



Interim Financial Report

First half 2021/2022 – Six months ended 30 September 2021

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1 > STATEMENT BY THE PERSON RESPONSIBLE

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for first half of 2021/22 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and all the companies included in the scope of consolidation, and that the interim business report below provides an accurate description of the significant events during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and contingencies for the remaining six months of the financial year.

Lesquin, 1 December 2021,

The Chief Executive Officer
Fabrice Lemesre

2 > BUSINESS REPORT

2.1 KEY EVENTS IN THE FIRST HALF OF 2021/22

2.1.1.1 Operating activities

In the first half of 2021/22, consolidated revenue amounted to €124.2 million, down 8.5% compared with reported revenue for the first half of 2020/21.

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

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

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

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

The decline in the Bigben Interactive group's revenue in the first half of 2021/22 resulted mainly from the NACON Gaming segment, where revenue was down 15.7% year-on-year due to a high base for comparison (sales of accessories and games were strong during the lockdown period in the first half of 2020/21) and disruption to the Asia/US supply chain, which seriously affected the group in the US market. The Audio/Telco segment increased its revenue in the first half of 2021/22 by 4.1% compared with the year-earlier period, when it was badly affected by store closures during the first European lockdowns.

IFRS consolidated financial statements, in millions of euros	Six months ended 30 September		Change	
	2021	2020	€ m	%
Revenue	124.2	135.8	-11.6	-8.5%
of which Gaming	71.1	84.6		-15.9%
Mobile	40.9	41.1		-0.6%
Audio	12.2	10.0		+21.6%
Purchases consumed	(72.8)	(78.4)		-7.2%
Gross profit	51.4	57.3	-5.9	-10.3%
Other recurring operating expenses	(26.8)	(23.9)	-2.9	+12.2%
EBITDA	24.6	33.4	-8.8	-26.4%
Depreciation and amortisation of non-current assets	(14.7)	(16.4)	1.8	-10.8%
Recurring operating income	9.9	16.9	-7.0	-41.5%
Other non-recurring operating income and expense	(5.8)	(2.3)	-3.5	+154.9%
Operating income	4.1	14.7	-10.5	-71.8%
Net financial income/expense	4.8	(1.2)	6.0	-500.2%
Pre-tax income	9.0	13.5	-4.5	-33.3%
Tax	(2.0)	(3.7)	1.7	-45.6%
Net income	6.9	9.7	-2.8	-28.6%

Recurring operating income fell from €16,932 thousand in the first half of 2020/21 to €9,897 thousand due to a sharp fall in Gaming revenue. EBITDA amounted to €24.6 million, down 26.4% compared with the first half of 2020/21 and equal to 19.8% of revenue versus 24.6% in the first half of 2020/21. These developments were mainly related to external expenses moving back to a “more normal” level after a significant reduction during lockdowns in 2020/21, and to a limited increase in personnel expenses, mainly to bolster the Publishing department.

In the first half of 2021/22, net financial expense included income of €5.8 million related to a bond issue (income of €6.3 million arising from the change in fair value of its derivative component, partly offset by a €0.5 million interest expense for the first-half period), along with the cost of bank debt and a €/\$ foreign exchange loss of €0.1 million as opposed to €0.7 million in the first half of 2020/21, factoring in the change in fair value of derivative financial instruments.

Pre-tax income fell from €13,463 thousand in the first half of 2020/21 to €8,974 thousand in the first half of 2021/22.

Bigben Interactive's net income amounted to €6,939 thousand as opposed to €9,724 in the first half of 2020/21. Given Bigben Interactive SA's 75.44% stake in NACON SA, attributable net income excluding non-controlling interests in subsidiaries totalled €6,050 thousand as opposed to €7,537 thousand in the first half of 2020/21.

2.1.2 Other key events

◆ Ownership structure

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

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

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

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

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

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

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

➡ Bigben share buyback programmes / Cancellation of treasury shares

First Bigben share buyback programme – closed – shares cancelled

The Board of Directors implemented the Company's authorisation to buy its own shares following its meeting of 1 March 2021. As a result, a buyback programme started on 2 March 2021.

In the combined shareholders' general meeting of 30 July 2020, shareholders set the maximum proportion of the capital that the Company may hold at 10% of the number of shares making up the share capital at the time purchases are made, i.e. 1,996,965 shares in theory, and the amount of purchases cannot exceed €10 million in total.

Subject to a minimum purchase price of €28, set by shareholders in the general meeting, the Board decided that the price per share could not exceed, at any time, 2.90 times the NACON share price (ISIN FR0013482791).

Purpose

The purpose of the buyback programme implemented by the Board of Directors from 1 March 2021 was to allow the Company to buy its own shares, mainly with a view to:

- cancelling them subsequently by reducing the Company's capital, in accordance with the authorisation given to the Board of Directors in the combined shareholders' general meeting of 30 July 2020 (25th resolution),
- to make a market for the Company's shares through an investment service provider acting in the name of and on behalf of the Company, including under a liquidity agreement that complies with the code of conduct recognised by the Autorité des Marchés Financiers.

Arrangements

This purpose was fulfilled in the following way:

- an investment services provider was appointed to carry out the purchases,
- implementation of the programme began on 2 March 2021, with an initial duration due to expire on 30 July 2021 at the latest, and
- the liquidity agreement was maintained.

The first mandate to buy shares was granted to CIC Market Solutions.

Duration

The duration of the programme was set at 18 months from the combined shareholders' general meeting of 30 July 2020, i.e. until 29 January 2022.

Between 2 March 2021 and 17 June 2021, CIC Market Solutions purchased 513,870 Bigben shares on behalf of Bigben Interactive SA for a total amount of €10 million (including 250,319 shares for a total amount of €4,983,954 in the 2020/21 financial year).

Bigben Interactive's Board of Directors, in its meeting of 1 July 2021, on the authorisation granted by shareholders in the 25th resolution of the combined shareholders' general meeting of 30 July 2020, decided to reduce the Company's share capital by cancelling these 513,870 shares held in treasury, which at that date represented around 2.57% of Bigben Interactive's share capital.

Second Bigben share buyback programme – in progress

The Board of Directors implemented the authorisation for the Company to buy its own shares following its meeting of 8 September 2021. As a result, a buyback programme started on 9 September 2021.

In the combined shareholders' general meeting of 30 July 2021, shareholders set the maximum proportion of the capital that the Company may hold at 10% of the number of shares making up the share capital at the time purchases are made, i.e. 1,945,578 shares in theory, and the amount of purchases cannot exceed €40 million in total.

Subject to a minimum purchase price set by shareholders in the general meeting, the Board decided that the price per share could not exceed, at any time, 3.0 times the NACON share price (ISIN FR0013482791).

Purpose

The purpose of the buyback programme implemented by the Board of Directors on 8 September 2021 is identical to that of the first buyback programme, and is to allow the Company to buy its own shares, mainly with a view to:

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

Arrangements

This purpose is being fulfilled in the following way:



- an investment services provider has been appointed to carry out the purchases,
- implementation of the programme began on 9 September 2021, with an initial duration due to expire on 31 December 2021 at the latest, and
- the liquidity agreement has been maintained.

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

Duration

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

Between 9 September 2021 and 30 September 2021, CIC Market Solutions purchased 5,473 Bigben shares on behalf of Bigben Interactive SA for a total amount of €83,425.

After transactions in the market, available cash under the liquidity agreement amounted to €12,417 thousand at 30 September 2021.

↪ **Capital increase following the vesting of bonus shares awarded in 2020**

On 7 September 2020, the Board of Directors awarded 120,275 Bigben bonus shares to 220 employees and corporate officers of the Group's Audio/Telco entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and a condition related to achieving a predetermined level of recurring operating income.

The performance condition was partially or fully attained by all Group entities, and taking into account departures before the vesting date, 251,155 shares finally vested in 189 beneficiaries.

As a result, on 8 September 2021, 113,675 new Bigben shares were issued through the capitalisation of reserves.

The residual consolidated IFRS 2 expense recognised in relation to this plan in 2021/22 amounts to €0.7 million, with a balancing entry under reserves.

On 7 September 2020, NACON's Board of Directors awarded 1,068,983 NACON bonus shares to employees and corporate officers of NACON Group entities. The vesting of those shares after a 1-year period was subject to an ongoing presence condition and a condition related to achieving a predetermined level of recurring operating income.

The performance condition was attained by all Group entities, and taking into account departures before the vesting date, 1,045,283 shares finally vested in 455 beneficiaries.

As a result, on 8 September 2021, 1,045,283 new NACON shares were issued through the capitalisation of reserves.

The residual consolidated IFRS 2 expense recognised in relation to this plan in 2021/22 amounts to €2.5 million, with a balancing entry under reserves.

The consolidated IFRS 2 expense recognised by the Bigben group with respect to these two plans for the first half of 2021/22 was therefore €3.2 million, with a balancing entry under reserves (including €2.5 million at the NACON group level).

↪ **2021 bonus share award**

On 8 September 2021, Bigben Interactive SA's Board of Directors awarded 36,180 Bigben bonus shares, mainly to employees and corporate officers of the Group's Audio/Telco entities, i.e. 207 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 €72,360, equal to the total par value of the 36,180 shares awarded, was therefore added to the special appropriated earnings account at the time of the award.

The IFRS 2 expense recognised by Bigben with respect to this plan for the first half of 2021/22 was €0.03 million, with a balancing entry under reserves.

In its meetings on 31 May 2021 and 8 September 2021, NACON's Board of Directors awarded 949,402 bonus shares to employees and corporate officers of the Group's entities, i.e. 693 beneficiaries including 565 in France. Subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income:

- 512,003 shares will vest at the end of one year,
- 437,399 shares will vest at the end of three years.

Based on the number of NACON bonus shares vested, an issue of new NACON shares will take place through the capitalisation of reserves, and €949,402, equal to the total par value of the 949,402 shares awarded, was therefore added to the special appropriated earnings account at the time of the award.

The IFRS 2 expense recognised by NACON for the first half of 2021/22 was €340 thousand, with a balancing entry under reserves.

The consolidated IFRS 2 expense recognised by the Bigben group with respect to these two plans for the first half of 2021/22 was therefore €0.37 million, with a balancing entry under reserves (including €340 thousand at the NACON group level).



- ◆ Change in scope:

- **NACON's acquisition of 100% of Passtech Games SAS**

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

In addition to the initial cash payment, two earn-out payments may be made in the three years following the acquisition, based on qualitative criteria and on the revenue generated by two video game projects.

Passtech Games SAS has been consolidated in the Group's financial statements from the date of its acquisition.

- **NACON's acquisition of 100% of Big Ant Holding Pty Ltd**

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

The purchase price was €18 million. In addition, eight earn-out payments may be made, depending on the situation, based on Big Ant's net revenue, on revenue generated by its back catalogue and cricket game until 2024, and on qualitative criteria relating to its tennis and rugby games. Each earn-out payment would be made 50% in cash and 50% in NACON shares, subject to a total aggregate amount of €14 million. The first earn-out payment was made on 29 September 2021 according to the agreed terms.

Big Ant Holding Pty Ltd has been consolidated in the Group's financial statements from the date of its acquisition.

- **NACON's acquisition of 100% of Crea-ture Studios Inc**

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

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

Crea-ture Studios Inc has been consolidated in the Group's financial statements from the date of its acquisition.

- **NACON SA capital increase following the acquisition of Big Ant Holding Pty Ltd**

An initial earn-out payment corresponding to the net income generated in 2020/21 by Big Ant Studios Pty Ltd was paid to the vendors on 29 September 2021, in accordance with the acquisition agreement. 50% of the earn-out payment was reinvested in NACON SA shares via a €1,662 thousand capital increase.

As a result, a capital increase with preferential subscription rights withheld took place on 29 September 2021, involving the issue of 337,208 shares with a value of €4.930 per share, corresponding to NACON's average closing share price on Euronext Paris in the 20 trading sessions preceding the transaction. As a result, NACON SA's share capital increased from €85,954,202 to €86,291,410.

- ◆ Other events:

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

The Bigben group was again affected by this global public health crisis in the first half of 2021/22:

- There has been disruption to its supply chains, particularly its Asia/US supply chains, since the start of the financial year.
- Stores closed during the third lockdown imposed in the main European countries in spring 2021, and this was followed by a decline in footfall resulting from restrictions introduced in summer 2021 (introduction of Covid passes).
- Measures have been taken to protect employees and third parties.

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

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

NACON - Gaming

- Supply-chain disruption related to the global Covid-19 crisis affected sales in the first half of 2021/22, and particularly US sales because of delayed deliveries and congestion in ports;
- To avoid component shortages and to secure its year-end accessories revenue, NACON brought forward some procurement orders. This resulted in an increase in inventories at end-September 2021.
- Revenue in this segment therefore fell by 15.7% to €73.0 million.

Bigben - Audio/Telco

- Consumption of Audio/Telco products fell until summer 2021.
- Although the 5G rollout remained slow, sales generated through new distribution channels, the *Justgreen*® mobile accessories range and strong sales of charging equipment (benefiting from the fact that premium smartphones have recently been sold without chargers) nevertheless boosted the distribution of physical products and meant that Audio/Telco revenue rose to €51.2 million in the first half of 2021/22, up 4.1% compared with the first half of 2020/21.

As a result, Bigben's total revenue fell by 8.5% and its overall profitability also declined because of lower business levels at NACON Gaming.

There were no cash flow problems.

- The Gaming division had a large cash position with which to fund its development following NACON's March 2020 IPO, through which it raised €103 million (after deducting IPO expenses).
- The Audio/Telco entities also benefited from the February 2021 issue of €87.3 million of senior conditionally secured bonds exchangeable into NACON shares (€84.6 million raised after deducting issuance costs of €2.7 million).

➔ Changes in debt

In 2020/21, Bigben Interactive SA obtained two French state-guaranteed loans (PGEs) of €2.5 million each from two banks. Those loans had a one-year term, although the company could request the rescheduling of payments over a five-year period. After the issue of exchangeable bonds, through which Bigben Interactive SA raised €87.3 million on 19 February 2021, one of the two PGEs was repaid early in March 2021, and the other PGE in an amount of €2.5 million was repaid in June 2021.

The two other PGEs taken out by Bigben Connected SAS in 2020, in a total amount of €10.0 million, had already been repaid at 31 March 2021.

Bigben Interactive SA also made payments on finance leases in accordance with their payment schedules.

2.1.3 Earnings by business segment

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

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

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

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

The information presented below is that used by the Bigben group's chief operating decision maker for internal reporting purposes, allowing effective analysis of the Group's business and risks. The Bigben group's chief operating decision maker within the meaning of IFRS 8 is a two-person team consisting of the Bigben group's CEO and COO.

(in thousands of euros)	Group total	NACON - Gaming	Bigben - Audio/Telco	Group total	NACON - Gaming	Bigben - Audio/Telco
	First half 2021/22	First half 2021/22	First half 2021/22	First half 2020/21	First half 2020/21	First half 2020/21
Revenue	124,180	73,012	51,168	135,754	86,605	49,149
Purchases consumed	(72,774)	(34,971)	(37,803)	(78,449)	(41,302)	(37,147)
Gross profit	51,406	38,041	13,365	57,305	45,303	12,002
Gross margin (% of revenue)	41.4%	52.1%	26.1%	42.2%	52.3%	24.4%
Other operating revenue	588	515	72	438	257	181
Other purchases and external expenses	(13,691)	(9,664)	(4,027)	(11,415)	(8,332)	(3,082)
Taxes other than income tax	(603)	(325)	(278)	(523)	(125)	(398)
Personnel costs	(12,206)	(6,726)	(5,480)	(11,963)	(6,367)	(5,596)
Other operating expenses	(931)	(435)	(496)	(492)	(333)	(160)
Gains or losses on disposals of non-current assets	(2)	(6)	3	22	19	3
EBITDA	24,561	21,401	3,161	33,372	30,422	2,950
EBITDA margin (% of revenue)	19.8%	29.3%	6.2%	24.6%	35.1%	6.0%
Depreciation and amortisation of non-current assets	(14,664)	(12,952)	(1,712)	(16,440)	(14,693)	(1,747)
Recurring operating income	9,897	8,449	1,448	16,932	15,729	1,203
Recurring operating margin (% of revenue)	8.0%	11.6%	2.8%	12.5%	18.2%	2.4%
Bonus share and stock-option plans	(5,262)	(3,970)	(1,293)	(2,260)	(1,822)	(438)
Other non-recurring operating items	(500)		(500)	0	0	0
Operating income	4,135	4,479	(344)	14,672	13,907	765
Financial income	7,836	1,502	6,334	916	468	448
Financial expense	(2,996)	(1,462)	(1,535)	(2,125)	(1,253)	(872)
Net financial income/expense	4,840	40	4,800	(1,209)	(785)	(424)
Pre-tax income	8,974	4,519	4,455	13,463	13,122	341
Income tax	(2,035)	(741)	(1,294)	(3,739)	(3,570)	(169)
Net income for the period	6,939	3,778	3,161	9,724	9,551	172
Net margin (% of revenue)	5.6%	5.2%	6.2%	7.2%	11.0%	0.4%

2.2 INFORMATION ABOUT THE GROUP'S SHARES

2.2.1 Share capital

At 30 September 2021, Bigben Interactive SA's share capital consisted of 19,569,463 shares, representing 22,369,168 voting rights on a gross basis.

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

Based on the closing price of €16.10 on 30 September 2021, the Company's market capitalisation at that date was €315.07 million.

2.2.2 Crossing of ownership disclosure thresholds

The following ownership disclosure threshold was crossed during the reference period from 1 April to 30 September 2021 following the capital reduction that followed the 1 July 2021 cancellation of shares repurchased under the first share buyback plan:

On 1 July 2021, the stake held by the concert party consisting of Mr Vincent Bolloré, Nord-Sumatra Investissements and Mr Sébastien Bolloré rose above 20% of the Company's capital, representing 3,991,173 Bigben Interactive shares and the same number of voting rights, equal to 20.51% of the Company's capital and 18.00% of its voting rights. The crossing of that disclosure threshold resulted from a reduction in the company's capital following the cancellation of treasury shares (AMF notice 221C1691).

The Company's ownership structure at 30 September 2021 was as follows:

Name	% of capital held	% of voting rights held*
Bolloré group	20.4%	17.8%
AF Invest + Alain Falc	13.3%	22.9%
Free float	66.2%	59.3%
Liquidity agreement	0.1%	0.0%
TOTAL	100.00%	100.00%

* Gross voting rights

2.3 POST-BALANCE SHEET EVENTS

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

The Group intends to maintain its policy for protecting itself against the effects of the Covid-19 crisis.

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

Trade receivables at 30 September 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 NACON's recent IPO, through which it raised €103 million (after deducting IPO expenses) in March 2020, while the Audio/Telco entities will cover their own working capital requirement in 2021/22 thanks to the €84.6 million raised (after deducting €2.7 million of issuance costs) on 19 February 2021 through the issue of bonds exchangeable into NACON shares.

As a result, the Group is able to maintain and develop its business activities in the second half of the 2021/22 financial year.

➔ Acquisition of 100% of Metronic

On 15 October 2021, Bigben Interactive SA acquired all of the capital and voting rights of Metronic SAS from the HF Company group for €12 million in cash. Two capped earn-out payments may be made in cash in 2023 and 2024 depending on operational performance criteria, subject to an overall limit of €4.0 million.

Metronic was founded in 1987 and is a well-known player in its sector. It designs and distributes innovative products for broadcasting and receiving images in the home (TV and audio accessories, amplifiers, decoders, connectors, headsets, speakers, etc.) as well as telephone accessories and audio products. Metronic brand products are distributed through a variety of channels, notably through the largest national retailers in each country.

Metronic has offices in France (Tours), Spain and Italy, and employs approximately 90 people. Including its subsidiaries, Metronic generated revenue of €24 million and EBITDA of €1.9 million in its most recent financial year ended 31 December 2020.

The transaction gives the Bigben group's AudioVideo/Telco business a new source of growth and will produce numerous synergies:

- Complementary product ranges and distribution networks
- Products sold through channels to which Bigben currently has little exposure: B2B, large DIY stores etc.
- Faster international expansion, particularly in Italy and Spain, through dedicated subsidiaries
- E-commerce sales

Metronic SAS and its two subsidiaries will be consolidated within the Group's financial statements in the second half of 2021/22. The acquisition of Metronic is not material for the Group, and so no detailed proforma financial information will be required.

➔ Cash management agreement between Bigben Interactive SA and Metronic SAS

On 22 October 2021, a cash management agreement was formed between Bigben Interactive SA and Metronic SAS, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7(I-3) of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

➔ Acquisition of 100% of Lunar Great Wall Studios S.r.l. (RaceWard)

In July 2019, Bigben acquired a 43.15% stake in Milan-based studio Lunar Raceward Srl, which specialises in developing motorbike racing games. In October 2020, the Group exercised an option to acquire an additional 10% stake. On 29 October 2021, NACON acquired all remaining shares held by Lunar's minority shareholders, taking its stake to 100%.

In addition to the initial cash payment, two earn-out payments may be made in the three years following the acquisition, based on qualitative criteria and on the revenue generated by a video game project that is not yet being developed by Lunar.

➔ Acquisition of 100% of Ishtar Games SAS

On 25 November 2021, NACON acquired all of the capital and voting rights of development studio Ishtar Games, which is known for making rogue-like action games.

In addition to the initial cash payment, two earn-out payments may be made, based on qualitative criteria and on the revenue generated by two video game projects.

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

Growth drivers in the second half of 2021/22

NACON - Gaming

To optimise its future revenue, NACON decided to delay the release of *Vampire: The Masquerade*®– *Swansong*, *Blood Bowl 3*®, *Train Life* and *Hotel Life* until the 2022/23 financial year. The additional time spent on development will improve their quality and therefore their commercial performance. As a result, NACON is no longer expecting the previously anticipated improvement in business levels in the second half of 2021/22.

Second-half performance will be boosted by the release of *Cricket 2022* – since there are 1.5 billion cricket fans around the world – and *Roguebook* for consoles (*PlayStation*™ and *Xbox*®). NACON will also launch its *Revolution X Pro Controller* for *Xbox*®.

Bigben - Audio/Telco

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

- Additional sales generated by Metronic, which was acquired on 15 October 2021. The addition of Metronic, which generated €24 million of revenue in 2020 and is one of Europe's leading image processing companies, means that Bigben now has an "AudioVideo/Telco" division. The transaction increases the division's connected audio-video offering, opens up new distribution channels (particularly in the DIY, decoration and homewares segments) and will boost export sales through Metronic's dedicated subsidiaries in Italy and Spain.
- The gradual replacement of existing mobile phones with 5G smartphones and the rapid adoption of new USB-C and Power Delivery charging technologies offer growth opportunities in the personal computing market (PCs, tablets etc.).

Full-year guidance

Given the delayed release of the four aforementioned games, which has caused NACON to revise its guidance, Bigben is adjusting its own guidance for 2021/22 and now expects:

- revenue of €270-300 million
- and recurring operating income of around €24 million.

However, the Group expects its performance to rebound more strongly in 2022/23 due to NACON Gaming's very strong new release schedule, comprising more than 15 new games during the financial year. The Bigben AudioVideo/Telco division will also benefit from the strong 5G smartphone market and expected full-year synergies arising from the Metronic acquisition. As a result, Bigben is raising its financial guidance for 2022/23, expecting:

- revenue of €400-450 million
- and recurring operating margin of over 14%.

3 > CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

3.1 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3.1.1 Statement of financial position

<i>in thousands of euros</i>	Notes	30 September 2021	31 March 2021
Goodwill	1	108,674	65,980
Right-of-use assets	2	10,156	9,743
Other intangible assets	2	118,513	103,347
Property, plant and equipment	3	12,759	12,801
Other financial assets		1,718	1,649
Deferred tax assets	4	3,747	3,604
Non-current assets		255,566	197,125
Inventories	5	79,645	65,784
Trade receivables	6	70,208	72,479
Other receivables	7	18,474	15,933
Current tax assets		5,384	6,979
Cash and cash equivalents	8	132,045	177,834
Current assets		305,755	339,009
TOTAL ASSETS		561,322	536,134
Share capital		39,139	39,939
Share premiums		34,467	43,439
Consolidated reserves		169,966	154,698
Net income for the period		6,050	14,700
Exchange differences		412	290
Equity attributable to equity holders of the parent		250,034	253,066
Non-controlling interests		53,571	48,905
Total equity		303,606	301,971
Long-term provisions	9	1,709	1,757
Long-term financial liabilities	10	109,273	123,033
Long-term lease liabilities	10	7,533	7,392
Other non-current liabilities	11	20,185	0
Deferred tax liabilities	12	6,031	4,722
Non-current liabilities		144,731	136,904
Short-term provisions	9	1,064	577
Short-term financial liabilities	10	26,220	22,591
Short-term lease liabilities	10	2,638	2,362
Trade payables		49,161	35,137
Other payables	13	30,503	28,999
Current tax liabilities		3,399	7,592
Current liabilities		112,986	97,258
Total equity and liabilities		561,322	536,134

3.1.2 Statement of profit or loss and other comprehensive income

(in thousands of euros)	Notes	sept.2021	sept.2020
Revenue	14	124,180	135,754
Purchases consumed	15	(72,774)	(78,449)
Gross profit	3.2.2	51,406	57,305
Other operating revenue		588	438
Other purchases and external expenses	16	(13,691)	(11,415)
Taxes other than income tax		(603)	(523)
Personnel costs		(12,206)	(11,963)
Other operating expenses		(931)	(492)
Gains or losses on disposals of non-current assets		(2)	22
EBITDA	3.2.2	24,561	33,372
Depreciation and amortisation of non-current assets		(14,664)	(16,440)
Recurring operating income	3.2.2	9,897	16,932
Bonus share and stock-option plans	17	(5,262)	(2,260)
Other non-recurring operating items		(500)	0
Operating income		4,135	14,672
Financial income		7,836	916
Financial expense		(2,996)	(2,125)
Net financial income/expense	18	4,840	(1,209)
Pre-tax income		8,974	13,463
Income tax		(2,035)	(3,739)
Net income for the period		6,939	9,724
Gains and losses recognised in other comprehensive income		7	0
Exchange differences		89	(724)
Comprehensive income for the period		7,035	9,000
of which attributable to non-controlling interests		911	2,099
of which attributable to equity holders of the parent		6,124	6,901
Net income for the period		6,939	9,724
of which attributable to non-controlling interests		889	2,186
of which attributable to equity holders of the parent		6,050	7,537
Earnings per share			
Basic earnings per share (in euros)	19	0.35	0.49
<i>Weighted average number of shares before capital increase</i>		19,701,094	19,727,752
<i>Net income for the period</i>		6,939,103	9,723,535
Diluted earnings per share (in euros)	19	0.35	0.49
<i>Average number of shares after dilution</i>		19,737,274	19,848,027
<i>Net income for the period</i>		6,939,103	9,723,535

3.1.3 Statement of changes in consolidated equity

in thousands of euros	Notes	Number of shares	Share capital	Share premiums	Consolidated reserves			Equity attributable to non-controlling interests	Total equity
					Reserves	Exchange differences	Equity attributable to equity holders of the parent		
Equity at 31 March 2020		19,718,503	39,437	43,439	154,798	917	238,592	43,772	282,364
Income in the first half of 2020/21					7,537		7,537	2,186	9,723
Gains and losses recognised in other comprehensive income						(636)	(636)	(87)	(724)
Comprehensive income					7,537	(636)	6,901	2,099	9,000
Liquidity agreement - Treasury shares					62		62	(26)	36
Bonus share plan	18	251,155	502		1,333		1,835	425	2,260
Other					201		201	(201)	0
Equity at 30 Sep. 2020		19,969,658	39,939	43,439	163,931	280	247,590	46,069	293,660
Equity at 31 March 2021		19,969,658	39,939	43,439	169,398	290	253,066	48,905	301,971
Income in the first half of 2021/22					6,050		6,050	889	6,939
Gains and losses recognised in other comprehensive income						68	68	21	89
Actuarial gains and losses on provisions for retirement benefits					5		5	2	7
Comprehensive income					6,055	68	6,124	911	7,035
Dividends paid to the parent company's shareholders	19				(5,831)		(5,831)		(5,831)
Capital reduction	2.1.2 +18	(513,870)	(1,028)	(8,972)			(10,000)		(10,000)
Liquidity agreement - Treasury shares *	18				4,746		4,746	(20)	4,727
Bonus share plan	18	113,675	227		3,088		3,316	725	4,041
Non-controlling interests **	2.1.2; 3.2.3.				(1,429)	54	(1,375)	3,038	1,662
Other					(11)		(11)	12	1
Equity at 30 Sep. 2021		19,569,463	39,139	34,467	176,016	412	250,034	53,571	303,606

* Including a €5 million negative impact from purchases of Bigben shares during the period and a €10 million positive impact from the cancellation of Bigben treasury shares during the period.

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

- the NACON capital increase (after an earn-out payment was made in NACON shares)
- and its impact on Bigben's equity attributable to equity holders of the parent and to non-controlling interests (decrease in Bigben Interactive SA's interest in NACON from 76.67% to 75.44%).

3.1.4 Consolidated cash flow statement

<i>in thousands of euros</i>		First half 2021/22	First half 2020/21
Net cash flow from operating activities	Notes		
Net income for the period		6,050	7,537
<i>Elimination of income and expenses that have no cash impact or are unrelated to operating activities</i>			
• Attributable to non-controlling interests		889	2,186
• Additions to depreciation, amortisation and impairment		14,664	16,440
• Change in provisions		427	147
• Net gain or loss on disposals		2	(9)
• Net financial income/expense		1,706	571
• Other non-cash income and expense items		(559)	2,260
• Income tax expense		2,035	3,739
Funds from operations		25,215	32,872
Inventories		(13,751)	(4,801)
Trade receivables		2,405	(18,757)
Trade payables		7,124	20,895
Change in WCR		(4,222)	(2,664)
Cash from operating activities		20,993	30,208
Income tax paid		(832)	(3,943)
NET CASH FLOW FROM OPERATING ACTIVITIES		20,161	26,265
Cash flow from investing activities			
Purchases of intangible assets		(27,590)	(25,574)
Purchases of property, plant and equipment		(764)	(600)
Disposals of property, plant and equipment and intangible assets		10	67
Purchases of non-current financial assets		(114)	(249)
Disposals of non-current financial assets		8	53
Disbursements relating to acquisitions of subsidiaries net of net cash acquired		(17,544)	0
NET CASH FLOW FROM INVESTING ACTIVITIES		(45,993)	(26,304)
Cash flow from financing activities			
Dividends paid to the parent company's shareholders		(5,831)	0
Sales / purchases of own shares		(5,176)	38
Interest paid		(2,189)	(559)
Increase/(Decrease) in lease liabilities		(1,870)	(540)
Cash inflows from borrowings		0	15,000
Repayments of borrowings and debts		(11,085)	(5,264)
NET CASH FLOW FROM FINANCING ACTIVITIES		(26,150)	8,676
Impact of changes in exchange rates		(304)	(324)
Net change in cash and cash equivalents		(52,286)	8,313
Cash and cash equivalents at start of period	9	175,197	113,051
Cash and cash equivalents at end of period	9	122,910	121,364

3.2 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3.2.1 Information about the company

The condensed interim financial statements cover Bigben Interactive SA – domiciled in France – and its subsidiaries (the Bigben Interactive group) for the 6 months ended 30 September 2021. Bigben Interactive SA is listed on compartment B of Eurolist by Euronext Paris (ISIN: FR0000074072; Reuters: BIG.PA; Bloomberg: BIG FP).

The Bigben Interactive group (hereinafter the “Group”) is a pan-European player in publishing video games and designing and distributing mobile accessories, gaming accessories and audio products. The Group is known for being innovative and creative, and aims to be one of Europe’s leading companies in each of its business lines.

3.2.2 Basis of preparation

➔ **Statement of compliance**

The condensed consolidated interim financial statements for the six-month period ended 30 September 2021 were prepared in accordance with **IAS 34 “Interim financial reporting”**, which forms part of IFRSs as endorsed by the European Union.

They do not contain all information required in the full annual financial statements, and must be read in conjunction with the Group’s financial statements for the year ended 31 March 2021 (available on request from the Company’s registered office at 396/466 rue de la Voyette, CRT2, 59273 Fretin or from the Corporate section of the Bigben Interactive website www.bigben.fr).

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

The Group’s condensed consolidated interim financial statements for the six months ended 30 September 2021 and the related notes were finalised by the Board of Directors in its meeting on 29 November 2021.

➔ **Use of estimates**

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

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

In particular, in the six months ended 30 September 2021, Management re-examined its estimates regarding:

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

Application of the development cost amortisation method

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

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

Game development costs are amortised over the games’ expected lifetimes (currently between 1 and 4 years) using the diminishing balance method based on the associated expected sales, whether the game is sold physically or digitally, from its commercial release date. Under IAS 38, game amortisation periods vary according to market trends and sales prospects. To take into account the digitalisation of the video game market, the increasing proportion of sales taking place on platforms and the related extension of games’ lifespans, the development costs of new games released in the market since 1 April 2020 by Bigben Interactive via its NACON SA subsidiary are currently amortised using the diminishing balance method over a period of four years.

➔ **Consolidation principles and policies**

The accounting policies applied by the Group in its interim financial statements are the same as those used in the consolidated financial statements for the year ended 31 March 2021, except for standards that have come into force since 1 April 2021, which are set out below.

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

Standards

Standards and interpretations newly applicable from 1 April 2021

New IFRS texts	EU adoption date (periods starting on or after)
Amendments to IFRS 4 – Extension of the temporary exemption from applying IFRS 9	01/01/21
Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform – Phase 2	01/01/21

The application of those standards did not have any material impact on the Group's financial statements.

New texts adopted early in accounting periods starting on or after 1 April 2021

New IFRS texts	EU adoption date (periods starting on or after)
Amendments to IFRS 3 – Reference to the conceptual framework	01/01/22 *
Amendments to IFRS 13 – Cost of fulfilling a contract (excluding transitional provisions in the absence of EU endorsement)	01/01/22 *
Annual improvements – 2018-2020 (only for amendments relating to IFRS 9 and IFRS 16)	01/01/22 *
Amendments to IFRS 16 – Covid-19-related rent concessions beyond 30 June 2021	

* subject to endorsement by the European Union

The Group has not opted for early adoption of other standards and amendments that may be adopted early or that will be mandatory in 2022/23 or 2023/24.

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

Use of the non-accounting financial indicator EBITDA

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

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

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

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

EBITDA is not an indicator defined by IFRSs and does not have a standard definition. As a result, the method that the Bigben Interactive group uses to calculate EBITDA may not be comparable to that used by other groups to calculate other measures with a similar name.

Use of the financial indicator "gross profit"

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

Please refer also to Note 17 "Purchases consumed".

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

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

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

(in thousands of euros)	First half 2021/22	First half 2020/21
Recurring operating income	9,897	16,932
Amortisation of customer relationships	558	558
Recurring operating income before amortisation of customer relationships	10,455	17,490
<i>Recurring operating income before amortisation of customer relationships as a % of revenue</i>	<i>8.4%</i>	<i>12.9%</i>

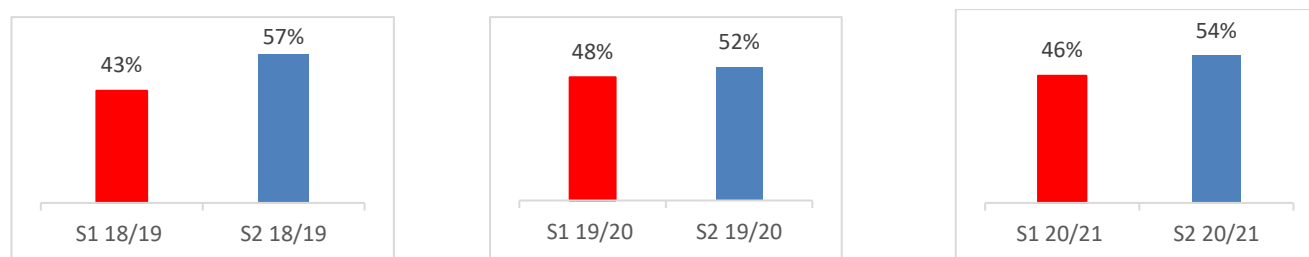
In the first half of 2021/22, amortisation related to customer relationships in the mobile phone accessories business recognised when Modelabs was acquired on 1 September 2011 in a gross amount of €22,300 thousand. Since then, those customer relationships have been amortised on a straight-line basis over a 20-year period.

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

Seasonal variations

The Company’s business is subject to significant seasonal variations, with first-half revenue representing around 46% of prior-year revenue in 2020/21, and 47% on average over the last three financial years.

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



3.2.3 Scope of consolidation

↪ List of consolidated companies

Company	Country	% owned	Method of consolidation
Bigben Audio/Telco entities			
Bigben Interactive SA	France	Parent company	
Bigben Connected SAS	France	100.00%	Full consolidation
Bigben Interactive HK Ltd	Hong Kong	100.00%	Full consolidation
Bigben España SL	Spain	100.00%	Full consolidation
Bigben Connected Polska ZO.O	Poland	100.00%	Full consolidation
NACON Gaming entities			
NACON SA	France	75.44%*	Full consolidation
Bigben Belgium SA	Belgium	75.44%*	Full consolidation
Bigben Nederland BV	Netherlands	75.44%*	Full consolidation
NACON HK Ltd	Hong Kong	75.44%*	Full consolidation
Bigben Interactive GmbH	Germany	75.44%*	Full consolidation
NACON Gaming España SL	Spain	75.44%*	Full consolidation
Bigben Italia Srl	Italy	75.44%*	Full consolidation
Games.fr SAS	France	75.44%*	Full consolidation
Kylotonn SAS	France	75.44%*	Full consolidation
Cyanide SAS	France	75.44%*	Full consolidation
Cyanide Amusement Inc	Canada	75.44%*	Full consolidation
Eko Software SAS	France	75.44%*	Full consolidation
Spiders SAS	France	75.44%*	Full consolidation
Lunar Great Wall Studios Srl	Italy	40.10%*	Full consolidation
NACON Gaming Inc	United States	75.44%*	Full consolidation
NACON Pty Ltd	Australia	75.44%*	Full consolidation
Neopica Srl	Belgium	75.44%*	Full consolidation
Big Ant Studios Holding Pty Ltd	Australia	75.44%*	Full consolidation
Passtech Games SAS	France	75.44%*	Full consolidation
Crea-ture Studios Inc.	France	75.44%*	Full consolidation

* (refer to 2.1.2.)

After NACON SA issued new NACON shares as a result of the following events:

- the vesting of NACON bonus shares on 8 September 2021 and
 - the first earn-out payment made to Big Ant Pty Ltd on 29 September 2021,
- Bigben Interactive SA's stake in NACON SA fell from 76.67% to 75.44%.

↪ Change in scope

Passtech Games SAS entered the NACON group's scope of consolidation, and therefore that of the Bigben group because of its stake in NACON, on 1 February 2021, when it was acquired.

Big Ant Studios Holding Pty Ltd entered the NACON group's scope of consolidation, and therefore that of the Bigben group because of its stake in NACON, on 3 May 2021, when it was acquired.

Crea-ture Studios Inc entered the NACON group's scope of consolidation, and therefore that of the Bigben group because of its stake in NACON, on 30 July 2021, when it was acquired.

3.2.4 Segment reporting

➔ Business segments

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

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

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

The information presented below is that used by the Bigben group's chief operating decision maker for internal reporting purposes, allowing effective analysis of the Group's business and risks. The Bigben group's chief operating decision maker within the meaning of IFRS 8 is a two-person team consisting of the Bigben group's CEO and COO.

Breakdown of revenue by business segment

The Group's reporting is mainly organised by business segment.

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

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

Given the way in which the distribution subsidiaries were carved out in the spin-off from Bigben Interactive to NACON on 31 October 2019, the NACON - Gaming segment still includes a very small amount of non-Gaming revenue and the Bigben - Audio/Telco segment still includes some non-Audio/Mobile revenue.

Breakdown of revenue by business

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

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

in thousands of euros		6-month total		Contribution	
		First half 2021/22	First half 2020/21	First half 2021/22	First half 2020/21
Revenue		124,180	135,754	100%	100%
<i>of which</i>	<i>Gaming</i>	71,128	84,601	57%	62%
	<i>Mobile</i>	40,862	41,128	33%	30%
	<i>Audio</i>	12,190	10,025	10%	7%

➔ Revenue by geographical zone

in thousands of euros		6-month total		Contribution	
		First half 2021/22	First half 2020/21	First half 2021/22	First half 2020/21
Revenue		124,180	135,754	100.0%	100.0%
<i>of which</i>	<i>France</i>	55,944	59,605	45%	44%
	<i>Export</i>	68,236	76,149	55%	56%

Export revenue by geographical zone	68,236	76,150	100%	100%
<i>Europe</i>	35,664	39,639	52%	52%
<i>North America</i>	23,994	28,332	35%	37%
<i>Asia</i>	8,422	7,930	12%	10%
<i>Africa</i>	156	248	0%	0%

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

Revenue and earnings by business segment

(in thousands of euros)	Group total	NACON - Gaming	Bigben - Audio/Telco	Group total	NACON - Gaming	Bigben - Audio/Telco
	First half 2021/22	First half 2021/22	First half 2021/22	First half 2020/21	First half 2020/21	First half 2020/21
Revenue	124,180	73,012	51,168	135,754	86,605	49,149
Purchases consumed	(72,774)	(34,971)	(37,803)	(78,449)	(41,302)	(37,147)
Gross profit	51,406	38,041	13,365	57,305	45,303	12,002
Gross margin (% of revenue)	41.4%	52.1%	26.1%	42.2%	52.3%	24.4%
Other operating revenue	588	515	72	438	257	181
Other purchases and external expenses	(13,691)	(9,664)	(4,027)	(11,415)	(8,332)	(3,082)
Taxes other than income tax	(603)	(325)	(278)	(523)	(125)	(398)
Personnel costs	(12,206)	(6,726)	(5,480)	(11,963)	(6,367)	(5,596)
Other operating expenses	(931)	(435)	(496)	(492)	(333)	(160)
Gains or losses on disposals of non-current assets	(2)	(6)	3	22	19	3
EBITDA	24,561	21,401	3,161	33,372	30,422	2,950
EBITDA margin (% of revenue)	19.8%	29.3%	6.2%	24.6%	35.1%	6.0%
Depreciation and amortisation of non-current assets	(14,664)	(12,952)	(1,712)	(16,440)	(14,693)	(1,747)
Recurring operating income	9,897	8,449	1,448	16,932	15,729	1,203
Recurring operating margin (% of revenue)	8.0%	11.6%	2.8%	12.5%	18.2%	2.4%
Bonus share and stock-option plans	(5,262)	(3,970)	(1,293)	(2,260)	(1,822)	(438)
Other non-recurring operating items	(500)		(500)	0	0	0
Operating income	4,135	4,479	(344)	14,672	13,907	765
Financial income	7,836	1,502	6,334	916	468	448
Financial expense	(2,996)	(1,462)	(1,535)	(2,125)	(1,253)	(872)
Net financial income/expense	4,840	40	4,800	(1,209)	(785)	(424)
Pre-tax income	8,974	4,519	4,455	13,463	13,122	341
Income tax	(2,035)	(741)	(1,294)	(3,739)	(3,570)	(169)
Net income for the period	6,939	3,778	3,161	9,724	9,551	172
Net margin (% of revenue)	5.6%	5.2%	6.2%	7.2%	11.0%	0.4%

Recurring operating income before amortisation of customer relationships

(in thousands of euros)	Group total	NACON - Gaming	Bigben - Audio/Telco	Group total	NACON - Gaming	Bigben - Audio/Telco
Recurring operating income	9,897	8,449	1,448	16,932	15,729	1,203
Amortisation of customer relationships	558	0	558	558	0	558
Recurring operating income before amortisation of customer relationships	10,455	8,449	2,006	17,490	15,729	1,761
Recurring operating income before amortisation of customer relationships as a % of revenue	8.4%	11.6%	3.9%	12.9%	18.2%	3.6%

3.2.5 Additional notes

➔ Additional notes to the balance sheet

Note 1 Goodwill

The review of impairment indicators within each operating segment did not lead the Group to recognise any goodwill impairment in the first half of 2021/22.

in thousands of euros	Total Bigben - Audio/Telco	Total NACON - Gaming	TOTAL
Goodwill at 31 March 2021	34,831	31,149	65,980
Business combination	0	42,694	42,694
Impairment loss	0	0	0
Discontinued operations	0	0	0
Goodwill at 30 September 2021	34,831	73,844	108,674

Description of transactions in the first half of 2021/22

The Group carried out the following transactions in the first half of 2021/22:

- on 1 April 2021, it acquired 100% of the shares and voting rights in Passtech Games,
- on 3 May 2021, it acquired 100% of the shares and voting rights in Big Ant Holding Pty Ltd,
- on 30 July 2021, it acquired 100% of the shares and voting rights in Creature Studios Inc.

Acquisition of 100% of Passtech Games SAS

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

In addition to the initial cash payment, two earn-out payments may be made in the three years following the acquisition, based on qualitative criteria and on the revenue generated by two video game projects. €2.0 million of earn-out payments are included in the purchase price calculation. The estimated fair value of these earn-out payments at the acquisition date is based on the NACON group's best estimates regarding the fulfilment of the conditions for making those earn-out payments, and mainly take into account historical sales figures and the Metacritic score for Passtech's most recent game Curse of the Dead Gods, on the assumption that the next game developed by the company will have the same success.

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

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

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

Acquisition of 100% of Big Ant Holding Pty Ltd

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

The purchase price was €18 million. In addition, eight earn-out payments may be made, depending on the situation, based on Big Ant's net revenue, on revenue generated by its back catalogue and cricket game until 2024, and on qualitative criteria relating to its tennis and rugby games. Each earn-out payment would be made 50% in cash and 50% in NACON shares. €14.0 million of earn-out payments are included in the purchase price calculation. The estimated fair value of these earn-out payments at the acquisition date is based on the NACON group's best estimates regarding the fulfilment of the conditions for making those earn-out payments, and mainly take into account Big Ant's historical sales figures as at the acquisition date.

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

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

	<i>In thousands of euros</i>
Intangible assets	919
Property, plant and equipment	79
Financial assets	48
Trade receivables	423
Cash and cash equivalents	4,571
Debt	-903
Trade payables	-2,206
Total identifiable net assets acquired	2,932
Goodwill	29,387
Fair value of the consideration transferred	32,319

Acquisition of 100% of Crea-ture Studios Inc

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

In addition to the initial cash payment, two earn-out payments may be made in September 2023 and September 2024, based on qualitative criteria and on the revenue generated by the Session video game currently being developed by the studio. A third earn-out payment may also be paid based on qualitative criteria relating to a video game project that is not yet in the development phase. €9.5 million of earn-out payments are included in the purchase price calculation. The estimated fair value of these earn-out payments at the acquisition date is based on the NACON group's best estimates regarding the fulfilment of the conditions for making those earn-out payments.

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

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

	<i>In thousands of euros</i>
Property, plant and equipment	9
Receivables	187
Cash and cash equivalents and miscellaneous	110
Miscellaneous liabilities	-63
Total identifiable net assets acquired	243
Goodwill	10,607
Fair value of the consideration transferred	10,850

Transactions that took place in 2020/21 that may affect the current period

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 Srl.

Neopica Srl

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

€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 mainly take into account Neopica's historical sales figures as at the acquisition date and the Metacritic score for its most recent games Overpass and Hunting Simulator 2, released in February 2020 and June 2020 respectively, on the assumption that the next few games developed by Neopica will have at least the same success.

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

Allocation of the purchase price of Neopica Srl

In accordance with IFRS 3, the Group has a maximum of 12 months from the date of acquisition to finalise the accounting of business combinations. The measurement of the Neopica Srl's 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

This goodwill determination was definitive at 30 September 2021.

Goodwill impairment tests

At 30 September 2021, no evidence of a loss of value was identified and so no impairment test was carried out at that date.

Note 2 Intangible assets

in thousands of euros	30 September 2021	31 March 2021
Gross value	234,400	204,830
Depreciation	(105,731)	(91,361)
Impairment	0	(379)
Net value	128,668	113,090

The main intangible assets are as follows:

- The “Game development costs” item, which represents expenses incurred in developing NACON games on the market or currently being developed and with the prospect of being launched in the market. The video game tax credits (CIJV) received by the Group’s development studios are recognised as a deduction from development costs. At 30 September 2021, game development costs had a gross value of €180,544 thousand and amortisation totalled €85,329 thousand, giving a net value of €95,215 thousand (as opposed to €80,096 thousand at 31 March 2021). The increase in development costs is due to growth in the Publishing business.
- The “customer relationships” item, which corresponds to customer relationships in the mobile phone accessories business recognised when ModeLabs was acquired on 1 September 2011 in a gross amount of €22,300 thousand. Those customer relationships are amortised on a straight-line basis over a 20-year period. Their net carrying amount was €11,057 thousand at 30 September 2021.
- At 30 September 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 and the acquisition of RIG™ assets from Poly in the year ended 31 March 2020. At 30 September 2021, the net carrying amount of trademarks was €10,484 thousand.
- The “right-of-use assets” item, which relates to leases, arising from the application of IFRS 16 from the 2019/20 financial year onwards, with a net carrying amount of €10,156 thousand at 30 September 2021.

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

Note 3 Property, plant and equipment

in thousands of euros	30 September 2021	31 March 2021
Gross value	34,002	32,799
Depreciation	(21,243)	(19,999)
Impairment		0
Net value	12,759	12,801

- The Group’s real estate assets, corresponding to the buildings housing its registered office (Lesquin) and its logistics site (Lauwin-Planque), are funded through finance leases. Since the Group took control of these assets from the outset and is certain to exercise its options at the end of the lease periods, the finance leases are not restated according to IFRS 16 but presented directly under property, plant and equipment.
- The cost price of the land and buildings was €14,413 thousand and depreciation has totalled €6,973 thousand, giving a net carrying amount of €7,440 thousand at 30 September 2021. For the logistics system, computerised lift trucks and shelving, the cost price was €3,223 thousand and depreciation has totalled €3,125 thousand, giving a net carrying amount of €97 thousand at 30 September 2021.
- Other property, plant and equipment mainly consists of IT hardware and logistics equipment, along with moveable fittings.

Note 4 Deferred tax assets

in thousands of euros	30 September 2021	31 March 2021
Deferred tax assets relating to tax loss carryforwards	1,054	846
Deferred tax liabilities relating to timing differences	(3,338)	2,759
NET DEFERRED TAX	(2,284)	3,604

in thousands of euros	1 April 2021	Recognised	Used	30 September 2021
Bigben Interactive SA	0	343		343
Cyanide SAS	629		(123)	507
Lunar Great Wall Studios Srl	156		(12)	144
Passtech SAS	0	22	(22)	0
Neopica Srl	60			60
TOTAL DEFERRED TAX ASSETS RELATING TO TAX LOSS CARRYFORWARDS	846	365	(157)	1,054

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

Note 5 Inventories

in thousands of euros	30 September 2021	31 March 2021
Gross value	101,325	88,704
of which physical inventories	89,791	84,986
of which goods in transit	11,534	3,717
Impairment loss	(21,680)	(22,920)
Net value	79,645	65,784

The Group's revenue is generally subject to large seasonal variations, with business levels in the second half higher than in the first half, due in particular to higher sales of physical products (excluding Publishing) in November and December. As a result, inventories at the end of the first half are traditionally higher than at 31 March. That was the case at 30 September 2021. At 30 September 2020, the gross carrying amount of inventories was €91,522 thousand and its net carrying amount was €70,742 thousand.

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

Note 6 Trade receivables

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

in thousands of euros	30 September 2021	31 March 2021
Trade receivables and notes	71,420	73,684
Impairment losses	(1,212)	(1,205)
TOTAL TRADE RECEIVABLES	70,208	72,479

The Bigben group uses factoring for certain clients. The factoring agreement does not result in receivables being deconsolidated, and trade receivables factored but not settled by clients at 30 September 2021 were included in the "Trade receivables and notes" item. They amounted to €14.0 million (versus €10.8 million at 31 March 2021). Receivables are kept on the balance sheet in accordance with IFRS 9, because risks such as those relating to failure to pay and interest rates are not transferred to the factor.

Breakdown of receivables due / not due

in thousands of euros	30 September 2021		31 March 2021	
Trade receivables not due	63,104	88%	59,564	81%
Trade receivables due	8,316	12%	14,120	19%
in less than 30 days	4,948	59%	9,585	68%
in 30-60 days	440	5%	505	4%
in 60-90 days	(10)	0%	909	6%
in 90-120 days	183	2%	523	4%
in more than 120 days	1,628	20%	1,519	11%
doubtful receivables	1,126	14%	1,080	8%
Trade receivables and notes	71,420		73,684	

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

The Group's customers are mainly international platforms, large distribution groups and major telecoms operators, which settle invoices rapidly. As a result, the Group analysed its customer portfolio by type, and saw that the risk of future losses was very limited.

Note 7 Other receivables

in thousands of euros	30 September 2021	31 March 2021
Central and local government (excluding income tax)	5,702	5,737
Personnel	219	304
Rebates receivable from suppliers	3,946	3,333
Prepaid expenses	3,104	2,279
Advances and downpayments on orders	4,725	3,895
Miscellaneous receivables	778	385
TOTAL	18,474	15,933

Note 8 Cash and cash equivalents

in thousands of euros	30 September 2021	31 March 2021
Bank facilities	(9,134)	(2,637)
Marketable securities	600	600
Cash and cash equivalents	131,445	177,234
Net cash and cash equivalents	122,910	175,197

Cash and cash equivalents at 30 September 2021 consisted mainly of:

- €63 million at NACON SA,
- €69 million at Bigben Interactive SA, comprising the proceeds from the February 2021 issue of Bigben bonds exchangeable into the shares of its NACON SA subsidiary.
 - €20 million is held in an 18-month fixed-term account with a rising interest rate. The account's fixed term is due to end on 19 August 2022.
 - If some or all of the money is withdrawn before the end of the fixed term, the interest rate is reduced to that of the prior period.

Note 9 Provisions

in thousands of euros	01/04/2021	Change in scope	Additions	Reversals		Exchange differences	Other	30/09/2021
				used	unused			
Non-current	1,757		76		(124)			1,709
Provisions for contingencies	345							345
Provisions for pension liabilities	1,412		76		(124)			1,364
Current	577		500	(13)				1,064
Provisions for contingencies	577		500	(13)				1,064
TOTAL	2,334		576	(13)	(124)			2,773

At 30 September 2021, the Group's provisions for contingencies in respect of all disputes in which it is involved amounted to €1,409 thousand. The Group considers that disclosing the amount of any provisions set aside in respect of each dispute in progress would cause harm to the Group.

Industrial property dispute

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

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

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

No additional provisions were set aside in the Group's financial statements on 30 September 2021. This position is similar to the one adopted at 31 March 2021.

Bigben Connected tax inspection

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

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

On 8 January 2018, Bigben Connected accepted part of the reassessments and made a payment of €610.9 thousand, but on 30 January 2018 began proceedings against the DVNI (France's national and international tax audit department), disputing all other claims made against it regarding VAT. The matter has been brought before the Lille administrative court after the DVNI rejected the dispute proceedings on 31 July 2018. In 2020/21, the company sent its submissions to the authorities to defend its position. Since the Lille Administrative Court recently rejected its arguments, the company will have to pay €5.2 million to the tax authorities at the end of 2021 and will subsequently dispute the ruling through legal proceedings that will enable it to assert its rights. In the second half of 2021/22, as a balancing entry to this €5.2 million cash outflow, the company will recognise a tax receivable in the same amount on the asset side of its balance sheet. A provision was set aside at 30 September 2021 in accordance with applicable accounting rules.

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

Bigben Interactive tax inspection

It should be noted that Bigben Interactive SA was subject to an inspection by the tax authorities regarding its financial years from 1 April 2013 to 31 March 2018, including the Bigben Interactive SA gaming business that was transferred to NACON SA on 1 October 2019. A reassessment proposal was received on 2 March 2020. In October 2020, Bigben Interactive SA replied to the tax authorities within the timeframe allowed within the context of the Covid-19 crisis, disputing most of the proposed reassessments. An out-of-court settlement was reached in April 2021 between Bigben Interactive SA and the tax authorities, and no additional corporate income tax is due.

Other proceedings

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

- There is a dispute between a Canadian publisher and one of NACON SA's studios regarding a purported breach of a video game development contract. The case was brought before the Superior Court of Quebec in December 2017. NACON SA, in its defence filed in April 2018, argued that the publisher's claim was manifestly ill-founded and asked the Court to find that the publisher's claim is improper and require it to pay damages in the form of its lawyers' fees and other costs.
- There is a dispute between one of NACON SA's studios and a licensor, relating to the licensor's unjustified opposition to the release of a video game. NACON SA is considering commencing legal action in the near future to obtain a ruling that the licensor's opposition is wrongful and groundless, along with damages to compensate for the harm suffered by NACON SA and its studio.
- Finally, there is a dispute between NACON SA as publisher and a foreign development studio, regarding purported breaches of contract and in particular intellectual property claims that NACON SA regards as questionable.

In the Group's view, the claims are groundless and the dispute is not of a serious nature. At this stage in the proceedings, the probability and potential amount of any outflow of resources cannot be estimated. As a result, no provisions had been set aside in relation to these proceedings at 30 September 2021.

Note 10 Financial liabilities by category♦ **Long-term and short-term financial liabilities**

in thousands of euros	TOTAL	Maturity date within 1 year	Maturity date from 1 to 5 years	Maturity date over 5 years
Total financial liabilities at 30 Sep. 2021	135,493	26,220	109,273	0
Bank borrowings that were long-term at inception	44,904	16,524	28,380	0
Bonds exchangeable into shares	78,228		78,228	
Derivative component of the bond issue	1,669		1,669	
Finance lease liabilities	2,002	1,006	996	
Bank facilities	8,643	8,643		
Accrued interest not matured	46	46		
Total financial liabilities at 31 March 2021	145,625	22,591	122,783	250
Bank borrowings that were long-term at inception	55,438	18,888	36,300	250
Bonds exchangeable into shares	77,019		77,019	
Derivative component of the bond issue	7,979		7,979	
Finance lease liabilities	2,513	1,027	1,486	
Bank facilities	2,637	2,637		
Accrued interest not matured	39	39		

▶ **Bank borrowings****NACON**

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

Between 1 April 2019 and 31 March 2020, NACON took out new medium-term bank borrowings totalling €35.0 million to fund developments in its Gaming business, the acquisition of development studio Spiders SAS, the purchase of an equity stake in RaceWard and the acquisition of assets from Plantronics Inc. ("Poly") along with the RIG™ trademark.

For some of those loans, which were transferred in full to NACON at the time of the spin-off, NACON has undertaken to comply with annual financial covenants. For one of those loans, it is the Bigben group that has undertaken to comply with an annual financial covenant relating to the leverage ratio.

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

At 30 September 2021, there was no evidence that the financial ratios concerned would not be met at 31 March 2022.

Bigben - Audio/Telco**French state-guaranteed loans (PGEs)**

After the issue of exchangeable bonds, through which Bigben Interactive SA raised €87.3 million, €12.5 million of PGEs – out of the €15 million taken out in May and June 2020 to finance the working capital requirement of the Audio/Telco segment affected by the Covid-19 crisis – were repaid early in March 2021. The remaining €2.5 million owed at 31 March 2021 was repaid in June 2021.

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

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

The Bonds pay a coupon of 1.125% per year and will be redeemed at 103% of par, giving a yield to maturity of 1.7024%.

Change in the fair value of the bonds’ derivative component

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

At 30 September 2021, that fair value was €1,669 thousand (versus €7,979 thousand at 31 March 2021), resulting in financial income of €6.3 million (see Note 19 “Net financial income/expense”). The difference is the result of a sharp fall in the NACON share price – to which the derivative component of the bonds is very sensitive – in the first half of 2021/22.

▶ **Finance lease liabilities**

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

◆ ***Lease liabilities***

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

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

<i>in thousands of euros</i>	01/04/2021	Change	30/09/2021
Lease liabilities	9,754	417	10,172
<i>of which current</i>	2,362	276	2,638
<i>of which non-current</i>	7,392	141	7,533

Note 11 Other non-current liabilities

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

Note 12 Deferred tax liabilities

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

At 30 September 2021, they mainly related to:

- The tax treatment of Bigben Interactive SA’s bond issue: the €6.3 million change in the bonds’ derivative component produced a €1.5 million increase in deferred tax (see Note 19 for the impact on net financial income/expense).
- The deferred tax recognised on “Mobile Accessories” customer relationships in relation to the Modelabs acquisition.

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

Note 13 Other payables

in thousands of euros	30 September 2021	31 March 2021
Central and local government (excluding income tax)	5,407	4,921
Employees and social security agencies	6,704	7,283
Client discounts and trade payables	11,524	10,774
Exchange-rate derivative instruments ⁽¹⁾	13	312
Liabilities relating to non-current assets	5,273	3,280
Prepaid income	746	1,430
Miscellaneous creditors	836	1,000
TOTAL OTHER CREDITORS (CURRENT)	30,503	28,999
Miscellaneous creditors ⁽²⁾	20,185	0
TOTAL OTHER CREDITORS (NON-CURRENT)	20,185	0
TOTAL OTHER CREDITORS	50,688	28,999

(1) Fair value of derivative financial instruments: see Note 21.

(2) Including liabilities related to earn-out payments by NACON.

➔ Additional notes to the income statement

Note 14 Revenue

In the first half of 2021/22, consolidated revenue from continuing operations amounted to €124.2 million, down 8.5% compared with reported revenue for the first half of 2020/21.

in thousands of euros		6-month total		Contribution	
		First half 2021/22	First half 2020/21	First half 2021/22	First half 2020/21
Revenue		124,180	135,754	100%	100%
<i>of which</i>	<i>Gaming</i>	71,128	84,601	57%	62%
	<i>Mobile</i>	40,862	41,128	33%	30%
	<i>Audio</i>	12,190	10,025	10%	7%

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

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

Note 15 Purchases consumed

in thousands of euros	First half 2021/22	First half 2020/21
Merchandise	(86,526)	(83,250)
Change in merchandise inventories	12,512	4,615
Change in impairment	1,239	186
TOTAL	(72,774)	(78,449)

Purchases consumed comprise:

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

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

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

Note 16 External expenses

in thousands of euros	First half 2021/22	First half 2020/21
Purchases not held in inventory	(548)	(339)
Subcontracting	(484)	(333)
Rent	(436)	(212)
Maintenance and repairs	(711)	(602)
Insurance premiums	(246)	(264)
Other external services	(50)	(35)
Fees	(2,919)	(2,490)
R&D expenses	(254)	(292)
Advertising	(3,778)	(3,022)
Transportation of goods sold	(2,311)	(2,295)
Travel costs	(363)	(207)
Communication costs	(490)	(506)
Bank fees and services	(177)	(121)
Other external expenses	(436)	(459)
External personnel	(489)	(238)
TOTAL	(13,691)	(11,415)

The increase in expenses in the first half of 2021/22 was mainly due to the low base for comparison (a fall in expenses during lockdowns resulting from the Covid-19 crisis in the first half of 2020/21).

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

The Boards of Bigben Interactive SA and NACON SA used the authorisations given to them by shareholders in their respective Shareholders' General Meetings to award bonus shares to employees and corporate officers of their groups' entities. Eight bonus share plans were set up during the period, relating to a maximum of 949,402 NACON SA shares and 36,180 Bigben shares. These plans involve vesting periods of between one and three years. The income statement impact relating to the fair value of these plans was €0.4 million in the first half of 2021/22, with the remainder of the expense recognised concerning plans set up in previous years.

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

Note 18 Net financial income/expense

in thousands of euros	First half 2021/22	First half 2020/21
Interest and similar income	117	103
Income from the change in the fair value of the bond issue's derivative component	6,310	0
FINANCIAL INCOME	6,427	103
Interest expense on medium-term funding	(1,716)	(585)
Other interest expense	(1)	(13)
FINANCIAL EXPENSE	(1,717)	(598)
NET FINANCIAL INCOME/EXPENSE EXCLUDING FOREIGN EXCHANGE GAINS/LOSSES	4,711	(495)
Foreign exchange gains	1,409	813
Foreign exchange losses	(1,280)	(1,527)
<i>of which value of financial instruments</i>	<i>(13)</i>	<i>(924)</i>
Foreign exchange gains and losses	129	(714)
NET FINANCIAL INCOME/EXPENSE	4,840	(1,209)

The net financial income mainly arose from the IFRS treatment of Bigben Interactive SA's bond issue: the derivative component of the bond issue underwent its half-yearly fair value remeasurement, which reflected the fall in the underlying NACON share price. This result in a positive change of €6.3 million (see also Note 12 "Deferred tax liabilities" and Note 10 "Financial liabilities by category").

The increase in "interest expense on medium-term funding" was mainly due to new interest expense in the first-half period arising from the bonds issued in February 2021 (payment of the first half-yearly coupon in August 2021 in an amount of €0.5 million).

The mark-to-market value of derivative financial instruments was €13 thousand at 30 September 2021, as opposed to €924 thousand at 30 September 2020 (see Note 21).

Note 19 Earnings per share

in euros	First half 2021/22	First half 2020/21
Net income	6,939,103	9,723,535
Weighted average number of shares before capital increase	19,701,094	19,727,752
Dilutive effect of future awards under bonus share plans*	36,180	120,275
Average number of shares after dilution	19,737,274	19,848,027
Par value of shares (in euros)	2.00	2.00
Basic earnings per share	0.35	0.49
Diluted earnings per share	0.35	0.49

Weighted average number of shares used to calculate earnings per share

in euros	First half 2021/22	First half 2020/21
Ordinary shares in issue at 1 April	19,969,658	19,718,503
Number of shares issued, adjusted on a prorata temporis basis	9,473	20,930
Number of shares cancelled, adjusted on a prorata temporis basis	(258,339)	0
Treasury shares	(19,698)	(11,681)
Number of shares at period-end	19,701,094	19,727,752

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

Bonus shares

As regards the first half of 2021/22:

- The performance conditions of the bonus shares initially awarded in 2020 were fully or partly met by all Group Audio/Telco entities at 31 March 2021. 113,675 bonus shares were awarded definitively to 189 employees on 8 September 2021 subject to a condition that they remain employed by the NACON group.
- On 8 September 2021, Bigben Interactive SA's Board of Directors also awarded 36,180 bonus shares, mainly to employees and corporate officers of the Group's Audio/Telco entities, i.e. 207 beneficiaries. The vesting of those shares after a 1-year period is again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income.

The shares issued in the first half of 2020/21 resulted from the following event:

- On 4 September 2020, 251,155 bonus shares under the 2019 bonus share plan vested in the employees and corporate officers of Bigben group entities (including 218,355 shares in the employees and corporate officers of recently acquired NACON group entities). Since all Group entities met their performance conditions in part or in full, 251,155 new shares were issued through the capitalisation of reserves on 7 September 2020.

NACON group

Entitlements to NACON bonus shares were also awarded or vested:

- The performance conditions of the NACON bonus shares initially awarded in 2020 were fully or partly met by all NACON group entities at 31 March 2021. 1,045,283 bonus shares were awarded definitively to 455 employees on 8 September 2021 subject to a condition that they remain employed by the NACON group.
- On 8 September 2021, NACON SA's Board of Directors also awarded 949,402 bonus shares, mainly to employees and corporate officers of NACON group entities, i.e. 693 beneficiaries. The vesting of those shares after a 1- or 3-year period is again subject to an ongoing presence condition and a performance condition related to achieving a predetermined level of recurring operating income.

In relation to the first Big Ant Studios Pty Ltd earn-out payment, NACON also carried out a capital increase in an amount of 337,208 shares on 29 September 2021 (see section 2.1.2).

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

Share buy-back programme:

(see also section 2.1.2).

First mandate to buy shares granted to CIC Market Solutions

Between 2 March 2021 and 17 June 2021, CIC Market Solutions purchased 513,870 Bigben shares on behalf of Bigben Interactive SA for a total amount of €10 million (including 250,319 shares for a total amount of €4,983,954 in the 2020/21 financial year).

Bigben Interactive's Board of Directors, in its meeting of 1 July 2021, on the authorisation granted by shareholders in the 25th resolution of the combined shareholders' general meeting of 30 July 2020, decided to reduce the Company's share capital by cancelling these 513,870 shares held in treasury, which at that date represented around 2.57% of Bigben Interactive's share capital.

Second mandate to buy shares granted to CIC Market Solutions

Between 9 September 2021 and 30 September 2021, CIC Market Solutions purchased 5,473 Bigben shares on behalf of Bigben Interactive SA for a total amount of €83,425.

After transactions in the market, available cash under the liquidity agreement amounted to €12,417 thousand at 30 September 2021.

3.2.6 Other information

Note 20 Dividends and special distributions

Shareholders in the General Meeting of 30 July 2021 approved the payment of a dividend of €0.30 per share with respect to 2020/21. The shares went ex-dividend on 2 August 2021 and the dividend was paid on 4 August 2021. The total amount of that dividend was €5.8 million.

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

Planned special distribution of NACON shares

Bigben Interactive's Board of Directors considering the possibility of making a special distribution of NACON shares, which could take place in the first three months of 2022. A Shareholders' General Meeting will be convened in the next few weeks, partly in order to approve this special distribution of one (1) NACON share for every five (5) Bigben Interactive shares held. In this way, 4.54% of NACON's share capital could be distributed to Bigben Interactive shareholders.

Bigben Interactive will publish a press release setting out the final arrangements of this special distribution when convening the Shareholders' General Meeting that may be asked to approve the transaction.

Note 21 Financial instruments

➔ Currency hedging

At 30 September 2021, the group was a party to "FX accumulator" options. TARNs/accumulators/options are complex structured derivatives through which the Group undertakes to buy or sell USD or other foreign currencies according to a schedule and at rates defined when the contract is signed. The use of TARNs/accumulators/options is based on a strategy that aims to accumulate foreign currency at an exchange rate that is better than currently available spot and forward rates in return for uncertainty about the total amount of foreign currency that may be accumulated, although there is a predetermined maximum amount. In the event of a large change in the exchange rate between the euro and the foreign currency in question (upward or downward respectively depending on whether the Company is buying or selling the foreign currency), long or short exposure may increase and cause foreign exchange losses to be recognised on these instruments.

The table below sets out positions at 30 September 2021:

Type of contract	Currency	Position	Status	Subscription date	Maturity date	Nominal amount in foreign currency (thousands)	Strike	At 30 September 2021, in thousands				
								Amount of foreign currency purchased	Amount of foreign currency sold	Amount of foreign currency purchased net of foreign currency sold	Maximum amount of foreign currency still to be purchased	Mark-to-market value in euros
FX accumulator option	GBP	Sale	Active	Jan 21	Jan 22	4,240	0.865	2,520	2,520	0	1,360	12.9
												13

▶ Valuation:

The mark-to-market value of these financial instruments was positive at €13 thousand at 30 September 2021, as opposed to €924 thousand at 30 September 2020 and €312 thousand at 31 March 2021.

▶ **Sensitivity:**

Foreign exchange gains and losses were simulated taking into account various EUR/GBP exchange rate assumptions. The maximum commitments related to this instrument cover 65% of GBP-denominated purchases in the second half of 2021/22, removing any risk of overexposure.

↻ **Interest rate hedging**

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

↻ **Derivative component of the bond issue**

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

Note 22 Contractual repayment schedule

↻ **Liabilities excluding provisions and equity**

The following table sets out, for financial liabilities recognised at 30 September 2021 (excluding current bank facilities, factoring and current interest not yet due), the contractual schedule for the repayment of principal and interest, excluding any discounting to present value.

It has been assumed that the bonds will be redeemed at maturity (“4-5 years” category).

in thousands of euros	YEARS						TOTAL
	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5 years or more	
Borrowings and debts	16,524	14,425	9,054	4,119	79,010	0	123,132
Finance leases	1,006	996					2,002
Lease liabilities	2,638	2,448	1,308	1,012	878	1,887	10,172
Total financial liabilities	20,168	17,869	10,362	5,131	79,889	1,887	135,306

Note 23 Breakdown of debt by maturity and type

At 30 September 2021:

in thousands of euros	YEARS						TOTAL
	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5 years or more	
Fixed rate	17,530	15,421	9,054	4,119	79,010	0	125,134
% / total 1	14%	12%	7%	3%	63%	0%	100%
Floating rate							0
% / total 2	0%	0%	0%	0%	0%	0%	0%
TOTAL	17,530	15,421	9,054	4,119	79,010	0	125,134

Note 24 Currency risk on supplies

in thousands of euros	First half 2021/22	First half 2020/21
Purchases made by subsidiaries from Bigben and NACON Hong Kong		
Audio/Telco	(12,543)	(14,910)
Gaming	(18,800)	(11,663)
TOTAL	(31,343)	(26,573)
Sensitivity to the USD exchange rate		
+10% = benefit	2,849	2,416
-10% = additional cost	(3,483)	(2,953)

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

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

Commitments given	By	To	30 September 2021	31 March 2021	Purpose of the commitment
Bank guarantee	Bigben Interactive SA	HSBC Hong Kong	9,496	9,379	USD 11,000 thousand bank guarantee - combined facility for Bigben Interactive HK and NACON HK
Stand-alone guarantee (1)	Bigben Interactive SA	Huawei Technologies France SASU	1,300	1,300	Bigben Connected counter-guarantee
Guarantee (2)	Bigben Interactive SA	Bigben Connected	3,397	3,397	Bigben Connected counter-guarantee
Joint and several guarantee (3)	Bigben Interactive SA	Various financial institutions	7,774	9,879	Joint and several guarantee for borrowings transferred through the spin-off
Joint and several guarantee (4)	Bigben Interactive SA	CIC	1,950	2,250	Joint and several guarantee provided to CIC for NACON SA's loan (underlying loan from the EIB)
Joint and several guarantee (4)	Bigben Interactive SA	CIC	1,950	2,250	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)	3,358	3,853	Joint and several guarantee provided to LBP for NACON SA's loan
Pledge (6)	Bigben Interactive SA	BNP Paribas Securities Services	18,187,500 NACON shares	none	Pledge of the securities account in which NACON SA shares are held for the benefit of bondholders

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

See also section 2.1.2.

BY THE GROUP'S NACON SA SUBSIDIARY

Commitments given	By	To	30 September 2021	31 March 2021	Purpose of the commitment
Bank guarantee	Cyanide SAS	BRED	130	180	Pledge of Cyanide SAS business assets
Bank guarantee	Cyanide SAS	HSBC	147	198	Pledge of Cyanide SAS business assets
Bank guarantee	NACON SA	CIC	1,750	2,250	Pledge of Cyanide SAS shares
Bank guarantee	NACON SA	Banque Postale	1,862	2,364	Pledge of Cyanide SAS shares
Bank guarantee	NACON SA	CIC	815	1,015	Pledge of Kylotonn SAS shares
Bank guarantee	Kylotonn SAS	HSBC	314	358	Pledge of Kylotonn SAS business assets
Bank guarantee	NACON SA	CIC	2,400	2,800	Pledge of Spiders SAS shares
Bank guarantee	NACON SA	BPI	773	773	Amounts withheld as security in relation to several loans taken out between 2017 and 2019

► **Other commitments given**

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

Note 26 Related-party disclosures

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

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

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

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

See also Note 27 and section 2.2.3.

Note 27 Post-balance sheet events

➡ **Acquisition of 100% of Metronic**

On 15 October 2021, Bigben Interactive SA acquired all of the capital and voting rights of Metronic SAS from the HF Company group for €12 million in cash. Two capped earn-out payments may be made in cash in 2023 and 2024, subject to an overall limit of €4.0 million.

Metronic was founded in 1987 and is a well-known player in its sector. It designs and distributes innovative products for broadcasting and receiving images in the home (TV and audio accessories, amplifiers, decoders, connectors, headsets, speakers, etc.) as well as telephone accessories and audio products. Metronic brand products are distributed through a variety of channels, notably through the largest national retailers in each country.

Metronic has offices in France (Tours), Spain and Italy, and employs approximately 90 people. Including its subsidiaries, Metronic generated revenue of €24 million and EBITDA of €1.9 million in the financial year ended 31 December 2020.

The transaction gives the Bigben group's AudioVideo/Telco business a new source of growth and will produce numerous synergies:

- Complementary product ranges and distribution networks
- Products sold through channels to which Bigben currently has little exposure: B2B, large DIY stores etc.
- Faster international expansion, particularly in Italy and Spain, through dedicated subsidiaries
- E-commerce sales

Metronic SAS and its two subsidiaries will be consolidated within the Group's financial statements in the second half of 2021/22. The acquisition of Metronic is not material for the Group, and so no detailed proforma financial information will be required.

➔ Cash management agreement between Bigben Interactive SA and Metronic SAS

On 22 October 2021, a cash management agreement was also formed between Bigben Interactive SA and Metronic SAS, enabling them to carry out cash transactions between each other as permitted under the provisions of Article L.511-7(I-3) of the French Monetary and Financial Code. Each company may grant the other advances at market interest rates.

See also Note 26 and section 2.2.3.

➔ Acquisition of 100% of Lunar Great Wall Studios S.r.l. (RaceWard)

In July 2019, Bigben acquired a 43.15% stake in Milan-based studio Lunar Raceward Srl, which specialises in developing motorbike racing games. In October 2020, the Group exercised an option to acquire an additional 10% stake. On 29 October 2021, NACON acquired all remaining shares in the company, taking its stake to 100%.

In addition to the initial cash payment, two earn-out payments may be made in the three years following the acquisition, based on qualitative criteria and on the revenue generated by a video game project that is not yet being developed by Lunar.

➔ Acquisition of 100% of Ishtar Games SAS

On 25 November 2021, NACON acquired all of the capital and voting rights of development studio Ishtar Games, which is known for making rogue-like action games.

In addition to the initial cash payment, two earn-out payments may be made, based on qualitative criteria and on the revenue generated by two video game projects.

4 > STATUTORY AUDITORS' REPORT

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

- carried out a limited review of Bigben Interactive SA's condensed consolidated interim financial statements for the period from 1 April 2021 to 30 September 2021 as enclosed with this report;
- examined information provided in the interim business report.

The global crisis arising from the Covid-19 pandemic has created unusual conditions for the preparation and limited review of the interim condensed consolidated financial statements. The crisis and the exceptional measures to address the public health emergency have had numerous consequences for companies, particularly in terms of their business activities and financing, and have given rise to greater uncertainty about their future prospects. Some of the measures, such as travel restrictions and remote working arrangements, have also affected the internal organisation of companies and on the way in which our work was carried out.

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

I - Conclusion on the financial statements

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

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

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

II – Specific verification

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

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

Paris la Défense, 1 December 2021

Roubaix, 1 December 2021

KPMG Audit IS

Fiduciaire Métropole Audit

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