UBISOFT REPORTS FIRST-HALF 2021-22 EARNINGS FIGURES

Sales outperformance driven by strength and depth of back-catalog

FIRST-HALF 2021-22: Net bookings well above target

	In €m	Reported change vs. H1 2020-2021	Reported change vs. H1 2019-2020	In % of total net bookings	
				H1 2021-22	H1 2020-21
IFRS 15 sales	**751.3**	-0.7%	7.7%	NA	NA
Net bookings	**718.2**	-4.8%	8.6%	NA	NA
Digital net bookings	557.4	-15.0%	3.8%	77.6%	86.8%
PRI net bookings	348.6	-6.2%	12.5%	48.5%	49.2%
Back-catalog net bookings	596.2	-15.5%	18.1%	83.0%	93.5%
IFRS operating income	**25.9**	NA	NA	NA	NA
Non-IFRS operating income	**44.1**	-61.4%	539.8%	6.1%	15.1%

- **H1 unique active players and Monthly Active Users** up respectively 15% and 9% vs. FY20
- **Second fiscal quarter:** Net bookings of €392.1 million, well above target of approximately €340.0 million
- **PRI ex-mobile and Back-Catalog** up respectively 16% and 23% vs. Q2 FY20

ASSASSIN'S CREED® VALHALLA: Already the 2nd largest profit generating game in Ubisoft's history, in less than 12 months

FAR CRY® 6: Early sales in line with Assassin's Creed Odyssey, playtime per player up 25% vs. Far Cry 5

2021-22 TARGETS: Net bookings now expected flat to slightly down. Non-IFRS operating income confirmed at between €420 million & €500 million

Paris, October 28, 2021 – Today, Ubisoft released its earnings figures for the first half of fiscal 2021-22, i.e. the six months ended September 30, 2021.

Yves Guillemot, Co-Founder and Chief Executive Officer, said *"The industry is thriving and quickly evolving, offering us new challenges and opportunities. Players have a deeper impact on the worlds they are engaging with, and technological breakthroughs are opening up promising new avenues. Against this favorable backdrop, we continue to invest to bring our biggest franchises and new brands to a significantly wider audience. Our roadmap is impressive, with our talented teams developing an ambitious, diverse and exciting slate of games for the coming years. With our rich IP portfolio, cutting-edge technologies, thriving recurring revenues and strong balance sheet, we will deliver meaningful value for players, our teams and our shareholders."*

Frédérick Duguet, Chief Financial Officer, said *"We delivered a solid performance in Q2, with revenue well above target. It was driven by the depth and the strength of our portfolio of owned IPs, including the remarkable ongoing success of Assassin's Creed Valhalla. We relied on continued stronger structural trends from our back-catalog, up 23% vs. FY20 while PRI excluding mobile was solidly up 16%. As a consequence, our H1 earnings rose sharply versus two years ago. Looking at the second half, players are having a great time in Far Cry 6, considered by many as one of the best in the series, and we are delivering a strong line up of premium games and dynamic post launch contents."*

Strength and Depth of Ubisoft's Assets

Assassin's Creed strong ongoing momentum
Ubisoft is fully benefiting from its Montreal and Quebec City teams' exceptional execution on the past three Assassin's Creed titles, aided by the essential contributions from our teams at associate studios. Assassin's Creed Valhalla has been outperforming Assassin's Creed Odyssey across the board since its release, notably with higher DARPU levels. This quarter, the Siege of Paris expansion, whose creation was led by the amazing team at Ubisoft Singapore, delivered record engagement. We plan to deliver great new content for year 2 of Assassin's Creed Valhalla, notably in the second half of the current fiscal year. With an enhanced gameplay experience, we released last week Discovery Tour: Viking Age, which the BBC praised as "*an interactive and historically accurate way to explore history*". In less than 12 months, Assassin's Creed Valhalla is already the second largest profit generating game in Ubisoft's history, reflecting the remarkable strength and value of the franchise.

Depth of back-catalog and special mention to The Crew® 2
Beyond Assassin's Creed, the quarter's outperformance reflects Ubisoft's portfolio's global strength. Engagement trends were solid among many brands with the strongest contributors to back-catalog being Assassin's Creed Valhalla, For Honor®, The Crew 2, Tom Clancy's Rainbow Six® Siege and Watch Dogs®: Legion. The Crew 2 warrants special mention for its continued strong velocity, with engagement and overall revenues up respectively 70% and 53% versus two years ago thanks to its unique positioning as a community-based driving game. The work done by Ubisoft Ivory Tower in Lyon on the company's first successful live service brand is impressive as they continue to build on a growing community of engaged players and deliver strong post launch content, resulting in more than 30 million unique players attracted by The Crew franchise since 2014.

Players are having a great time in Far Cry 6
The community praised the narrative, the protagonists and villains' complexity, the stunning and beautiful open world of Yara as well as the gunplay, without forgetting the "Amigos" like Chorizo who touched the hearts of many players as much as those of the unfortunate enemies who crossed his path. This resolutely fun opus saw playtime per player up 25% vs. Far Cry 5. Early sales are in line with Assassin's Creed Odyssey solid performance, a game released in a similar timeframe. With an exciting post-launch plan over the coming months, Far Cry 6 is set to be a strong performer this holiday. The game, having achieved positive reviews from prestigious gaming outlets, including a 9 from Game Informer and "Great" rating from IGN, is the second major title delivered during very challenging times by Ubisoft Toronto teams, confirming the growing maturity of the studio and opening the way for exciting future projects.
The second quarter saw excellent acquisition for the Far Cry brand, notably on Far Cry 3 and Far Cry 5.

Riders Republic™: *"Pure Joy, constant adrenaline"* (IGN)
The quarter saw the successful open beta of Riders Republic. The Ubisoft Annecy team pushed the limits of current technological power to deliver a game that combines massive world design with impressive graphics and 64 players mass races. Over the past years, their goal has been to revolutionize the extreme sport genre, with Riders Republic being the next phase in this strategy. At its core, Riders Republic is a community driven game that brings a thrilling multiplayer experience, one Ubisoft expects to have a very long life.

Just Dance® continues to make the world dance
With more than 80 million units sold lifetime, Just Dance continues to make the world dance. The brand is a phenomenon on TikTok thanks to the impressive work of Ubisoft Paris and the marketing teams. Just Dance 2022 will build on the excellent momentum of the previous two releases and will continue to leverage the success of the Nintendo Switch.

Tom Clancy's Rainbow Six: Meaningful upcoming content
The Siege team is hard at work building exciting new features and reinforcing the content strategy for the game and its highly engaged community. The plan includes more frequent high-quality content, a progressive Battle Pass expansion, onboarding improvements and the upcoming international esports competitions. This will be rolled out over the next twelve months.

The team behind Tom Clancy's Rainbow Six Extraction can't wait to showcase the scope and intensity of their great game, to be released in January 2022. It will come with strong replayability at launch and beyond, as well as high-value cross-ownership rewards and bonus content such as instant unlock of all 18 Extraction Operators in Siege, and premium cosmetics only available to players of both games. New details will be revealed in the next few weeks.

Ubisoft's teams accomplishments during challenging times for production
Despite the COVID related production challenges that struck the whole industry, Ubisoft teams are once again set to deliver one of the biggest line-ups of the industry, with high quality experiences. To be noted, the last 4 core audience titles released by Ubisoft (Assassin's Creed Valhalla, Immortals Fenyx Rising™, Far Cry 6 and Riders Republic) have all benefited from very positive player reception. Our teams' resilience and capacity to adapt continue to be impressive. Leveraging Ubisoft's unique development capacity and organization, they have been able to deliver more high-quality content than any other developer.

While challenges will remain for a certain period of time, Ubisoft is confident new, highly-efficient hybrid models will emerge.

"Whether it is the teams in Canada, France, Singapore or elsewhere, they should be incredibly proud of what they have accomplished. I sincerely thank them for continuing to prove that one of Ubisoft's greatest strengths is our ability to unite diverse talents from around the world to deliver excellent experiences for players, and this despite the major production challenges," said Yves Guillemot.

Strength of assets
Ubisoft's unparalleled production capacity, delivering deep and diverse gaming experiences to players, reflects the strength of its dependable assets:

- A production powerhouse, strong of 17,000 talents, structured around the seasoned multi-studio collaboration organization from Ubisoft global network of studios that combine high AAA production standards with world class creative and engineering talents.
- The deepest and most diverse portfolio of proprietary brands of the industry.
- Robust proprietary technologies, from engines to online services and distribution platform as well as i3D.net, Ubisoft's thriving video game hosting business.

Building the future of Ubisoft

Significantly expanding Ubisoft's premium offering
80% of Ubisoft's investments are focused on significantly expanding its premium offering for the coming years, and notably next fiscal year with the releases of Avatar: Frontiers of Pandora™, Mario + Rabbids®: Sparks of Hope, Skull & Bones™ and more exciting games.

Creating unique value through new IPs
Skull & Bones has been in the news recently, highlighting the challenges behind the creation of the new IP. Work on the game continues to progress well and the Singapore team passed important new production milestones. Producing ambitious new IPs is hard, requires fortitude and long-term vision. This is how major industry franchises like Assassin's Creed and Tom Clancy's The Division® have been created. Ubisoft is passionate about innovation and new technological breakthroughs, and nurtures an environment for its talents to thrive and unleash their full potential. As a consequence, Ubisoft is developing more new brands and taking more creative risks than any other publisher. When successful, these organic projects deliver significant long-term value for players, Ubisoft's teams and shareholders.

Leveraging current market trends and opportunities while progressing along the Free-to-Play learning curve
Ubisoft continues to progress towards its ambition to extend its brands' reach to significantly larger audiences across all geographies and platforms with structurally higher recurring revenues. Ubisoft is building its Free-to-Play expertise through an iterative process, an approach that led to its successful transitions to Open World and Live Services in the past. Success may first imply failures, to grow and learn

as the Group constantly builds new skills, technologies and capabilities. While there is more work ahead, Ubisoft is confident these organic investments will ultimately pay off and significantly enhance the scale and value of its biggest franchises.

Exploring innovative technology: Blockchain
Ubisoft recently took part in the latest funding round of Animoca Brands, a leading blockchain gaming company. Ubisoft has been exploring blockchain since the early development of the technology, supporting and learning from the ecosystem through initiatives like its Entrepreneurs Lab start-up program and the Blockchain Game Alliance as a founding member. This long-range exploration ties in with Ubisoft's constant search for innovation and new ways to empower players as true stakeholders of its worlds. It also gives Ubisoft the perspective to reflect on the best ways to overcome blockchain's initial limitations for gaming around sustainability and scalability.

Continuing to attract the industry's best
To sustain its ambitious growth plans, Ubisoft has increased its workforce by an additional 1,200 new talents over the past 12 months, a reflection of its capacity to attract the industry's best.

The videogame industry, like many other industries, has experienced an increase in turnover. In addition, there has been an increasingly competitive context in some geographies, that Ubisoft is reacting quickly to. Ubisoft's capacity to recruit among the best talents of the industry from places spread all over the world thanks to its effective co-dev model coupled with a strong global brand and employee value proposition are critical assets in this currently challenging environment.

Success of Ubisoft's "MMO" employee share ownership plan
Ubisoft's 2021 "MMO" employee share ownership plan campaign was successful, testifying to the confidence of the teams and their commitment to the Group's long-term strategy. Employee ownership now represents 7.5% of share capital.

Nomination of Igor Manceau as Ubisoft's new Chief Creative Officer
Igor Manceau, a Creative Director with more than 20-years' experience at the Company and an exemplary leader, was appointed as Ubisoft's Chief Creative Officer. Manceau will be responsible for defining and nurturing Ubisoft's overall creative vision and guiding the creative direction of its games so that they are accessible, irresistible and enriching for all players. He will work closely with Virginie Haas, Chief Studios Operating Officer, Sandrine Caloiaro, Chief Portfolio Officer, and their respective groups to organically grow Ubisoft's owned franchises and identify opportunities to create new titles that can succeed in new or emerging game genres.

Transformation of HR organization and building a strong D&I
Anika Grant, Chief People Officer, and her team are hard at work on the evolution of the HR organization and on helping build a safe, respectful, and inclusive workplace for everyone at Ubisoft. They continue to engage with our global teams to make incremental and meaningful progress toward this goal and to ensure the organization constantly challenges itself and grows. In parallel, Raashi Sikka, Vice President of Global Diversity & Inclusion, and her team are deeply focused on implementing the right operating framework for the Group's Employee Resource Groups (ERGs). The strengthening of support for ERGs is just one example of how Ubisoft is acting on its commitment to become a more diverse and inclusive organization. Another meaningful example is that an internal content review committee now examines the game and marketing content to provide additional perspectives on its content, and a global Inclusive Games and Content team is being created to ensure that diversity and inclusion are embedded into the production processes.

Note
The Group presents indicators which are not prepared strictly in accordance with IFRS as it considers that they are the best reflection of its operating and financial performance. The definitions of the non-IFRS indicators as well as a reconciliation table between the IFRS consolidated income statement and the non-IFRS consolidated income statement are provided in an appendix to this press release.

Income statement and key financial data

In € millions	**H1 2021-22**	%	**H1 2020-21**	%	**H1 2019-20**	%
IFRS 15 sales	**751.3**		**757.0**		**697.5**	
Deferred revenues related to IFRS 15	(33.2)		(2.2)		(36.4)	
Net bookings	**718.2**		**754.7**		**661.1**	
Gross margin based on net bookings	**614.4**	***85.6%***	**652.8**	***86.5%***	**564.3**	***85.4%***
Non-IFRS R&D expenses	(276.2)	*(38.5%)*	(258.5)	*(34.3%)*	(284.9)	*(43.1%)*
Non-IFRS selling expenses	(173.0)	*(24.1%)*	(177.3)	*(23.5%)*	(186.9)	*(28.3%)*
Non-IFRS G&A expenses	(121.1)	*(16.9%)*	(102.6)	*(13.6%)*	(85.7)	*(13.0%)*
Total non-IFRS SG&A expenses	(294.0)	*(40.9%)*	(279.9)	*(37.1%)*	(272.5)	*(41.2%)*
Non-IFRS operating income	**44.1**	***6.1%***	**114.3**	***15.1%***	**6.9**	***1.0%***
IFRS operating income	**25.9**		**48.1**		**9.3**	
Non-IFRS diluted EPS (in €)	**0.23**		**0.71**		**0.11**	
IFRS diluted EPS (in €)	**0.01**		**0.17**		**0.01**	
Non-IFRS cash flows from operating activities(1)	**(288.6)**		**(72.8)**		**(20.6)**	
R&D investment expenditure	(573.1)		(520.3)		(431.4)	
Non-IFRS net cash/(debt) position	**(260.6)**		**(124.0)**		**(217.8)**	

(1) Based on the consolidated cash flow statement for comparison with other industry players (non-reviewed).

Sales and net bookings

IFRS 15 sales for the second quarter of 2021-22 came to €398.5 million, up 20.9% (or 21.1% at constant exchange rates) on the €329.6 million generated in second-quarter 2020-21 and up 19.3% (or 19.5% at constant exchange rates) on the €334.1 million generated in second-quarter 2019-20.
For the first half of 2021-22, IFRS 15 sales totaled €751.3 million, down 0.7% (up 1.1% at constant exchange rates) compared with the first-half 2020-21 figure of €757.0 million and up 7.7% (9.8% at constant exchange rates) compared with the first-half 2019-20 figure of €697.5 million.

Net bookings for second-quarter 2021-22 totaled €392.1 million, up 13.8% (14.1% at constant exchange rates) compared with the €344.7 million recorded for second quarter of 2020-21 and up 13.1% (or 13.4% at constant exchange rates) on the €346.9 million generated in second-quarter 2019-20.
First half 2021-22 net bookings amounted to €718.2 million, down 4.8% (3.0% at constant exchange rates) on the €754.7 million generated in the first half 2020-21 and up 8.6% (10.7% at constant exchange rates) compared with the first-half 2019-20 figure of €661.1 million.

Main income statement items[1]

Non-IFRS operating income came in at €44.1 million, versus €114.3 million in the first half 2020-21 and €6.9 million in the first-half 2019-20.

Non-IFRS attributable net income amounted to €29.6 million, representing non-IFRS diluted earnings per share of €0.23, compared with non-IFRS attributable net income of €89.1 million and non-IFRS diluted earnings per share of €0.71 in first-half 2020-21 and with €12.8 million and €0.11 for first-half 2019-20.

[1] See the presentation published on Ubisoft's website for further information on movements in the income and cash flow statement

IFRS attributable net income for 2021-22 totaled €0.9 million, representing IFRS diluted earnings per share of €0.01, compared with IFRS attributable net income of €21.1 million and IFRS diluted earnings per share of €0.17 in first-half 2020-21, and €0.9 million and €0.01 in first-half 2019-20.

Main cash flow statement[2] items

Non-IFRS cash flows from operating activities represented a net cash outflow of €(288.6) million in 2021-22 (versus a €(72.8) million net cash outflow in first-half 2020-21, and a net outflow of €(20.6) million in first-half 2019-20). It reflects a negative €(225.1) million in non-IFRS cash flow from operations (versus a negative €(146.0) million in first-half 2020-21 and a negative €(104.1) million in first-half 2019-20) and an €(63.5) million increase in non-IFRS working capital requirement (compared with an €73.3 million decrease in the first six months of 2020-21 and a €83.5 million decrease in the first six months of 2019-20).

Main balance sheet items and liquidity

At September 30, 2021, the Group's equity was €1,742 million and its non-IFRS net debt was €261 million versus non-IFRS net debt of €124 million at end of September 2020. IFRS net debt totaled €573 million at September 30, 2021, of which €312 million related to the IFRS16 accounting restatement.

Outlook

Third-quarter 2021-22

Net bookings for the third quarter of 2021-22 are expected to come in at between €725 million and €780 million.

Full-year 2021-22

The Company confirms its non-IFRS operating income target of between €420 million and €500 million. Net bookings are now expected to be flat to slightly down vs single-digit growth previously. Prince of Persia®: The Sands of Time remake, Rocksmith™+ and Tom Clancy's The Division Heartland will be released in 2022-23. While still expected in the current fiscal year, Roller Champions™ is no longer factored in the guidance.

[2] Based on the consolidated cash flow statement for comparison with other industry players (non reviewed)

Conference call

Ubisoft will hold a conference call today, Thursday October 28, 2021, at 6:15 p.m. Paris time/12:15 p.m. New York time.
The conference call can be accessed live and via replay by clicking on the following link:
https://edge.media-server.com/mmc/p/4xwcaz4b

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This press release may contain estimated financial data, information on future projects and transactions and future financial results/performance. Such forward-looking data are provided for information purposes only. They are subject to market risks and uncertainties and may vary significantly compared with the actual results that will be published. The estimated financial data have not been reviewed by the Statutory Auditors. (Additional information is provided in the most recent Ubisoft Registration Document filed on June 10, 2021, with the French Financial Markets Authority (l'Autorité des Marchés Financiers)).

About Ubisoft
Ubisoft is a leading creator, publisher and distributor of interactive entertainment and services, with a rich portfolio of world-renowned brands, including Assassin's Creed®, Far Cry®, For Honor®, Just Dance®, Watch Dogs®, and Tom Clancy's video game series including Ghost Recon®, Rainbow Six® and The Division®. The teams throughout Ubisoft's worldwide network of studios and business offices are committed to delivering original and memorable gaming experiences across all popular platforms, including consoles, mobile phones, tablets and PCs. For the 2020-21 fiscal year, Ubisoft generated net bookings of €2,241 million. To learn more, please visit: www.ubisoftgroup.com.

APPENDICES

Definition of non-IFRS financial indicators

Net bookings corresponds to the sales excluding the services component and integrating the unconditional amounts related to license contracts recognized independently of the performance obligation realization.

Player Recurring Investment (PRI) corresponds to sales of digital items, DLC, season passes, subscriptions and advertising.

Non-IFRS operating income calculated based on net bookings corresponds to operating income less the following items:

- Stock-based compensation expense arising on free share plans, group savings plans and/or stock options.
- Depreciation of acquired intangible assets with indefinite useful lives.
- Non-operating income and expenses resulting from restructuring operations within the Group.

Non-IFRS operating margin corresponds to non-IFRS operating income expressed as a percentage of net bookings. This ratio is an indicator of the Group's financial performance.

Non-IFRS net income corresponds to net income less the following items:

- The above-described deductions used to calculate non-IFRS operating income.
- Income and expenses arising on revaluations, carried out after the measurement period, of the potential variable consideration granted in relation to business combinations.
- OCEANE bonds' interest expense recognized in accordance with IFRS9.
- The tax impacts on these adjustments.

Non-IFRS attributable net income corresponds to non-IFRS net income attributable to owners of the parent.

Non-IFRS diluted EPS corresponds to non-IFRS attributable net income divided by the weighted average number of shares after exercise of the rights attached to dilutive instruments.

The adjusted cash flow statement includes:

- Non-IFRS cash flow from operations which comprises:
  - The costs of internally developed software and external developments (presented under cash flows from investing activities in the IFRS cash flow statement) as these costs are an integral part of the Group's operations.
  - The restatement of impacts (after tax) related to the application of IFRS 15.
  - The restatement of commitments related to leases due to the application of IFRS 16.
  - Current and deferred taxes.
- Non-IFRS change in working capital requirement which includes movements in deferred taxes and restates the impacts (after tax) related to the application of IFRS 15, thus cancelling out the income or expenses presented in non-IFRS cash flow from operations.
- Non-IFRS cash flows from operating activities which includes:
  - the costs of internal and external licenses development (presented under cash flows from investing activities in the IFRS cash flow statement and included in non-IFRS cash flow from operations in the adjusted cash flow statement);
  - the restatement of lease commitments relating to the application of IFRS 16 presented under IFRS in cash flow from financing activities.
- Non-IFRS cash flows from investing activities which excludes the costs of internal and external licenses development that are presented under non-IFRS cash flow from operations.

Free cash flow corresponds to cash flows from non-IFRS operating activities after cash inflows/outflows arising on the disposal/acquisition of other intangible assets and property, plant and equipment.

Free cash flow before working capital requirement corresponds to cash flow from operations after cash inflows/outflows arising on (i) the disposal/acquisition of other intangible assets and property, plant and equipment and (ii) commitments related to leases recognized on the application of IFRS 16.

Cash flow from non-IFRS financing activities, which excludes lease commitments relating to the application of IFRS16 presented in non-IFRS cash flow from operation.

IFRS net cash/(debt) position corresponds to cash and cash equivalents and cash management financial assets less financial liabilities excluding derivatives.

Non-IFRS net cash/(debt) position corresponds to the net cash/(debt) position as adjusted for commitments related to leases (IFRS 16).

Breakdown of net bookings by geographic region

	Q2 2021-22	Q2 2020-21	6 months 2021-22	6 months 2020-21
Europe	30%	33%	32%	33%
Northern America	52%	49%	50%	50%
Rest of the world	18%	18%	18%	17%
TOTAL	**100%**	**100%**	**100%**	**100%**

Breakdown of net bookings by platform

	Q2 2021-22	Q2 2020-21	6 months 2021-22	6 months 2020-21
PLAYSTATION®4 & PLAYSTATION®5	37%	27%	34%	31%
XBOX One™ & XBOX Series X/S™	19%	16%	19%	17%
PC	20%	32%	21%	25%
NINTENDO SWITCH™	7%	6%	8%	9%
MOBILE	10%	13%	11%	13%
Others*	7%	6%	7%	5%
TOTAL	**100%**	**100%**	**100%**	**100%**

**Ancillaries, etc.*

Title release schedule
3rd quarter (October - December 2021)

PACKAGED & DIGITAL

FAR CRY® 6	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
JUST DANCE® 2022	NINTENDO SWITCH™, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
MONOPOLY MADNESS (STANDALONE EDITION & MONOPOLY MADNESS + MONOPOLY PLUS BUNDLE)	AMAZON LUNA, PC, NINTENDO SWITCH™ PLAYSTATION®4, STADIA, XBOX ONE
RIDERS REPUBLIC™	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S

DIGITAL ONLY

FAR CRY® 3 BLOOD DRAGON REMASTERED	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
FAR CRY® 6: DLC - EPISODE 1 INSANITY	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
FOR HONOR® YEAR: 5 – SEASON 4	PC, PLAYSTATION®4, XBOX ONE
RIDERS REPUBLIC™: PRE-SEASON – GRAND OPENING	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
RIDERS REPUBLIC™: SEASON 1 – WINTER BASH	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
UNO® THE CALL OF YARA DLC	AMAZON LUNA, PC, NINTENDO SWITCH™ PLAYSTATION®4, STADIA, XBOX ONE
TOM CLANCY’S RAINBOW SIX® SIEGE: YEAR 6 – SEASON 4	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
THE CREW® 2 – SEASON 4	PC, PLAYSTATION®4, STADIA, XBOX ONE

EXTRACTS FROM THE CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2021

The Statutory Auditors have carried out a limited review of the consolidated financial statements. Their limited review report will be issued after verification of the half-yearly report.

Consolidated income statement (IFRS, extract from the accounts which have undergone a limited review by the statutory auditors).

In millions of euros	**09.30.2021**	**09.30.2020**
IFRS 15 Sales	**751.3**	**757.0**
Cost of sales	(103.7)	(101.9)
Gross Margin	**647.6**	**655.0**
Research and Development costs	(306.5)	(282.2)
Marketing costs	(176.5)	(180.0)
General and Administrative costs	(128.1)	(108.2)
Current operating income	**36.6**	**84.6**
Other non-current operating income & expense	(10.7)	(36.5)
Operating income	**25.9**	**48.1**
Net borrowing costs	(11.3)	(7.5)
Net foreign exchange gains/losses	(0.9)	(2.8)
Other financial income	(0.4)	0.0
Other financial expenses	0.5	0.6
Net financial income	**(12.1)**	**(9.7)**
Income tax	(12.2)	(16.3)
Consolidated net income	**1.6**	**22.1**
Net income attributable to owners of the parent company	0.9	21.1
Net income attributable to non-controlling interests	0.7	1.1
Earnings per share attributable to parent company		
Basic earnings per share (in €)	0.01	0.18
Diluted earnings per share (in €)	0.01	0.17
Weighted average number of shares in issue	119,897,485	118,190,337
Diluted weighted average number of shares in issue	123,478,324	121,302,240

Reconciliation of IFRS Net income and non-IFRS Net income

In millions of euros, except for per share data	H1 2021-22			H1 2020-21		
	IFRS	Adjustments	Non-IFRS	IFRS	Adjustments	Non-IFRS
IFRS 15 Sales	**751.3**			**757.0**		
Deferred revenues related to IFRS 15		(33.2)			(2.2)	
Net bookings			**718.2**			**754.7**
Total Operating expenses	**(725.4)**	**51.4**	**(674.0)**	**(708.9)**	**68.5**	**(640.4)**
Stock-based compensation	(40.8)	40.8	—	(32.0)	32.0	—
Goodwill & brand depreciation	(10.7)	10.7	—	(36.5)	36.5	—
Operating Income	**25.9**	**18.3**	**44.1**	**48.1**	**66.2**	**114.3**
Net Financial income	(12.1)	2.7	(9.4)	(9.7)	2.6	(7.0)
Income tax	(12.2)	7.8	(4.4)	(16.3)	(0.9)	(17.1)
Consolidated Net Income	**1.6**	**28.7**	**30.3**	**22.1**	**68.0**	**90.1**
Net income attributable to owners of the parent company	0.9		29.6	21.1		89.1
Net income attributable to non-controlling interests	0.7		0.7	1.1		1.1
Diluted number of shares	123,478,324	4,361,859	127,840,183	121,302,240	4,361,859	125,664,099
Diluted earnings per share attributable to parent company (in €)	0.01	0.22	0.23	0.17	0.54	0.71

Consolidated balance sheet (IFRS, extract from the accounts which have undergone a limited review by Statutory Auditors)

ASSETS In millions of euros	**Net** **09.30.2021**	**Net** **09.30.2020**
Goodwill	210.7	293.9
Other intangible assets	1,751.4	1,379.4
Property, plant and equipment	203.2	182.8
Right of use assets	286.6	292.3
Non-current financial assets	26.2	14.4
Deferred tax assets	158.2	160.9
Non-current assets	**2,636.4**	**2,323.8**
Inventory	56.8	20.8
Trade receivables	293.2	248.5
Other receivables	219.7	135.5
Other current financial assets	—	0.6
Current tax assets	60.6	62.9
Cash management financial assets *	194.5	—
Cash and cash equivalents	1,300.3	1,283.1
Current assets	**2,125.0**	**1,751.5**
Total assets	**4,761.4**	**4,075.3**

LIABILITIES AND EQUITY In millions of euros	**Net** **09.30.2021**	**Net** **09.30.2020**
Capital	9.7	9.6
Premiums	627.7	551.5
Consolidated reserves	1,103.6	932.1
Consolidated earnings	0.9	21.1
Equity attributable to owners of the parent company	**1,741.9**	**1,514.2**
Non-controlling interests	8.9	8.3
Total equity	**1,750.8**	**1,522.5**
Provisions	6.0	3.4
Employee benefit	22.2	19.2
Long-term borrowings and other financial liabilities	1,900.1	1,300.4
Deferred tax liabilities	104.2	76.5
Other non-current liabilities	29.9	17.6
Non-current liabilities	**2,062.4**	**1,417.1**
Short-term borrowings and other financial liabilities	168.4	417.2
Trade payables	210.0	149.0
Other liabilities	546.2	554.8
Current tax liabilities	23.6	14.8
Current liabilities	**948.3**	**1,135.8**
Total liabilities	**3,010.6**	**2,552.8**
Total liabilities and equity	**4,761.4**	**4,075.3**

** Shares of UCITS invested in short-term maturity securities, which do not meet the criteria for qualification as cash equivalents defined by IAS 7.*

Consolidated cash flow statement for comparison with other industry players (non-reviewed)

In millions of euros	09.30.2021	09.30.2020
Non-IFRS Cash flows from operating activities		
Consolidated net income	1.6	22.1
+/- Net Depreciation on internal & external games & movies	101.3	100.9
+/- Other depreciation on fixed assets	70.4	93.2
+/- Net Provisions	1.3	(14.2)
+/- Cost of share-based compensation	40.8	32.0
+/- Gains / losses on disposals	0.1	0.2
+/- Other income and expenses calculated	2.7	2.8
+/- Cost of internal development and license development	(398.1)	(363.0)
+/- Impact IFRS 15	(24.6)	(1.7)
+/- Impact IFRS 16	(20.6)	(18.2)
NON-IFRS CASH FLOW FROM OPERATION	**(225.1)**	**(146.0)**
Inventory	(32.3)	6.2
Trade receivables	51.9	50.4
Other assets	41.2	(19.9)
Trade payables	59.4	7.9
Other liabilities	(183.7)	28.6
+/- Non-IFRS Change in working capital	**(63.5)**	**73.3**
Non-IFRS CASH FLOW GENERATED BY OPERATING ACTIVITIES	**(288.6)**	**(72.8)**
Cash flows from investing activities		
- Payments for the acquisition of intangible assets and property. plant and equipment	(44.6)	(42.8)
+ Proceeds from the disposal of intangible assets and property. plant and equipment	0.1	0.0
Free Cash-Flow	*(333.1)*	*(115.6)*
+/- Payments for the acquisition of financial assets	(50.6)	(98.6)
+ Refund of loans and other financial assets	40.7	97.7
+/- Changes in scope [(1)]	(25.0)	(15.9)
NON-IFRS CASH GENERATED BY INVESTING ACTIVITIES	**(79.4)**	**(59.6)**
Cash flows from financing activities		
+ New borrowings	121.5	433.6
- Refund of borrowings	(166.8)	(249.6)
+ Funds received from shareholders in capital increases	71.9	74.9
+/- Change in cash management assets	45.4	0.0
+/- Sales / purchases of own shares	(40.1)	40.0
CASH GENERATED BY FINANCING ACTIVITIES	**31.9**	**298.9**
Net change in cash and cash equivalents	**(336.1)**	**166.5**
Cash and cash equivalents at the beginning of the fiscal year	1,565.2	986.9
Foreign exchange losses/gains	(0.9)	(2.9)
Cash and cash equivalents at the end of the period	**1,228.2**	**1,150.5**
[(1)] Including cash in companies acquired and disposed of	0.0	0.0
RECONCILIATION OF NET CASH POSTION		
Cash and cash equivalents at the end of the period	**1,228.2**	**1,150.5**
Bank borrowings and from the restatement of leases	(1,952.5)	(1,343.5)
Commercial papers	(43.0)	(241.5)
IFRS 16	312.2	310.5
Cash management financial assets	194.5	0.0
NON-IFRS NET CASH POSITION	**(260.6)**	**(124.0)**

Consolidated cash flow statement (IFRS, extract from the accounts which have undergone a limited review by Statutory Auditors)

In millions of euros	**09.30.2021**	**09.30.2020**
Cash flows from operating activities		
Consolidated net income	1.6	22.1
+/- Net amortization and depreciation on property, plant and equipment and intangible assets	171.7	194.0
+/- Net Provisions	1.3	(14.2)
+/- Cost of share-based compensation	40.8	32.0
+/- Gains / losses on disposals	0.1	0.2
+/- Other income and expenses calculated	2.7	2.8
+/- Income Tax Expense	12.2	16.3
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	**230.4**	**253.2**
Inventory	(32.3)	6.2
Trade receivables	51.9	50.4
Other assets	41.5	(22.7)
Trade payables	59.4	7.9
Other liabilities	(98.1)	22.2
Deferred income and prepaid expenses	(69.5)	37.2
+/- Change in working capital	**(47.1)**	**101.2**
+/- Current Income tax expense	(53.2)	(45.9)
TOTAL CASH FLOW GENERATED BY OPERATING ACTIVITIES	**130.2**	**308.5**
Cash flows from investing activities		
- Payments for the acquisition of internal & external developments	(398.1)	(363.0)
- Payments for the acquisition of intangible assets and property, plant and equipment	(44.6)	(42.8)
+ Proceeds from the disposal of intangible assets and property, plant and equipment	0.1	—
+/- Payments for the acquisition of financial assets	(50.6)	(98.6)
+ Refund of loans and other financial assets	40.7	97.7
+/- Changes in scope (1)	(25.0)	(15.9)
CASH GENERATED BY INVESTING ACTIVITIES	**(477.6)**	**(422.7)**
Cash flows from financing activities		
+ New borrowings	121.5	433.6
- Refund of leases	(20.6)	(18.2)
- Refund of borrowings	(166.8)	(249.6)
+ Funds received from shareholders in capital increases	71.9	74.9
+/- Change in cash management assets	45.4	—
+/- Sales / purchases of own shares	(40.1)	40.0
CASH GENERATED BY FINANCING ACTIVITIES	**11.3**	**280.7**
Net change in cash and cash equivalents	**(336.1)**	**166.5**
Cash and cash equivalents at the beginning of the fiscal year	1,565.2	986.9
Foreign exchange losses/gains	(1.0)	(2.9)
Cash and cash equivalents at the end of the period	**1,228.2**	**1,150.5**
(1) Including cash in companies acquired and disposed of	—	—

RECONCILIATION OF NET CASH POSTION

Cash and cash equivalents at the end of the period	**1,228.2**	**1,150.5**
Bank borrowings and from the restatement of leases	(1,952.5)	(1,343.5)
Commercial papers	(43.0)	(241.5)
Cash management financial assets	194.5	—
IFRS NET CASH POSITION	**(572.8)**	**(434.5)**