 months	€9.00 million		

<i>Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's share capital in consideration for contributions in kind consisting of equity securities and other securities giving access to the share capital of third-party companies other than through a public exchange offer (19th resolution)</i>	18 months	€3.90 million <i>(1) subject to a limit of 10% of the share capital existing at the time the Board of Directors uses the grant of authority</i>		
<i>Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's share capital in the event of a public offering including an exchange component initiated by the Company (21st resolution)</i>	18 months	€4.50 million		
<i>Grant of authority to the Board of Directors to increase the share capital through an issue of shares reserved for members of a savings plan (22nd resolution)</i>	18 months	€400,000		Resolution rejected
<i>Authorisation to be granted to the Board of Directors to grant existing shares or shares to be issued in the Company free of charge to members of the Company's salaried staff and corporate officers and those of its subsidiaries within the meaning of Article L. 233-3 of the French Commercial Code or to some of them (24th resolution)</i>	18 months	€700,000		Board meeting of 7 September 2020 Issue of 120,275 bonus shares by the Company
<i>Authorisation to be granted to the Board of Directors to set up a share buyback programme in accordance with Article L. 225-209 of the French Commercial Code (15th resolution)</i>	18 months	€10.00 million <i>subject to a limit of 10% of the shares making up the share capital</i>	10% of the share capital	Board meeting of 1 March 2021 Share buyback programme
<i>Authorisation to be granted to the Board of Directors to cancel some or all of the Company's shares held by the Company under the authorisation to buy back shares (25th resolution)</i>	18 months	€10.00 million <i>subject to a limit of 10% of the shares making up the share capital</i>	10% of share capital in any 24-month period	

These amounts are not cumulative. The maximum upper limit of capital increases authorised by the Shareholders' General Meeting, in terms of par value, is €9.75 million. The combined nominal amount of issues of debt securities and securities giving access to the Company's share capital may not exceed €12.00 million. This cap does not apply to the debt securities referred to in Articles L. 228-40, L. 228-36 and L. 228-92 paragraph 3 of the French Commercial Code, the issue of which must be approved or authorised by the Board of Directors according to the terms set out in Article L. 228-40 of the French Commercial Code, or in other cases, according to terms determined by the Company in accordance with the provisions of Article L. 228-36 of the French Commercial Code.

Potential capital

Based on the grant of authority given in the 30 July 2020 Shareholders' General Meeting, on 7 September 2020 the Board of Directors decided to award 120,275 bonus shares to 220 beneficiaries.

The maximum number of shares that could potentially vest, based on the share capital and workforce at 31 March 2021, was 116,950, equal to 0.59% of the shares in issue.

When adopting this bonus share plan, the Company specified a one-year vesting period and a two-year

lock-up period from the time the shares vest. The vesting of these bonus shares at the end of the Vesting Period is subject to two conditions:

- a presence condition: each beneficiary must have remained a salaried staff member or corporate officer of the Company or a related company, without interruption, throughout the Vesting Period (except in the event of disability);
- a performance condition: the vesting of the 2019 bonus shares is conditional on meeting a performance condition relating to the achievement of a predetermined level of recurring operating income in 2020/21, which may combine, as the case may be, a criterion relating to the consolidated recurring operating income generated by the Bigben Group and a criterion relating to the recurring operating income generated by the entity for which the beneficiary works.

After taking into account the recurring operating income generated by the Group (which exceeded the target) and as the case may be by each entity concerned, shares may vest in part or in full in beneficiaries working for 6 entities.

19.1.6 Information about the share capital held by any member of the Company that is subject to an option or a conditional or unconditional agreement to put it under option

To the best of the Company's knowledge, there are no call or put options or other undertakings in favour of the Company's shareholders or made by those shareholders relating to the Company's shares.

19.1.7 History of the share capital

Table showing changes in the Company's share capital in the last three financial years:

Date of transaction	Increase/reduction	Number of new shares	Par value	Share or contribution premium	New share capital	Number of shares after the increase
20 June 2018	Capital increase as consideration for assets contributed	697,445	€2.00	€8,564,741.94	€38,121,568.00	19,060,784
3 September 2018	Capital increase through the award of shares	143,760	€2.00	€0.00	€38,409,088.00	19,204,544
18 October 2018	Capital increase as consideration for assets contributed	295,575	€2.00	€2,417,850.00	€39,000,238.00	19,500,119
3 September 2019	Capital increase through the award of shares	198,585	€2.00	€0.00	€39,397,408.00	19,698,704
26 November 2019	Capital increase through the award of shares	19,799	€2.00	€0.00	€39,437,006.00	19,718,503
7 Sept. 2020	Capital increase through the award of shares	251,155	€2.00	€0.00	€39,939,316.00	19,969,658
1 July 2021	Reduction in the share capital (cancellation of shares held in treasury)	-513,870	€2.00	€0.00	€38,911,576.00	19,455,788

19.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

19.2.1 Corporate purpose (article 3 of the articles of association)

The Company's corporate purpose in France and all other countries is as follows:

- designing and trading gaming accessories, consoles and software,
- manufacturing, selling, importing, exporting and repairing timepieces and electronic items,
- and more generally carrying out industrial, commercial and financial operations relating to moveable property or real estate that may be directly or indirectly connected with the corporate purpose or that may facilitate the extension or development of that corporate purpose.

The Company may carry out any operations that are compatible with that purpose, that relate to it and that contribute to its pursuit.

19.2.2 Rights, privileges and restrictions attached to the Company's shares

19.2.2.1 *Voting rights (Article 9.2 of the articles of association)*

All fully paid-up shares that have been registered for at least three (3) years in the same shareholder's name shall carry double voting rights compared with the proportion of capital that they represent. In the event of a capital increase through the capitalisation of earnings, reserves, premiums or available provisions, double voting rights are granted to registered shares allotted free of charge to shareholders as soon as they are issued, in proportion to the shareholders' existing shares that already carry double voting rights.

Any share converted into bearer form or transferred to a new owner shall lose its double voting rights. However, a transfer arising from inheritance, the liquidation of the joint property of spouses, or an *inter vivos* gift to a spouse or relative entitled to inherit shall not result in the loss of double voting rights and shall not represent a break in the three (3) year period.

A merger or demerger involving the Company shall not affect double voting rights that can be exercised within the receiving company if that company's articles of association allow for double voting rights.

19.2.2.2 *Dividend rights and profits*

Each share gives an entitlement to a proportion of the company's profits and assets, based on the percentage of the company's share capital that it represents.

19.2.2.3 *Dividend limitation period*

Dividends not claimed within 5 years from the payment date are time-barred and shall be paid over to the French government (Article L. 1126-1 of the French General Code of Public Property).

19.2.2.4 *Entitlement to liquidating dividend*

The liquidating dividend remaining after the par value of shares has been repaid shall be apportioned equally between all shares.

19.2.2.5 *Preferential subscription rights*

The Company's shares all carry preferential subscription rights in the event of capital increases.

19.2.2.6 *Limits on voting rights*

None.

19.2.2.7 *Ownership disclosure thresholds*

Provided that the Company's shares are admitted to trading in a regulated market, other than obligations to disclose crossings of ownership thresholds expressly provided for by legislative and regulatory provisions in force, any natural or legal person that comes to hold directly or indirectly, alone or in concert, a proportion of the share capital or voting rights (calculated in accordance with Articles L. 233-7 and L. 233-9 of the French Commercial Code and the AMF's general regulation) equal to or more than 5.0% of the Company's share capital or voting rights, or any multiple of that percentage, including if that proportion is more than the thresholds provided for by statutory and regulatory provisions, must notify the Company of (i) the number of shares and voting rights that the person holds, directly or indirectly, alone or in concert, (ii) the securities that may eventually give access to the Company's share capital that the person holds, directly or indirectly, alone or in concert and the voting rights that may potentially be attached thereto, and (iii) similar shares in accordance with Article L. 233-9(1) and (4)-(8) of the French Commercial Code. That notification must take place by registered letter with acknowledgement of receipt, within 4 stockmarket trading days of the date the disclosure threshold concerned is crossed.

The information provided for above, in relation to any crossing of a threshold equal to a multiple of 5.0% of the share capital and voting rights, shall also be provided where the person's proportion of capital or voting rights falls below one of the aforementioned thresholds.

In the event that the aforementioned threshold notification obligation is not complied with and at the request, recorded in the minutes of the Shareholders' General Meeting, of one or more shareholders representing at least 5% of the Company's share capital or voting rights, the shares above the threshold that should have been notified shall be stripped of their voting rights until the expiry of a period of two years beginning on the date on which notice was properly given.

19.2.2.8 Identifiable bearer shares

Fully-paid up shares may be in registered or bearer form, at the shareholder's discretion, except where they must be in registered form because of legislative and regulatory provisions in force.

Shares shall be recorded in an account in accordance with legislative and regulatory provisions in force.

The Company may at any time submit a request to the organisation in charge of clearing securities for information provided for by law relating to the identification of holders of securities conferring immediate or future entitlements to vote at its shareholders' general meetings and any restrictions on the securities.

19.2.2.9 Share buy-backs

See section 19.1.3.

19.2.3 Provisions allowing the delay, postponement or prevention of a change of control

The Company's articles of association contain no provisions allowing the delay, postponement or prevention of a change of control.

20. MATERIAL AGREEMENTS

For convenience, reference is made to a Sony accessories contract in various sections of this document concerned by the Nacon–Gaming business segment, whereas in fact the term refers to a set of agreements formed with Sony.

Each new accessory developed for Sony gives rise to a licensing agreement (e.g. agreements for the ProController 2 and Compact controllers). Sony also operates through various entities covering different parts of the world (e.g. Sony Japan, Sony Europe and Sony America). As a result, a large number of agreements are formed with respect to each accessory and with each Sony group entity.

However, each of those agreements contains the same main provisions, i.e.:

- they have a renewable term of two or three years,
- Sony is remunerated via a fixed royalty in US dollars, determined in advance, for each accessory item sold. Less commonly, the royalty is a percentage of the accessory's selling price.
- Bigben Interactive, through its Nacon subsidiary, undertakes to comply with certain marketing elements proposed by Sony regarding the packaging of licensed accessories,
- since each Sony entity operates in a given geographical area, each agreement contains a list of countries in which the agreement applies (the "Territory"). Under a given agreement, Nacon can only sell its licensed accessories within the countries of that Territory,
- the Sony or PlayStation licence granted to Nacon is not exclusive and may be revoked at any time by Sony.
 - o each party to the agreement may terminate it at any time in the event of a breach of contract, if one of the parties commences legal proceedings,
 - o Sony may terminate the agreement unilaterally in situations including but not limited to the following:
 - Nacon breaches the agreement in a way that cannot be resolved within 30 days,
 - a competitor of Sony becomes a shareholder of Nacon,
 - Nacon undergoes a change of control that, in Sony's opinion, could affect sales of the licensed accessories in the Territory or during the agreement,
 - the accessories produced by Nacon no longer meet Sony's required quality standards,
- in the final six months of the licensing agreement, Nacon undertakes not to increase production of accessories in order to sell all accessories produced before the end of the agreement,
- at the end of the licensing agreement, if Nacon has unsold licensed Sony products in its inventories, they must be destroyed at Nacon's expense.

Taking into account the foregoing, Bigben Interactive, through its Nacon subsidiary, believes that its accessories business volumes with Sony will continue or increase because of the strong partnership developed in the last few years.

In July 2020, Bigben Interactive's Nacon subsidiary entered into another agreement with Microsoft under which it offers several categories of officially licensed accessories for Xbox One and Xbox Series X/S products. At this stage, however, the contribution to Nacon's revenue during the 2020/21 financial year was modest, since sales did not begin until the end of the financial year. The Group anticipates a gradual ramp-up in the contribution to its revenue made by this agreement with Microsoft.

21. DOCUMENTS AVAILABLE TO THE PUBLIC

All documents relating to the Company that are required to be made available to shareholders may be consulted at the Company's registered office.

The agenda and draft resolutions to be submitted to shareholders in the Shareholders' General Meeting of 30 July 2021 are contained in the notice of meeting published on 25 June 2021 in the Bulletin des Annonces Légales Obligatoires (BALO) and also in the convening notice that contains a correction to the notice of meeting published in BALO no. 76 of 25 June 2021:

Shareholders were informed that Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2020, decided at its meeting on 1 July 2021 to reduce the Company's share capital by cancelling 513,870 shares held in treasury, purchased between 2 March 2021 and 17 June 2021, and representing around 2.57% of the Company's share capital. Accordingly, the number of shares making up the Company's share capital now stands at €38,911,576 divided into 19,455,788 shares. Accordingly, the 3rd resolution was amended to reflect this reduction in the share capital.

Chapter 22 of this Universal Registration Document contains the resolutions as published in the convening notice. The notice of meeting and the convening notice are also available on the Company's website (www.bigben.fr).

Universal Registration Documents may also be consulted on the Company's website (www.bigben.fr) and the AMF's website (www.amf-france.org).

The following may also be consulted at the Company's registered office:

- (a) The Company's memorandum and articles of association;
- (b) All reports, letters and other documents and all historical financial information, assessments and statements made by an expert at the Company's request, part of which has been included or mentioned in the Universal Registration Document;
- (c) The Company's historical financial information for each of the two financial years preceding the publication of the Universal Registration Document.

The Company intends to report its financial results in accordance with the requirements of laws and regulations in force. Since the Company's shares were admitted to trading on Euronext Paris, regulated information within the meaning of the AMF's general regulation has also been available on the Company's website.

22. DRAFT RESOLUTIONS ON THE AGENDA OF THE NEXT SHAREHOLDERS' GENERAL MEETING

Corrective notice to the notice of meeting published in BALO no. 76 of 25 June 2021:

1. Amendment of the 3rd resolution:

Shareholders were informed that Bigben Interactive's Board of Directors, acting under the authority granted by the Combined Shareholders' General Meeting dated 30 July 2020, decided at its meeting on 1 July 2021 to reduce the Company's share capital by cancelling 513,870 shares held in treasury, purchased between 2 March 2021 and 17 June 2021, and representing around 2.57% of the Company's share capital. Accordingly, the number of shares making up the Company's share capital now stands at €38,911,576 divided into 19,455,788 shares.

Accordingly, the 3rd resolution was amended to reflect this reduction in the share capital.

2. Correction to the 31st resolution:

In addition, a material error in the 31st resolution was corrected: the amendment of the articles of association to allow the introduction of electronic voting at a Shareholders' General Meeting entails an amendment to article 35 rather than article 37 of the articles of association.

The remainder of the resolutions and the arrangements for participating at Shareholders' General Meeting as presented in the notice of meeting published in BALO no. 76 of 25 June 2021 remain unchanged.

ORDINARY BUSINESS

FIRST RESOLUTION

(Approval of the statutory financial statements for the financial year ending 31 March 2021)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the reports of the Board of Directors and the statutory auditors,

approve the full-year financial statements for the year ended 31 March 2021 as presented, together with the business operations reflected or summarised therein.

approve the statutory financial statements for the financial year ended 31 March 2021 as presented, which show a loss of €3,154,774,

approve the amount of expenses that are not deductible for income tax purposes under Article 39(4) of the French General Tax Code, which amount to €7,005, along with the corresponding tax of €2,102.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the financial year ended 31 March 2021)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the reports of the Board of Directors and the statutory auditors,

approve the consolidated financial statements for the year ended 31 March 2021 as presented, together with the business operations reflected or summarised therein.

THIRD RESOLUTION

(Appropriation of income for the year ended 31 March 2021)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles

of association, having considered the report of the Board of Directors and having noted that net income for the financial year ended 31 March 2021 amounted to €3,154,774,

resolve to appropriate the net loss as follows:

	(in euros)
Net loss for the year	€(3,154,774)
Prior retained earnings	€39,594,654
Appropriation to the statutory reserve	€0
Income available for distribution	€36,439,880
Distribution	€5,836,736
New balance of the "Retained earnings" account	€30,603,144

The maximum number of shares entitled to receive the dividend in the financial year ended on 31 March 2021 is 19,455,788 shares, each with a par value of two euros (€2).

Accordingly, a dividend of thirty centimes (€0.30) per share shall be paid to each share entitled to receive a dividend, it being specified that if, when the remaining balance of the dividend is paid, the number of shares entitled to receive a dividend in respect of the financial year ended on 31 March 2021 is less than the maximum number of shares that may receive the dividend stated above, the earnings corresponding to the balance of the dividend that was not paid in respect of such shares shall be allocated to the "Retained earnings" account. As a result, the amounts corresponding to the balance of the dividend on the own shares held by the Company when the dividend is paid shall not be paid on such shares, but shall be allocated to the "Retained earnings" account.

The dividend per share to be paid out in respect of the 2020/21 financial year, that is thirty centimes (€0.30) per share, shall be detached from the share on 2 August 2021 and paid on 4 August 2021.

Based on the current state of the applicable tax legislation, the dividend shall be eligible for the 40% rebate provided for in Article 158-3(2) of the French General Tax Code for individuals resident in France, who elect for all their eligible securities income to be taxed at their marginal income tax rate.

In accordance with Article 243 bis of the French Tax Code, the Shareholders' General Meeting notes that dividends paid in the last three financial years have been as follows:

	2017-2018	2018-2019	2019-2020
Number of shares	19,060,784	19,500,119	n/a
Dividend per share (in euros)	0.20	0.20	0
Total dividends paid (in euros)	3,739,507	3,897,824	0

FOURTH RESOLUTION

(Approval of agreements covered by Article L. 225-38 and following of the French Commercial Code)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the statutory auditors' special report on agreements covered by Articles L. 225-38 and following of the French Commercial Code,

note the conclusions of that report and

approve the agreements mentioned in it.

FIFTH RESOLUTION

(Approval of the report on the remuneration of corporate officers prepared in accordance with Article L. 22-10-9 (I) of the French Commercial Code)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors, in accordance with Article L. 22-10-34 II of the French Commercial Code,

approve the report on the remuneration of corporate officers including the information mentioned in Article L. 22-10-9 I of the French Commercial Code, as presented in the report on corporate governance.

SIXTH RESOLUTION

(Approval of the elements making up the total remuneration and benefits in kind paid or awarded to the Chairman)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors, in accordance with Articles L. 22-10-8 and L. 22-10-34 II of the French Commercial Code,

approve the fixed and variable elements making up the total remuneration and benefits in kind paid or awarded with respect to the financial year ended 31 March 2021 to Alain Falc, as presented in the aforementioned report and awarded in respect of his role as Chairman.

SEVENTH RESOLUTION

(Approval of the elements making up the total remuneration and benefits in kind paid or awarded to the Chief Executive Officer)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors, in accordance with Articles L. 22-10-8 and L. 22-10-34 II of the French Commercial Code,

approve the fixed and variable elements making up the total remuneration and benefits in kind paid or awarded with respect to the financial year ended 31 March 2021 to Fabrice Lemesre, as presented in the aforementioned report and awarded in respect of his role as Chief Executive Officer.

EIGHTH RESOLUTION

(Approval of the elements making up the total remuneration and benefits in kind paid or awarded to the Chief Operating Officer)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors, in accordance with Articles L. 22-10-8 and L. 22-10-34 II of the French Commercial Code,

approve the fixed and variable elements making up the total remuneration and benefits in kind paid or awarded with respect to the financial year ended 31 March 2021 to Michel Bassot, as presented in the aforementioned report and awarded in respect of his role as Chief Operating Officer.

NINTH RESOLUTION

(Approval of the remuneration policy for the Chairman)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

approve, in accordance with Article L. 22-10-8 II. of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the overall remuneration and benefits in kind as presented in the aforementioned report and awarded to the Chairman in respect of his role as corporate officer.

TENTH RESOLUTION

(Approval of the remuneration policy for the Chief Executive Officer)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

approve, in accordance with Article L. 22-10-8 II of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the overall remuneration and benefits in kind as presented in the aforementioned report and awarded to the Chief Executive Officer in respect of his role as corporate officer.

ELEVENTH RESOLUTION

(Approval of the remuneration policy for the Chief Operating Officer)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

approve, in accordance with Article L. 22-10-8 II of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the overall remuneration and benefits in kind as presented in the aforementioned report and awarded to the Chief Operating Officer in respect of his role as corporate officer.

TWELFTH RESOLUTION

(Approval of the remuneration policy for the directors)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

approve, in accordance with Article L. 22-10-8 II of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the overall remuneration and benefits in kind as presented in the aforementioned report and awarded to the directors in respect of their role as corporate officers.

THIRTEENTH RESOLUTION

(Determination of remuneration awarded to members of the Board of Directors)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

resolve to set at €100,000 the total annual amount of remuneration for the current financial year (2021/22) awarded to the Board of Directors, it being stipulated that this decision applicable to the current financial year (2021/22) will be maintained until the shareholders in a Shareholders' General Meeting decide otherwise.

FOURTEENTH RESOLUTION

(Reappointment as a director of Jean-Marie de Chérade)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

based on the observation that Jean-Marie de Chérade's term of office as a director expires at the close of this Shareholders' General Meeting,

resolve to reappoint Jean-Marie de Chérade as a director for a term of six (6) years, which may be extended, expiring at the close of the Ordinary Shareholders' General Meeting to be called to approve

the financial statements for the financial year ending on 31 March 2027.

Shareholders shall note that Jean-Marie de Chérade has already let it be known that he agrees to the extension of his term of office.

FIFTEENTH RESOLUTION

(Reappointment of Jacqueline de Vrieze as a director)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

based on the observation that Jacqueline de Vrieze's term of office as a director expires at the close of this Shareholders' General Meeting,

resolve to reappoint Jacqueline de Vrieze as a director for a term of six (6) years, which may be extended, expiring at the close of the Ordinary Shareholders' General Meeting to be called to approve the financial statements for the financial year ending on 31 March 2027.

Shareholders shall note that Jacqueline de Vrieze has already let it be known that she agrees to the extension of his term of office.

SIXTEENTH RESOLUTION

(Reappointment of Sylvie Pannetier as a director)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report on corporate governance prepared by the Board of Directors,

based on the observation that Sylvie Pannetier's term of office as a director expires at the close of this Shareholders' General Meeting,

resolve to reappoint Sylvie Pannetier as a director for a term of six (6) years, which may be extended, expiring at the close of the Ordinary Shareholders' General Meeting to be called to approve the financial statements for the financial year ending on 31 March 2027.

Shareholders shall note that Sylvie Pannetier has already let it be known that she agrees to the extension of his term of office.

SEVENTEENTH RESOLUTION

(Authorisation to be granted to the Board of Directors to arrange for the Company to buy back its own shares in accordance with Article L. 22-10-62 of the French Commercial Code)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors,

authorise the Board of Directors, with the power to sub-delegate, in accordance with Article L. 22-10-62 and following of the French Commercial Code, Regulation 596/2014 of the European Parliament and of the Council of 16 April 2014 and the European regulations related to it, and the General Regulation of the Autorité des Marchés Financiers, to buy or arrange the purchase of the Company's shares under a share buyback programme,

resolve that:

- the maximum purchase price (excluding expenses) shall not exceed thirty-five euros (€35) per share, it being stipulated that in the case of transactions in relation to the share capital, particularly through the capitalisation of reserves followed by the creation and awarding of shares free of charge, and/or share splits or reverse share splits, this price shall be adjusted accordingly; and
- the maximum amount of funds earmarked for this share buyback programme shall not exceed forty million euros (€40,000,000).

resolve that the Company's purchases of shares may involve a number of shares such that:

- the maximum number of shares that may be purchased under this authorisation shall not exceed ten per cent (10%) of the total number of shares making up the Company's share capital and, as regards purchases of shares with a view to retaining them and subsequently using them as payment or in exchange in a merger, demerger or asset transfer transaction, five per cent (5%) of the total number of shares making up the Company's share capital, it being stipulated that (i) these limits apply to an amount of the Company's share capital that will be, as appropriate, adjusted to take into account transactions affecting the share capital after this Shareholders' General Meeting and (ii) where the shares are purchased in order to support liquidity subject to conditions defined by the General Regulation of the Autorité des Marchés Financiers, the number of shares taken into account in calculating the aforementioned limit of ten per cent (10%) shall correspond to the number of shares purchased minus the number of shares sold during the authorisation period; and
- purchases made by the Company shall not under any circumstances cause it to hold, at any time, directly or indirectly, more than ten per cent (10%) of its share capital.

Such share purchases may be carried out in view of any use permitted under the applicable laws or regulations, and in particular in order to:

- make a market for the Company's shares, including increasing their liquidity, through an investment service provider acting independently under the terms of a liquidity agreement that complies with a code of conduct recognised by the Autorité des Marchés Financiers,
- honour obligations related to stock options, bonus share or employee savings programmes or other grants of shares to employees and/or corporate officers of the Company and/or companies and businesses related to it,
- deliver shares upon the exercise of rights attached to transferable securities giving access, immediately or in future, to the Company's share capital, and to carry out all transactions to cover the Company's obligations in respect of those securities, in compliance with regulations in force,
- retain shares with a view to using them subsequently for payment or exchange in the context of any acquisition,
- cancel shares and carry out the related capital reduction, subject to the adoption of the twenty-ninth resolution below, and
- more generally, carry out any transaction in accordance with regulations in force and any market practice that may be accepted by the Autorité des Marchés Financiers,

resolve that these purchase, disposal, exchange or transfer transactions may be carried out by any means, i.e. on a regulated market, on a multilateral trading facility, through a systematic internaliser or over the counter, including through the purchase or disposal of blocks of shares, or through the use of financial instruments such as derivative financial instruments traded on a regulated market, on a multilateral trading facility, through a systematic internaliser or over the counter or through the use of warrants, in a manner authorised by the legislative and regulatory provisions in force on the date of the transactions in question and at the times that the Company's Board of Directors or person acting under the authority of the Board of Directors shall determine. All shares involved in the share buyback programme may be transferred as blocks of shares,

those transactions may be carried out at any time in accordance with the regulations in force, including during a public offer initiated by the Company or for the Company's securities, subject to the relevant statutory and regulatory provisions,

grant authority to the Board of Directors, with the power to sub-delegate in accordance with Article L. 22-10-62 of the French Commercial Code, if the shares' par value is altered, if the share capital is increased through a capitalisation of reserves, if bonus shares are granted, if a share split or reverse share split takes place, if a distribution of reserves or any other assets takes place, if the share capital is redeemed, or if any other transaction involving the Company's equity takes place, to adjust the aforementioned purchase price to take account of the impact of such transactions on the value of each share,

grant all powers to the Board of Directors, with the power to sub-delegate in accordance with Article L. 22-10-62 of the French Commercial Code, to decide and implement this authorisation, to specify if necessary its terms and in particular to place all orders on- or off-market, to allocate or reallocate the shares purchased to the various objectives pursued in accordance with the applicable legislative and regulatory provisions, to form all agreements particularly in relation to registering purchases and sales of shares, to carry out all formalities and declarations with respect to all organisations, including the Autorité des Marchés Financiers, and in general to do what is necessary to complete transactions carried out under this authorisation,

grant powers to the Board of Directors, if the law or the Autorité des Marchés Financiers were to extend or supplement the authorised objectives of share buyback programmes, to bring to the public's attention, in accordance with the applicable statutory and regulatory provisions, any changes to the programme as regards the amended objectives;

note that the Board of Directors shall report to shareholders, in the next Shareholders' General Meeting, information relating to the performance of share buyback transactions authorised by this Shareholders' General Meeting, including the number and price of shares purchased and the volume of shares used,

this authorisation is given for eighteen (18) months from the date of this Shareholders' General Meeting,

the unused part of the authorisation granted in the 30 July 2020 Shareholders' General Meeting, through its fifteenth resolution, is terminated with immediate effect.

EIGHTEENTH RESOLUTION

(Powers to carry out legal formalities)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, grant all powers to holders of copies or excerpts of this report to carry out all legal formalities.

EXTRAORDINARY BUSINESS

NINETEENTH RESOLUTION

(Grant of authority to the Board of Directors to issue ordinary shares in the Company and securities giving access to the Company's share capital, with shareholders' preferential subscription rights maintained)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, in accordance with Articles L. 225-129 and following and L. 228-91 and following of the French Commercial Code,

grant, with the power to sub-delegate in accordance with statutory and regulatory conditions, their authority to decide, on one or more occasions, at the time or times that they shall determine, in the amounts that they shall determine, both in France and abroad, to issue, with preferential subscription rights maintained, shares and any other securities, including through the award of share subscription warrants free of charge, giving access to the share capital of the Company or of any company that directly or indirectly holds more than half its share capital or of which it directly or indirectly holds more than half the share capital, with such shares conferring the same rights as existing shares, subject to their dividend entitlement date, it being stipulated that in the event of a capital increase in the form of an award of shares free of charge, rights not representing a whole number of shares shall not be tradable or transferable and the corresponding equity securities shall be sold and the proceeds from their sale shall be allocated to rights-holders within the timeframe provided for by the regulations,

resolve that any issue of preference shares and securities giving access to preference shares is expressly excluded,

resolve that the total par value of increases in the share capital that may be carried out immediately and/or in the future under this grant of authority may not exceed seven million seven hundred and eighty-

two thousand euros (€7,782,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies, it being stipulated that this amount will count towards the overall par value limit provided for in the twenty-seventh resolution of this Shareholders' General Meeting and that this overall par value amount does not take into account adjustments that may be made in accordance with applicable statutory and regulatory provisions and, as the case may be, contractual stipulations that provide for other types of adjustment, in order to protect the rights of holders of securities or other rights giving access to the share capital,

also grant authority to the Board of Directors to decide to issue securities conferring an entitlement to the allotment of debt securities,

resolve that the overall par value of debt securities, giving access to the Company's share capital or debt securities, that may be issued under this grant of authority, shall be a maximum of thirty-one million one hundred and twenty-eight thousand euros (€31,128,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies, it being stipulated that:

- this amount will count towards the overall par value limit provided for in the twenty-seventh resolution,
- where appropriate, this amount will be increased by any above-par redemption premium,
- this limit does not apply to debt securities referred to in Articles L. 228-40, L. 228-36 A and L. 228-92 paragraph 3 of the French Commercial Code, the issue of which shall be approved or authorised by the Board of Directors according to the terms set out in Article L. 228-40 of the French Commercial Code, or in other cases, according to terms determined by the Company in accordance with the provisions of Article L. 228-36 A of the French Commercial Code,

resolve that shareholders may exercise, in the manner provided for by the law, their preferential subscription rights by irreducible entitlement. The Board may also grant shareholders, in proportion to their subscription rights and subject to the extent of their applications, rights to subscribe a number of securities greater than that resulting from their irreducible entitlements but with allocations subject to reduction. If subscriptions by irreducible entitlement and any subscriptions made using reducible subscription rights, where the Board of Directors has made such subscriptions possible, have not covered the entire issue of shares or other securities, the Board of Directors may, in the order it shall determine, use each option available under Article L. 225-134 of the French Commercial Code, or only certain of those options,

state that this grant of authority entails, by operation of law and for the benefit of holders of securities issued under this resolution and that give access to the Company's share capital, the waiver by shareholders of their preferential right to subscribe for the shares to which those securities give an entitlement,

resolve that the sum received or to be received by the Company in respect of each share issued under this grant of authority shall be at least equal to the par value of the share on the date it is issued,

grant all powers to the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory conditions, to implement this grant of authority, and particularly to:

- determine the price, arrangements, issue dates, dividend entitlement dates and arrangements for paying up securities, as well as the form and characteristics of the securities to be issued,
- suspend, as the case may be, the exercise of rights attached to securities to be issued in cases and subject to limits provided for by regulatory and contractual provisions,
- as the case may be, in suspending such exercise, note the completion of the resulting capital increase, carry out any adjustments in order to take into account the transaction's impact on the Company's share capital and determine the arrangements under which the rights of holders of securities giving access to the share capital will be protected in future in accordance with statutory and regulatory provisions, and to make any related amendment of the articles of association,
- charge any amount to the share premium(s), including fees arising from issues, and generally make any necessary arrangements and form any agreements to complete the proposed issues and seek the listing of the securities issued,

resolve that, in the event that debt securities are issued, the Board of Directors will have all powers, with the power to sub-delegate in accordance with statutory and regulatory provisions, to take steps on terms set out by the law including:

- determining their terms, conditions and characteristics, including whether or not they are subordinated,
- setting their interest rate, issue currency, term to maturity, fixed or variable redemption price with or without a premium, amortisation arrangements as a function of market conditions and the conditions under which the securities shall confer entitlement to the Company's ordinary shares,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next Ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution, The authority thus granted to the Board of Directors is valid for 18 months from the time of this Shareholders' General Meeting,

the authorisation granted to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authorisation granted in the 30 July 2020 Shareholders' General Meeting, through its seventeenth resolution, is terminated with immediate effect.

TWENTIETH RESOLUTION

(Grant of authority to the Board of Directors to issue, with shareholders' preferential subscription rights withheld, ordinary shares in the Company and securities giving access to the Company's share capital as part of an offer referred to in Article L. 411-2(1) of the French Monetary and Financial Code)

The shareholders, voting in accordance with the majority requirements set out in the articles of association, having considered the report of the Chairman and the special report of the statutory auditor, in accordance with Articles L. 225-127 L. 225-128; L. 225-129-2, L. 22-10-51, L. 22-10-52, L. 228-91 and following of the French Commercial Code, and Article L. 411-2(1) of the French Monetary and Financial Code:

resolve to grant, with the power to sub-delegate in accordance with statutory and regulatory conditions, their authority to the Board of Directors to decide to issue, without preferential subscription rights, on one or more occasions in the amounts and at the times that they shall determine, either in euros or in any other currency or monetary unit established by reference to several currencies, both in France and abroad, shares and any other securities giving access to the share capital of the Company or of any company that directly or indirectly holds more than half its share capital or of which it directly or indirectly holds more than half the share capital, with such shares conferring the same rights as existing shares, subject to their dividend entitlement date, in the context of an offering pursuant to Article L. 411-2(1) of the French Monetary and Financial Code,

resolve that any issue of preference shares and securities giving access to preference shares is expressly excluded,

resolve that the total par value of increases in the share capital that may be carried out immediately or in the future under this grant of authority may not exceed seven million seven hundred and eighty-two thousand euros (€7,782,000), it being stipulated that this amount will count towards the overall par value limit provided for in the twenty-seventh resolution of this general meeting and that this amount does not take into account adjustments that may be made in accordance with applicable statutory and regulatory provisions and, as the case may be, contractual stipulations that provide for other types of adjustment, in order to protect the rights of holders of securities or other rights giving access to the Company's share capital,

resolve that in any event the issues of equity securities under this resolution shall not exceed the upper limits provided for by the applicable regulations at the date of the issue, that is to date 20% of the share capital p.a. at the time of the issue, said share capital being assessed on the day of the decision by the Board of Directors to make use of this grant of authority,

also **grant authority** to the Board of Directors to decide to issue debt securities conferring entitlement to the Company's share capital or to debt securities,

resolve that the overall par value of debt securities, giving access to the Company's share capital or other debt securities, that may be issued under this grant of authority, shall be a maximum of thirty-one million one hundred and twenty-eight thousand euros (€31,128,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies, it being stipulated that:

- this amount will count towards the overall par value limit provided for in the twenty-seventh resolution,
- where appropriate, this amount will be increased by any above-par redemption premium,
- this limit does not apply to debt securities referred to in Articles L. 228-40, L. 228-36 and L. 228-92 paragraph 3 of the French Commercial Code, the issue of which shall be approved or authorised by the Board of Directors according to the terms set out in Article L. 228-40 of the French Commercial Code, or in other cases, according to terms determined by the Company in accordance with the provisions of Article L. 228-36 of the French Commercial Code,

resolve to remove shareholders' preferential right to subscribe for securities to be issued pursuant to this grant of authority,

note that if subscriptions have not covered the entire issue of shares or other securities, the Board of Directors may, in the order it shall determine, use each option available under Article L. 225-134 of the French Commercial Code, or only certain of those options,

state that this grant of authority entails, by operation of law and for the benefit of holders of securities issued under this resolution and that give access to the Company's share capital, the waiver by shareholders of their preferential right to subscribe for the shares to which those securities give an immediate or future entitlement,

resolve that (i) the issue price of the Company's shares in connection with this grant of authority must be at least equal to the minimum provided for by the regulatory provisions applicable on the day of the issue (currently, the weighted average of prices in the three trading sessions prior to the start of the public offering within the meaning of regulation (EU) no. 2017/1129 of 14 June 2017, possibly with a discount of up to 10% in accordance with Article R. 22-10-32 of the French Commercial Code), after any adjustment of that amount to take account of any difference in dividend entitlement dates and (ii) the issue price of the securities giving access to the Company's share capital must be such that the sum immediately received, plus any amount received subsequently will, in respect of each of the Company's shares issued as a result of the issue of such securities, be at least equal to the minimum price as defined in the previous paragraph, after any adjustment of that amount, if necessary, to take account of the difference in dividend entitlement dates,

grant all powers to the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory conditions, to implement this grant of authority, and particularly to:

- determine the price, arrangements, issue dates, dividend entitlement dates and arrangements for paying up securities, as well as the form and characteristics of the securities to be issued,
- suspend, as the case may be, the exercise of rights attached to securities to be issued in cases and subject to limits provided for by regulatory and contractual provisions,
- as the case may be, in suspending such exercise, note the completion of the resulting capital increase, carry out any adjustments in order to take into account the transaction's impact on the Company's share capital and determine the arrangements under which the rights of holders of securities giving access to the share capital will be protected in future in accordance with statutory and regulatory provisions, and to make any related amendment of the articles of association,
- charge any amount to the share premium(s), including fees arising from issues, and generally make any necessary arrangements and form any agreements to complete the proposed issues and seek the listing of the securities issued,

resolve that, in the event that debt securities are issued, the Board of Directors will have all powers, with the power to sub-delegate in accordance with statutory and regulatory provisions, to take steps for the purpose of:

- determining their terms, conditions and characteristics, including whether or not they are subordinated,
- setting their interest rate, issue currency, term to maturity, fixed or variable redemption price with or without a premium, amortisation arrangements as a function of market conditions and the conditions under which the securities shall confer entitlement to the Company's ordinary shares,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next Ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

the authorisation granted to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

TWENTY-FIRST RESOLUTION

(Authorisation given to the Board of Directors, in the event of a capital increase with shareholders' preferential subscription rights withheld or maintained, to increase the number of securities to be issued)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, in accordance with Article L. 225-135-1 of the French Commercial Code:

authorise the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory provisions, to increase the number of securities to be issued in each issue with preferential subscription rights maintained or withheld, within 30 days of the closing date for applications, and up to a maximum of 15% of the initial issue and at the same price as the price applied to the initial issue.

resolve that the total par value of the increases in the share capital that may be carried out under this delegation shall count towards the maximum par value of share capital increases determined by the resolutions above,

the authorisation granted to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authorisation granted in the 30 July 2020 Shareholders' General Meeting, through its eighteenth resolution, is terminated with immediate effect.

TWENTY-SECOND RESOLUTION

(Authorisation to be granted to the Board of Directors, in the event of an issue of ordinary shares or any securities with shareholders' preferential subscription rights withheld, to determine the issue price up to a limit of 10% of the share capital)

The shareholders, voting in accordance with the majority requirements set out in the articles of association, having considered the Chairman's report and the statutory auditor's special report,

authorises the Board of Directors, in accordance with the provisions of Article L. 22-10-52 of the French Commercial Code, with the option of delegating the authority as permitted by law and the regulations, for each of the preceding resolutions subject to a limit of 10% of the Company's share capital (at the transaction date) per 12-month period, to depart from the price-setting provisions set out in the aforementioned resolutions and may set the issue price of ordinary shares and/or securities giving immediate or eventual access to the share capital as follows:

- the issue price of the ordinary shares shall be at least equal to the volume-weighted average share price in the last three (3) stockmarket trading sessions before it is set, possibly with a discount of up to 20%, it being understood that it may not under any circumstances be less than the par value of a share in the Company on the date the shares concerned are issued;
- the issue price of the securities giving access to the share capital shall be such that the sum immediately received by the Company, plus any amount received subsequently by the

Company shall in respect of each share issued as a result of the issue of such securities be at least equal to the issue price as defined in the paragraph above.

resolve that the Board of Directors will have all powers to implement this resolution under the terms provided for by the resolution pursuant to which the issue was decided,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next Ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

the authorisation granted to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

TWENTY-THIRD RESOLUTION

(Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's share capital in consideration for contributions in kind consisting of equity securities and other securities giving access to the share capital of third-party companies other than through a public exchange offer)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, in accordance with Articles L. 225-129 and following, L. 22-10-49, L. 225-35, L. 22-10-53 and L. 228-91 and following of the French Commercial Code,

grant powers, with the power to sub-delegate in accordance with statutory and regulatory provisions, to the Board of Directors to decide to issue shares and any other securities giving access to the Company's share capital, in order to pay for contributions in kind to the Company and consisting of equity securities or securities giving access to the share capital, where the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable, and resolve, insofar as is necessary, to withhold, in favour of the holders of those shares, shareholders' preferential rights to subscribe for those shares and securities to be issued,

resolve that the total par value of increases in the share capital that may be carried out under this grant of authority (i) may not exceed three million eight hundred and ninety-one thousand euros (€3,891,000) or 10% of the Company's share capital at the time the Board of Directors uses this grant of authority and (ii) will count towards the overall par value limit provided for in the twenty-seventh resolution of this general meeting, to which shall be added, as the case may be, the amount of additional shares to be issued to protect, in accordance with applicable statutory and regulatory provisions and, as the case may be, applicable contractual stipulations, the rights of holders of securities and other rights giving access to the share capital,

resolve that any issue of preference shares and securities giving access to preference shares is expressly excluded,

also grant all powers to the Board of Directors to decide to issue securities conferring rights to the allotment of debt securities,

resolve that the overall par value of debt securities, giving access to the Company's share capital or other debt securities, that may be issued under this grant of authority, shall be a maximum of fifteen million five hundred and sixty-four thousand euros (€15,564,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies, it being stipulated that:

- this amount will count towards the overall par value limit provided for in the twenty-seventh resolution,
- where appropriate, this amount will be increased by any above-par redemption premium,
- this limit does not apply to debt securities referred to in Articles L. 228-40, L. 228-36 A and L. 228-92 paragraph 3 of the French Commercial Code, the issue of which shall be approved or authorised by the Board of Directors according to the terms set out in Article L. 228-40 of the French Commercial Code, or in other cases, according to terms determined by the Company in accordance with the provisions of Article L. 228-36 A of the French Commercial Code,

state that this grant of authority entails, by operation of law and for the benefit of holders of securities issued under this resolution and that give access to the Company's share capital, the waiver by shareholders of their preferential right to subscribe for the shares to which those securities give an entitlement,

resolve that the Board of Directors will have all powers, with the power to sub-delegate in accordance with statutory and regulatory provisions, to implement this resolution, and particularly to:

- determine the list of securities contributed,
- approve or reduce the valuation of contributions and the granting of special privileges,
- determine, as the case may be, the amount of the cash payment to be made and to note the number of shares contributed in the exchange,
- more generally, make all necessary arrangements and agreements, and
- carry out all formalities required to admit the issued shares to trading,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

the authorisation granted to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authorisation granted in the 30 July 2020 Shareholders' General Meeting, through its nineteenth resolution, is terminated with immediate effect.

TWENTY-FOURTH RESOLUTION

(Grant of authority to the Board of Directors to decide upon one or more capital increases through the capitalisation of premiums, reserves, earnings or other)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors, in accordance with Articles L. 225-129, L. 225-129-2 and L. 22-10-50 of the French Commercial Code,

grant authority to the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory provisions, to increase the share capital on one or more occasions, at such times and in such amounts as they shall consider appropriate, through the capitalisation of some or all reserves, profits, share premiums, merger premiums, contribution premiums or other premiums or other sums that may be capitalised in accordance with the law and the Company's articles of association, and in the form of awards of bonus shares or increases of the par value of existing shares, or a combination of the two,

resolve that the total par value of increases in the share capital that may be carried out immediately and/or in the future under this grant of authority may not exceed three million eight hundred and ninety-one thousand euros (€3,891,000), it being stipulated that this amount will count towards the overall par value limit provided for in the twenty-seventh resolution of this general meeting and that this overall par value amount does not take into account adjustments that may be made in accordance with applicable statutory and regulatory provisions and, as the case may be, contractual stipulations that provide for other types of adjustment, in order to protect the rights of holders of securities or other rights giving access to the share capital,

resolve that rights not representing a whole number of shares may not be traded and that such shares shall be sold, and the proceeds of such sale shall be allocated to holders of rights as provided for by law and applicable regulations;

grant all powers to the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory conditions, to implement this delegation, and particularly to:

- determine the dates, arrangements and other characteristics of issues,
- determine the amounts to be issued and more generally make all arrangements to ensure the successful conclusion of such issues,

- resolve that rights not representing a whole number of shares may not be traded or assigned and that the corresponding equity securities shall be sold, and the proceeds of such sale shall be allocated to holders of rights as provided for by law and regulations,
- carry out all acts and formalities to render definitive the corresponding capital increase or increases,
- formally note the capital increase,
- request the listing of the securities issued and alter the articles of association accordingly,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next Ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

the grant of authority to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authorisation granted in the 30 July 2020 Shareholders' General Meeting, through its twentieth resolution, is terminated with immediate effect.

TWENTY-FIFTH RESOLUTION

(Grant of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's share capital in the event of a public offering including an exchange component initiated by the Company)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, in accordance with Articles L. 225-129 and following, L. 22-10-49, L. 22-10-54, and L. 228-92 of the French Commercial Code,

resolve to grant authority to the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory provisions, to resolve, on one or more occasions, to issue shares and any other securities giving access to the Company's share capital, in consideration for securities tendered to any public exchange offer initiated by the Company, in France or in other countries, according to local rules, for the securities of another company admitted to trading on a regulated market as set out in Article L. 22-10-54 of the French Commercial Code,

resolve, insofar as is necessary, to withhold, in favour of the holders of those securities, shareholders' preferential subscription rights in respect of such shares and securities to be issued,

resolve that the total par value of increases in the share capital that may be carried out under this grant of authority (i) may not exceed three million eight hundred and ninety-one thousand euros (€3,891,000) or 10% of the Company's share capital at the time the Board of Directors uses this grant of authority and (ii) will count towards the overall par value limit provided for in the twenty-seventh resolution of this general meeting, to which shall be added, as the case may be, the amount of additional shares to be issued to protect, in accordance with applicable statutory and regulatory provisions and, as the case may be, applicable contractual stipulations, the rights of holders of securities and other rights giving access to the share capital,

also grant authority to the Board of Directors to decide to issue securities conferring an entitlement to the allotment of debt securities,

resolve that the overall par value of debt securities, giving access to the Company's share capital or other debt securities, that may be issued under this grant of authority, shall be a maximum of fifteen million five hundred and sixty-four thousand euros (€15,564,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies, it being stipulated that:

- this amount will count towards the overall par value limit provided for in the twenty-seventh resolution,
- where appropriate, this amount will be increased by any above-par redemption premium,
- this limit does not apply to debt securities referred to in Articles L. 228-40, L. 228-36 A and L. 228-92 paragraph 3 of the French Commercial Code, the issue of which shall be approved or

authorised by the Board of Directors according to the terms set out in Article L. 228-40 of the French Commercial Code, or in other cases, according to terms determined by the Company in accordance with the provisions of Article L. 228-36 A of the French Commercial Code,

resolve that the Board of Directors will have all powers, with the power to sub-delegate in the manner provided for by law, to implement this grant of authority, and particularly to:

- determine the list of securities tendered to the exchange and the form and characteristics of the shares or securities giving access to the share capital to be issued, with or without a premium,
- determine the terms of the issue, the exchange ratio and, as the case may be, the amount of the cash payment to be made,
- determine the arrangements of the issue, particularly in relation to a public exchange offer, an alternative primary purchase or exchange offer accompanied by a subsidiary public purchase or exchange offer,
- formally note the number of shares tendered to the exchange;
- determine the dividend entitlement date (which may be retroactive) of the shares or securities that give access to the share capital, the terms for paying up those shares or securities and, as the case may be, the arrangements for exercising rights regarding the exchange, conversion, redemption or any other allotment of equity securities or securities giving access to the share capital,
- enter the difference between the issue price of the new ordinary shares and their par value in the balance sheet in a “contribution premium” account, to which all shareholders shall have an entitlement,
- make all required adjustments in accordance with statutory or regulatory provisions and, as the case may be, applicable contractual stipulations, to protect the rights of holders of securities giving access to the Company’s share capital and
- suspend, as the case may be, the exercise of the rights attached to such securities for a maximum of three months,

resolve that the Board of Directors may:

- at its sole discretion and when it deems it appropriate, charge all expenses, duties and fees arising from capital increases carried out under the grant of authority that is the subject of this resolution, against the premiums related to those transactions and deduct from those premiums the sums required to raise the legal reserve to one tenth of the new share capital following each transaction,
- take any decision with a view to admitting the shares and securities thus issued to trading on Euronext’s regulated market in Paris and, more generally,
- take any measures, make any undertaking and carry out any formalities to ensure the successful conclusion of the proposed issue, to render definitive the resulting capital increase, and to make the related changes to the articles of association.

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next Ordinary Shareholders’ General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

the authorisation granted to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authorisation granted in the 30 July 2020 Shareholders’ General Meeting, through its twenty-first resolution, is terminated with immediate effect.

TWENTY-SIXTH RESOLUTION

(Grant of authority to the Board of Directors to increase the share capital through an issue of shares reserved for members of a savings plan)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, under the provisions of Articles L. 3332-18 to L. 3332-24 of the French Labour Code applying Article L. 225-129-6 of the French Commercial Code and in accordance with Article L. 225-138-1 of the French Commercial Code,

resolve to grant authority to the Board of Directors to increase, on one or more occasions, the Company's share capital through issues of shares, reserved for members of a company savings plan of the Company and of the French or non-French companies related to it under Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, it being stipulated that this amount shall count towards the overall limit provided for in the twenty-seventh resolution of this meeting,

resolve that the total par value of the capital increases that may be carried out pursuant to this resolution must not exceed one million one hundred and sixty-seven thousand euros (€1,167,000), to which maximum amount shall be added, as the case may be, the additional amount of shares to be issued to protect, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of the holders of securities and any other rights giving access to shares,

resolve that the issue price per share shall be determined by the Board of Directors, according to the arrangements provided for by Article L. 3332-20 of the French Labour Code,

resolve to withhold shareholders' preferential rights to subscribe for the new shares to be issued or other securities giving access to the share capital and securities to which securities issued under this resolution in favour of members of a company savings plan will give an entitlement;

resolve that the characteristics of the other securities giving access to the Company's share capital will be determined by the Board of Directors in the manner provided for by regulations,

resolve that the Board of Directors will have all powers, with the power to sub-delegate in accordance with statutory and regulatory provisions, to implement this resolution, and particularly to:

- determine the arrangements and terms of transactions as well as the dates and arrangements of issues that will be carried out under this authorisation,
- determine the opening and closing dates for subscriptions, the dates from which the securities issued will have dividend entitlements, and the arrangements for paying up shares and other securities giving access to the Company's share capital,
- agree the timeframes for paying up shares and any other securities giving access to the Company's share capital,
- request that the securities created be admitted to trading on a stock exchange,
- formally note the capital increases to the extent of the shares actually subscribed,
- carry out, directly or through an agent, all transactions and formalities related to increases in the share capital and, at its sole discretion, make any related amendment of the articles of association and, if it considers it appropriate to do so, to charge the expenses of increases in the share capital to the amount of the premiums relating to such increases, and to deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new share capital after each increase,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next Ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authority granted by this resolution,

The authority thus granted to the Board of Directors is valid for 18 months from the time of this Shareholders' General Meeting,

the unused part of the authorisation granted in the 30 July 2020 Shareholders' General Meeting, through its twenty-second resolution, is terminated with immediate effect.

TWENTY-SEVENTH RESOLUTION

(Overall limit of issues carried out under the nineteenth, twentieth, twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors,

subject to the adoption of the resolutions set out above,

resolve to set as follows the overall limit of the amounts of issues that may be decided under the grants of authority or authorisations given to the Board of Directors and resulting from the nineteenth, twentieth, twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions of this meeting:

- the maximum par value of increases in the share capital resulting from issues of shares or securities giving access to the share capital that may thus be carried out, either directly or on presentation of debt securities, may not exceed nine million seven hundred and twenty-seven thousand euros (€9,727,000), with that limit not including the overall par value of additional shares that may be issued to protect, in accordance with the law and any contractual stipulations providing for other types of adjustment, the rights of holders of securities and other rights giving access to the share capital,
- the maximum par value of debt securities that may be issued by the Company shall not exceed thirty-nine million nine hundred and eight thousand euros (€39,908,000) or the equivalent of that amount in the event of an issue in a foreign currency or units of account established by reference to several currencies.

TWENTY-EIGHTH RESOLUTION

(Authorisation to be granted to the Board of Directors to grant existing shares or shares to be issued in the Company free of charge to members of the Company's salaried staff and corporate officers and those of its subsidiaries within the meaning of Article L. 233-3 of the French Commercial Code or to some of them)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the special report of the statutory auditor, in accordance with Article L. 22-10-59 and following of the French Commercial Code,

authorise the Board of Directors to award, on one or more occasions, existing shares or shares to be issued in the Company (excluding preference shares) free of charge to staff members and/or corporate officers that it shall determine from among the staff members and corporate officers referred to by Article L. 22-10-59 of the French Commercial Code, of the Company or companies or groups related to it, of French or other nationality, in accordance with Article L. 225-197-2 of the French Commercial Code or certain categories of them,

resolve that the Board of Directors shall determine the identity of those receiving the awards, the number of shares awarded and the terms and criteria for share awards, it being stipulated that the vesting of the shares may be subject to certain conditions to be defined by the Board of Directors on the award date,

resolve that awards of shares made free of charge under this authorisation shall not exceed 2% of the Company's existing share capital on the date the award decision is made, not taking into account any adjustments that may take place in accordance with applicable legislative and regulatory provisions and, as the case may be, with contractual stipulations providing for other types of adjustment, to protect the rights of holders of securities or other rights giving access to the share capital. For that purpose, the shareholders authorise, insofar as is necessary, the Board of Directors to increase the share capital through the capitalisation of earnings, reserves or share premiums in a corresponding amount,

resolve that the awarding of shares to their beneficiaries shall become definitive after a vesting period, the length of which shall be determined by the Board of Directors, it being understood that the length of the period shall not be subject to a minimum length that shall not be less than that provided for by laws and regulations. However, if the vesting period for some or all of an award or awards is at least three years, the Board of Directors shall not be able to specify a lock-up period for the shares concerned,

resolve that where a beneficiary suffers a disability falling into the second or third category provided for by Article L. 341-4 of the French Social Security Code, the shares shall vest in that beneficiary before the end of the vesting period. Those shares shall be freely assignable from the time they are delivered,

note that this authorisation shall cause, by operation of law, shareholders' preferential subscription rights to shares that may be issued under this resolution to be withheld in favour of the beneficiaries,

resolve that the Board of Directors shall have all powers, with the power to delegate subject to statutory and regulatory limitations, to implement this grant of authority and in particular to:

- determine, as the case may be, the arrangements and terms of awards made under this authorisation,
- determine the length of the vesting period and, as the case may be, the lock-up period according to the terms set out above,
- carry out, as the case may be, during the vesting period, adjustments to the number of shares awarded free of charge in connection with any transactions affecting the Company's share capital in order to protect the rights of beneficiaries. Any shares that may be awarded as a result of those adjustments shall be deemed to be awarded on the same day as the shares initially awarded,
- determine, if shares yet to be issued are awarded, the amount and type of reserves, earnings or premiums to be capitalised, and transfer amounts from such items to the appropriated earnings account,
- provide for the ability to suspend award rights temporarily,
- determine the dividend entitlement date, which may be in the past, of new shares arising from bonus share awards,
- formally note, as the case may be, capital increases, make the related changes to the articles of association, carry out all publication formalities, carry out all formalities required for the issue, listing and financial servicing of the securities issued under this resolution and in general do what is necessary,

resolve that the Board of Directors shall inform shareholders every year in the Ordinary Shareholders' General Meeting of transactions carried out under this resolution,

the authorisation granted to the Board of Directors under this resolution shall be valid for 18 months from the date of this meeting,

the unused part of the authorisation granted in the 30 July 2020 Shareholders' General Meeting, through its twenty-fourth resolution, is terminated with immediate effect.

TWENTY-NINTH RESOLUTION

(Authorisation to be granted to the Board of Directors to cancel some or all of the Company's shares held by the Company under the authorisation to buy back shares)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, having considered the report of the Board of Directors and the statutory auditor's special report,

subject to the adoption of the authorisation for the Company to buy back its own shares under the seventeenth resolution above,

authorise the Board of Directors, in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code, to cancel, at its sole discretion, on one or more occasions, some or all of the Company's shares that the Company may hold under an authorisation granted to the Board of Directors to buy the Company's shares, and to reduce the share capital by the total par value of the shares thus cancelled, subject to a maximum of 10% of the share capital per period of twenty-four (24) months, it being noted that this 10% limit applies to the amount of the Company's share capital that shall, as the case may be, be adjusted to take account of transactions affecting the share capital after this Shareholders' General Meeting.

The shareholders grant all powers to the Board of Directors, with the power to sub-delegate in accordance with statutory and regulatory conditions, to:

- carry out the aforementioned capital reduction and formally note its completion,
- charge the difference between the purchase price of the cancelled shares and their par value to any reserve and premium accounts,
- amend the articles of association accordingly,

- carry out all declarations to the Autorité des Marchés Financiers, carry out all other formalities and, in general, do whatever is necessary,

note that, in the event that the Board of Directors uses the authority granted to it pursuant to this resolution, it shall report to the shareholders in the next Ordinary Shareholders' General Meeting, as required by law and regulations, on the use of the authorisation granted by this resolution,

this authorisation is granted for a period of 18 months from the date of this Shareholders' General Meeting,

the unused part of the authorisation granted in the 30 July 2020 Shareholders' General Meeting, through its twenty-fourth resolution, is terminated with immediate effect.

THIRTIETH RESOLUTION

(Removal of Article 16 of the articles of association)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association,

resolve to remove Article 16 of the Company's articles of association concerning the authority of the Ordinary Shareholders' General Meeting to issue bonds.

THIRTY-FIRST RESOLUTION

(Amendment of Article 35 of the articles of association)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association,

approve the amendment of Article 35 of the Company's articles of association introducing the option of using remote electronic voting for any Shareholders' General Meeting.

THIRTY-SECOND RESOLUTION

(Powers to carry out legal formalities)

The shareholders, voting in accordance with the quorum and majority requirements set out in the articles of association, grant all powers to holders of copies or excerpts of this report to carry out all legal formalities.

23. GLOSSARY

The definitions of technical terms commonly used in the gaming industry are provided to the reader below to facilitate his/her understanding of this Universal Registration Document:

AA

Segment of the video games publishing market that mainly comprises expert-type games with sales of between 200,000 and 3 million copies and a development budget of between €1 million and €20 million per game (source: IDG).

AAA

Segment of the video games publishing market occupied by “major” games publishers (Ubisoft, Electronics Arts, Activision, Square Enix etc.), with sales generally higher than 3 million copies and a development budget of between €20 million and €200 million per game (source: IDG). These sales make up most of the world’s video game sales, and the successful FIFA football games are examples of such games.

Back catalogue

Every video game publisher has its own definition of this term. Nacon’s back catalogue includes all video games released digitally in previous financial years. Because its financial year ends on 31 March, a game released in March of year N will therefore be regarded as forming part of Nacon’s back catalogue from April of year N.

Bigben Interactive

This refers to Bigben Interactive, a public limited company (“société anonyme”) governed by a Board of Directors with capital of €39,939,316, whose head office is located at 396-466, rue de la Voyette – CRT2 – 59270 Fretin, and which is registered with the Lille Métropole trade and companies register under number 320 992 977.

Cloud gaming

Cloud gaming, which was still impossible only 10 years ago, means that any game can be played on any device (PC, console, mobile phone, TV etc.) even if the consumer does not have the physical hardware required to process the game.

Console manufacturer

Manufacturer of video game consoles (Sony, Microsoft, Nintendo).

Freemium

A business model in which games are provided – generally by downloading from digital platforms – free of charge. However, players can make in-game purchases, for example buying objects that allow them to progress through the game’s levels more quickly. A patient gamer can play without paying, whereas an impatient gamer will tend to pay in order to progress more quickly.

Group

The group of companies comprising Bigben Interactive and its subsidiaries.

Nacon Group

The group of companies comprising Nacon and its subsidiaries.

Nacon

This refers to Nacon, a public limited company (“société anonyme”) governed by a Board of Directors with capital of €84,908,919, whose head office is located at 396-466, rue de la Voyette – CRT2 – 59270 Fretin, which is registered with the Lille Métropole trade and companies register under number 852 538 461, and which is the former Gaming division of Bigben Interactive.

Paymium

This is a business model in which gamers pay for games and can then convert real money into virtual money or buy in-game items via microtransactions, in order to speed up their progress in the game or to acquire limited-edition objects.

Sony

In this Universal Registration Document, the terms “Sony” and “console manufacturer Sony” refer to:

- for accessories, the gaming division of the international Sony group in charge of accessories that has formed a partnership agreement with Nacon, i.e. SIE (Sony Interactive Entertainment),

- for games, the gaming division of the international Sony group in charge of validating video games published for its PlayStation 2, PlayStation 3 and PlayStation 4 consoles, both physically and sold on those consoles' digital platforms, i.e. SIEE (Sony Interactive Entertainment Europe).

24. CROSS-REFERENCE TABLES

TABLE OF CROSS-REFERENCES WITH THE ANNUAL FINANCIAL REPORT:

STATEMENT BY THE PERSON RESPONSIBLE FOR THE DOCUMENT

- Statement by the person responsible for the document Section 1.1

MANAGEMENT REPORT

- Analysis of the earnings and financial position of the parent company and the consolidated group Chapters 7 and 8
- Risk factors Chapter 3
- Information relating to the capital structure and that may be relevant in the event of a public offer Chapter 16
- Information relating to share buybacks Section 19.1.3
- Grants of authority currently valid and use of them made in the financial year Section 19.1.5
- Employee share ownership Section 15.3
- Remuneration of corporate officers and list of corporate officer roles held Sections 13.1 and 12.1.2

FINANCIAL STATEMENTS AND REPORTS

- The Company's statutory financial statements Section 18.1.1
- Statutory auditors' report on the statutory financial statements Section 18.3
- The Group's consolidated financial statements Section 18.1.6
- Statutory auditors' report on the consolidated financial statements Section 18.3
- Statutory auditors' fees Section 2.4.5 of the notes to the consolidated financial statements

TABLE OF CROSS-REFERENCES WITH THE CORPORATE GOVERNANCE REPORT:

- List of all roles and functions held by each corporate officer Section 12.1
- List of agreements between a manager or shareholder of the Company and a subsidiary of the Company Sections 14.2 and 17.1
- Table summarising currently valid grants of authority made by shareholders in Shareholders' General Meetings Section 19.1.5
- Executive Management structure Section 12.1.1
- Total remuneration and benefits granted to corporate officers Section 13.1
- Composition of and arrangements for preparing and organising the work done by the Board of Directors Section 12.1.2
- Description of the diversity policy applied to members of the Board of Directors Section 12.1.2
- Limits that the Board of Directors imposes on the powers of the Chief Executive Officer Sections 12.1 and 14.5.1
- Reference to a code of corporate governance Section 14.4.1
- Specific arrangements relating to shareholder attendance at Shareholders' General Meetings Section 19.2.2 (voting rights)
- Information that may be relevant in the event of a public offer Sections 16.3 and 19.2.3