



UBISOFT REPORTS FIRST-HALF 2022-23 EARNINGS FIGURES

**Stronger than expected Q2 back-catalog driven by
Tom Clancy's Rainbow Six® Siege and Assassin's Creed®**

First revenue recognition of mobile licensing partnership

FIRST HALF 2022-23: NET BOOKINGS WELL ABOVE TARGET

	In €m	Reported change vs. H1 2021-2022	In % of total net bookings	
			H1 2022-23	H1 2021-22
IFRS 15 sales	731.2	-2.7%	NA	NA
Net bookings	699.4	-2.6%	NA	NA
Digital net bookings	641.7	15.1%	91.7%	77.6%
PRI net bookings	422.4	21.2%	60.4%	48.5%
Back-catalog net bookings	505.4	-15.2%	72.3%	83.0%
IFRS operating income	(215.3)	NA	NA	NA
Non-IFRS operating income	(139.0)	NA	-19.9%	6.1%

- **H1 unique active players and Monthly Active Users stable year-on-year**
- **Second quarter:** Net bookings of €406.1 million, up 3.6%, well above target of approximately €270.0 million, benefiting from much stronger revenues from our back-catalog, and, to a greater extent, from the faster revenue recognition phasing for the mobile licensing partnership
- **Outperformance for both Assassin's Creed and Tom Clancy's Rainbow Six Siege**
 - **Rainbow Six Siege:** 85 million unique registered players, 18% year-on-year revenue growth, with increased engagement from current player base and record DARPU following a second consecutive quarter of very strong year-on-year growth
 - **Assassin's Creed:** strong performance across Origins, Odyssey and Valhalla, with record numbers of active players. Valhalla crossed 20 million unique players. Enthusiastic response from fans on the brand roadmap reveal. Players are incredibly excited for the upcoming two titles, Assassin's Creed Mirage and Codename Red

FIRST-HALF 2022-23 BOTTOM LINE NOTABLY REFLECTS ACCELERATED R&D DEPRECIATION AND FOCUS SHIFT TOWARDS BIGGEST OPPORTUNITIES

2022-23 TARGETS CONFIRMED: SIGNIFICANT NET BOOKINGS GROWTH & €400 MILLION NON-IFRS OPERATING INCOME

- **Strong critical and players reception for Mario + Rabbids®: Sparks of Hope** with exceptional 97% Open critic recommendation score

IMPLEMENTATION OF COSTS OPTIMIZATION PLAN

Paris, October 27, 2022 – Today, Ubisoft released its earnings figures for the first half of fiscal 2022-23.

Frédéric Duguet, Chief Financial Officer, said *“The higher than anticipated H1 performance was supported by much stronger revenues from our back-catalog as well as, to a greater extent, by faster revenue recognition phasing for the mobile licensing partnership. The H1 bottom line notably reflects accelerated R&D depreciation, including for the previously announced cancelled projects as we pivot our focus towards our biggest opportunities. Following positive trends in Q1, Rainbow Six Siege saw double digit year-on-year topline growth this quarter with increased engagement from players and record DARPU, while Assassin’s Creed continued to outperform.*

On the back of this stronger than expected back-catalog performance and solid growth prospects in H2, we are confident in our capacity to reach our 400 M€ non-IFRS operating income target for the year. Mario + Rabbids Sparks of Hope, our key new release of the semester, is a major critical hit. We will build its momentum through the Holiday season with an ambitious marketing plan and material support from Nintendo. On top of this and other upcoming releases and content updates, a key contributor to this semester will be our mobile licensing partnership.”

Yves Guillemot, Co-Founder and Chief Executive Officer, said *“This semester, we continued to adapt and transform our organization in order to focus our resources on our biggest opportunities, as exemplified by the recently announced Global Creative Office and by our cost-optimization efforts. On our journey to reach €2 billion combined net booking per year for our three biggest brands within the next five years, we revealed our most ambitious roadmap ever for the Assassin’s Creed brand which received an incredibly enthusiastic response from fans. Our objective is to bring the brand to new heights by reaching a significantly wider audience with more platforms and business models. We are replicating this strategic template with our other major brands, starting with Rainbow Six and The Division in the near future.*

In September, with the objective of growing our business collaboration with Tencent, as well as bringing stability to the Company, we expanded our shareholding concert. This was essential to deliver on our full value creation potential with significant topline and operating income growth over the coming years. The Board made sure that this transaction does not restrict the Company from freely selecting the best value creation opportunities, in the interest of all stakeholders, going forward.”

BUILDING POWERFUL BRANDS

Assassin's Creed

It was another quarter of overperformance for the Assassin's Creed games, notably with Assassin's Creed Valhalla crossing the 20 million unique player mark. Building on the enthusiastic response from fans for the brand roadmap reveal and its success on Sony and Microsoft's subscription programs, Assassin's Creed enjoyed a record number of unique active players during the second quarter.

For the first time in its history, and to celebrate Assassin's Creed 15th anniversary, Ubisoft detailed a comprehensive multi-year roadmap destined to bring the Assassin's Creed franchise to new heights. Laying the foundation for the future of the Brand, the roadmap leverages the great innovations that the team has brought to players over the past three opuses alongside high quality delivery, solid production predictability and great profitability. We are highly focused on bringing this ambitious roadmap come to life, with some of the industry's best talents working on delivering ambitious and exciting experiences for fans.

Our roadmap will start next fiscal year with **Assassin's Creed Mirage**, led by Ubisoft Bordeaux, which will pay tribute to the origins of the franchise with an action-adventure, narrative-driven experience set in the Golden Age of Baghdad. With very strong community sentiment, early momentum for this title is very promising.

The community is also incredibly excited following the reveal of **Assassin's Creed Codename Red**, led by Ubisoft Quebec. Many have been awaiting a Japanese setting and consider this project a dream come true. They are eager to discover more about this new evolution of the brand and the premise of the Assassin Shinobi fantasy.

Also announced was **Assassin's Creed Codename Hexe**, led by Ubisoft Montreal, which, alongside Red, will be part of the Infinity hub. At its heart, **Assassin's Creed Infinity** will be a gateway for all Assassin's Creed experiences where the metastory will live asynchronously. This project will allow us to link games with a common and more coherent narrative thread that will reward players for their involvement in the universe, driving engagement, while at the same time providing more discoverability for the content we create. Additionally, a team, including For Honor veterans, is currently working on bringing back multiplayer to Assassin's Creed with a standalone experience through Infinity under the **project codename Invictus**.

In line with the stated strategy to bring AAA franchises to mobile to both reach a significantly wider audience and expand their financial scale, Assassin's Creed is now following suit with **Assassin's Creed Codename Jade**. It will feature the iconic Assassin's Creed gameplay optimized for a seamless experience with touch controls.

Finally, we revealed that we expanded our partnership with Netflix, that will notably see the development of a high production value live action series.

Tom Clancy's Rainbow Six

Rainbow Six Siege has crossed the 85 million unique registered players mark and continues to see a very large number of players engaging with the game on a daily basis with player acquisition growing quarter-on-quarter. We are also seeing higher engagement from current players, and record DARPU following a second consecutive quarter of very strong year-on-year growth. As a consequence, total net bookings increased a significant 18% year-on-year. Looking ahead, we have exciting new content planned for Year 7 Season 4, highlighted by the rollout of highly requested cross-play and cross-progression as well as the debut of an all-new map for players to experience.

After a first test in April that successfully assessed its gameplay, **Rainbow Six Mobile**, led by Ubisoft Montreal, is close to ending its closed beta on Android, during which we have tested the progression systems. Our teams have delivered a truly remarkable technical achievement by bringing Siege's acclaimed procedural destructible gameplay to mobile. More than 250,000 players have played the closed-beta, retention KPIs are supportive, player feedback is strong, and the tests confirmed the game's capacity to reach new players in countries such as India and other mobile-first markets. Looking ahead to the next phase, soft launch on both iOS and Android, will allow us to prepare for the game's release at scale.

Mario + Rabbids®: Sparks of Hope

Mario + Rabbids: Sparks of Hope, led by Ubisoft Paris and Ubisoft Milan, is acclaimed by players and critics alike. With an 86 OpenCritic score and an exceptional 97% recommendation score, the game is one of the highest quality releases this year on Nintendo Switch.

The game and our marketing campaign will reflect the strength of the strategic partnership with Nintendo that combines Mario, one of the most powerful brands of the industry with the wackiness and creativity of the Rabbids. All of that is brought to life by Snowdrop, our cutting-edge engine, as well as strong development capabilities. The team successfully step-changed the recipe, introducing a brand-new gameplay encompassing endless tactical possibilities and transforming the linear world structure into open-levels areas and free-roaming exploration. IGN described the upcoming game as *"bigger and better in nearly every way, with a more freeform and customizable take on combat and an almost completely rethought overworld that's much less linear and absolutely packed with puzzles"*. We look to maintain our momentum with a strong post-launch content roadmap, notably a DLC featuring Rayman®.

Just Dance® 2023 Edition

Consistent with our strategy to embrace more online multiplayer services and further boost recurring revenues, Just Dance, led by Ubisoft Paris, enters a new era as a dance-on-demand platform with Just Dance 2023 Edition on November 22nd. For the first time in the Just Dance franchise, fans can enjoy the full game in online multiplayer with up to five of their friends or family around the world with Online Groups and cross-play.

Skull and Bones™

Skull and Bones, led by Ubisoft Singapore, will release on March 9th. Development is now finished and, following our September playtests, we are polishing and balancing the game to provide players a gritty and unique pirate captain experience with our dynamic action-packed naval combat multiplayer proposition. This release window provides the opportunity to leverage a larger new generation console installed base.

Avatar: Frontiers of Pandora™

We continue to work collaboratively with our strategic partners at Lightstorm Entertainment and Disney as we pave the way to release Avatar: Frontiers of Pandora, led by Massive, in 2023-24. We are thrilled to see this global entertainment brand back in theatres and we remain committed to offering our players another cutting-edge point of entry into the breathtaking world of Pandora.

CONTINUING TO TRANSFORM THE ORGANIZATION TOWARDS MORE EFFICIENCY AND STABILITY FOR LONG-TERM VALUE CREATION

Creation of the Global Creative Office

Ubisoft recently announced the implementation of its Global Creative Office to better reflect and support its portfolio strategy. The new Creative Office will be structured around creative divisions that better reflect the key segments of Ubisoft's portfolio strategy. With this evolution, Ubisoft aims to further support creative teams by facilitating decision-making, fostering expertise, and strengthening the responsibility and autonomy of studios throughout the creative process. The overall goal is to boost creativity and ensure the highest level of quality in the execution and delivery of Ubisoft's games.

Cost optimization efforts

In July, we announced a sizable cost-optimization program:

- After a strong multi-year organizational growth, our aim is to simplify our organization and maximize synergies across the Company. It is exemplified by the move from a regional publishing organization to a global one.
- Put even more focus on fewer and bigger opportunities, as evidenced by the decision to stop development of the Tom Clancy's Splinter Cell® VR game, Tom Clancy's Ghost Recon® Frontline and 2 other unannounced titles.

The objective is:

- stabilize headcount by end of 2022-23 to the level of end of 2021-22,
- reduce structure costs growth for 2022-23 with the goal of returning to 2021-22 levels by the course of 2023-24,
- maintain 2023-24 cash R&D at 2022-23 levels, 2022-23 being the last year of meaningful growth.

Strengthening core shareholding to the benefit of Ubisoft's long-term value creation

In the context of ongoing discussions on strategic options by the Board of Directors, and while keeping all options open, Ubisoft announced on September 6 the expansion of the concert around the group's founders and the possibility for the expanded concert to increase its stake to 29.9% of Ubisoft's capital or voting rights. Ubisoft also announced Tencent's acquisition of a minority passive stake in Guillemot Brothers Limited.

With this transaction, Ubisoft Management and Board's objective is to provide the stability essential to our capacity to implement our long-term strategy, to attract and retain the best talents as well as to continue partnering with the biggest technology and entertainment companies.

This stability, as well as the potential to expand our collaboration with Tencent through new partnerships, are key drivers to the long-term value creation for all shareholders.

Pursuing these objectives of stability and potential expanded collaboration, together with Tencent's interest in increasing its economic exposure, conditioned the way the transaction was structured:

- a) Expansion of the concert to Tencent,
- b) Possibility for Tencent to increase its direct shareholding in Ubisoft up to 9.99% and a minority investment in Guillemot Brothers Limited.

The Board also ensured that this transaction did not restrict the Company from selecting the best value creation opportunities, in the interest of all stakeholders, going forward.

The transaction highlights the strong intrinsic value of the assets we have built over the long term and reflects Tencent's confidence in Ubisoft's potential in bringing its biggest IPs to mobile.

As of September 27, the Concert owns 20.8% of issued share capital and 25.8% of voting rights. For its part, Tencent owns 5.5% of issued share capital and 5.0% of voting rights.¹

¹ As described in the threshold crossing declaration n°222C2258 dated 28 September 2022

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 2022-23	%	H1 2021-22	%
IFRS 15 sales	731.2		751.3	
Deferred revenues related to IFRS 15	(31.7)		(33.2)	
Net bookings	699.4		718.2	
Gross margin based on net bookings	618.1	88.4%	614.4	85.6%
Non-IFRS R&D expenses	(452.2)	(64.7%)	(276.2)	(38.5%)
Non-IFRS selling expenses	(154.9)	(22.2%)	(173.0)	(24.1%)
Non-IFRS G&A expenses	(149.9)	(21.4%)	(121.1)	(16.9%)
Total non-IFRS SG&A expenses	(304.8)	(43.6%)	(294.0)	(40.9%)
Non-IFRS operating income	(139.0)	(19.9%)	44.1	6.1%
IFRS operating income	(215.3)		25.9	
Non-IFRS diluted EPS (in €)	(0.93)		0.23	
IFRS diluted EPS (in €)	(1.58)		0.01	
Non-IFRS cash flows from operating activities⁽¹⁾	(68.3)		(288.6)	
R&D investment expenditure	672.5		573.1	
Non-IFRS net cash/(debt) position	(331.3)		(260.6)	

⁽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 2022-23 came to €413.0 million, up 3.6% (or (1.1)% at constant exchange rates²) on the €398.5 million generated in second-quarter 2021-22. For the first half of 2022-23, IFRS 15 sales totaled €731.2 million, down 2.7% (or 7.1% at constant exchange rates¹) compared with the first of 2021-22 figure of €751.3 million.

Net bookings for second-quarter 2022-23 totaled €406.1 million, up 3.6% (or (1.0)% at constant exchange rates) compared with the €392.1 million recorded for second-quarter of 2021-22. First half 2022-23 net bookings amounted to €699.4 million, down 2.6% (or 7.0% at constant exchange rates) on the €718.2 million generated in the first-half 2021-22.

Main income statement items

Non-IFRS operating income came in at €(139.0) million, versus €44.1 million in the first half 2021-22.

Non-IFRS attributable net income amounted to €(111.0) million, representing non-IFRS diluted earnings per share of €(0.93), compared with non-IFRS attributable net income of €29.6 million and non-IFRS diluted earnings per share of €0.23 in first half 2021-22.

² Sales at constant exchange rates are calculated by applying to the data for the period under review the average exchange rates used for the same period of the previous fiscal year

IFRS attributable net income totaled €(190.1) million, representing IFRS diluted EPS of €(1.58), compared with IFRS attributable net income of €0.9 million and IFRS diluted earnings per share of €0.01 in first-half 2021-22.

Main cash flow statement³ items

Non-IFRS cash flows from operating activities represented a net cash outflow of €(68.3) million in 2022-23 (versus a net cash outflow of €(288.6) million in first half 2021-22). It reflects a negative €(292.5) million in non-IFRS cash flow from operations (versus a negative €(225.1) million in 2021-22) and a €224.1 million decrease in non-IFRS working capital requirement (compared with a €63.5 million increase in the first six months 2021-22).

Main balance sheet items and liquidity

At September 30, 2022, the Group's equity was €1,787 million and its non-IFRS net debt was €331 million versus non-IFRS net debt of €261 million at end of September 30, 2021. IFRS net debt totaled €658 million at September 30, 2022, of which €327 million related to the IFRS16 accounting restatement. At September 30, 2022, Cash and cash equivalents stood at €1,530 million, up versus last year.

Outlook

Third-quarter 2022-23

Net bookings for the third quarter are expected to come in at approximately 830 M€.

Full-year 2022-23

The Company confirms its target of significant net booking growth. The second semester will be built on the following pillars:

- The release of Mario+Rabbids: Sparks of Hope, Just Dance 2023, Skull and Bones and the first Free-to-Play initiatives as well as an expansion for Far Cry 6 and additional content for the Live games including Rainbow Six Siege Year 7 Season 4.
- The significant impact from the mobile licensing deal, for which the clear majority of the upfront recognition will be booked in H2 2022-23.
- Favorable foreign exchange impact.

The Company also confirms its non-IFRS operating income target of approximately €400 million.

³ 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 27, 2022, 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/kf4pe3in>

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Disclaimer

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 been approved by the Supervisory Board on May 11, 2022, and have not been audited by the Statutory Auditors. (Additional information is provided in the most recent Ubisoft Registration Document filed on June 14, 2022 with the French Financial Markets Authority (l'Autorité des Marchés Financiers)).

About Ubisoft

Ubisoft is a creator of worlds, committed to enriching players' lives with original and memorable entertainment experiences. Ubisoft's global teams create and develop a deep and diverse portfolio of games, featuring brands such as Assassin's Creed®, Brawlhalla®, For Honor®, Far Cry®, Tom Clancy's Ghost Recon®, Just Dance®, Rabbids®, Tom Clancy's Rainbow Six®, The Crew®, Tom Clancy's The Division®, and Watch Dogs®. Through Ubisoft Connect, players can enjoy an ecosystem of services to enhance their gaming experience, get rewards and connect with friends across platforms. With Ubisoft+, the subscription service, they can access a growing catalog of more than 100 Ubisoft games and DLC. For the 2021-22 fiscal year, Ubisoft generated net bookings of €2,129 million. To learn more, please visit: www.ubisoftgroup.com.

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APPENDICES

Definition of non-IFRS financial indicators

Alternative performance Indicators, not presented in the financial statements, are:

Net bookings corresponds to the sales excluding the services component and integrating the unconditional amounts related to license or distribution 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.

IFRS net cash/(debt) position corresponds to cash and cash equivalents 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 2022-23	Q2 2021-22	6 months 2022-23	6 months 2021-22
Europe	31%	30%	30%	32%
Northern America	50%	52%	51%	50%
Rest of the world	19%	18%	19%	18%
TOTAL	100%	100%	100%	100%

Breakdown of net bookings by platform

	Q2 2022-23	Q2 2021-22	6 months 2022-23	6 months 2021-22
CONSOLES	38%	64%	41%	61%
PC	15%	19%	21%	21%
MOBILE	38%	10%	27%	11%
Others*	9%	7%	11%	7%
TOTAL	100%	100%	100%	100%

*Ancillaries, etc.

Title release schedule
3rd quarter (October - December 2022)

PACKAGED & DIGITAL

MARIO + RABBIDS™: SPARKS OF HOPE	NINTENDO SWITCH™
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JUST DANCE® 2023 EDITION	NINTENDO SWITCH™, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S
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DIGITAL ONLY

ANNO 1800®: New World Rising	PC
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FAR CRY® 6: Lost Between Worlds Expansion <i>(to be announced)</i>	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S
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FOR HONOR® Year: 6 – Season 4	PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S
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RIDERS REPUBLIC™: Season 5	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S
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ROLLER CHAMPIONS™: Season 2	NINTENDO SWITCH™, PC, PLAYSTATION®4, XBOX ONE
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THE CREW® 2: Season 7 – Episode 1	PC, PLAYSTATION®4, XBOX ONE
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TOM CLANCY'S RAINBOW SIX® SIEGE: Year 7 – Season 4	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, XBOX ONE, XBOX SERIES X/S
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Extracts from the Consolidated Financial Statements at
September 30, 2022

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)	09.30.2022	09.30.2021
Sales	731.2	751.3
Cost of sales	(81.3)	(103.7)
Gross profit	649.8	647.6
R&D costs	(486.5)	(306.5)
Marketing costs	(158.0)	(176.5)
Administrative and IT costs	(158.8)	(128.1)
Profit (loss) from ordinary operating activities	(153.5)	36.6
Other non-current operating income & expense	(61.8)	(10.7)
Operating profit (loss)	(215.3)	25.9
Net borrowing costs	(9.7)	(11.3)
Net foreign exchange gains/losses	7.1	(0.9)
Other financial expenses	(4.3)	(0.4)
Other financial income	3.7	0.5
Net financial income	(3.2)	(12.1)
Income tax	28.3	(12.2)
CONSOLIDATED NET INCOME	(190.2)	1.6
Net income attributable to owners of the parent company	(190.1)	0.9
Net income attributable to non-controlling interests	(0.1)	0.7
Earnings per share attributable to owners of the parent company		
Basic earnings per share (in euros)	(1.58)	0.01
Diluted earnings per share (in euros)	(1.58)	0.01
Weighted average number of shares in issue	120,001,344	119,897,485
Diluted weighted average number of shares	120,001,344	123,478,324

Reconciliation of IFRS Net income and non-IFRS Net income

(in € millions) except for per share data	H1 2022-23			H1 2021-22		
	IFRS	Adjustments	Non-IFRS	IFRS	Adjustments	Non-IFRS
IFRS 15 Sales	731.2			751.3		
Deferred revenues related to IFRS 15		(31.7)			(33.2)	
Net bookings			699.4			718.2
Total Operating expenses	(946.5)	108.1	(838.4)	(725.4)	51.4	(674.0)
Stock-based compensation	(46.3)	46.3	0.0	(40.8)	40.8	0.0
Non current operating income & expense	(61.8)	61.8	0.0	(10.7)	10.7	0.0
OPERATING INCOME	(215.3)	76.4	(139.0)	25.9	18.3	44.1
Net Financial income	(3.2)	2.7	(0.5)	(12.1)	2.7	(9.4)
Income tax	28.3	0.0	28.3	(12.2)	7.8	(4.4)
Consolidated Net Income	(190.2)	79.1	(111.1)	1.6	28.7	30.3
Net income attributable to owners of the parent company	(190.1)		(111.0)	0.9		29.6
Net income attributable to non-controlling interests	(0.1)		(0.1)	0.7		0.7
Diluted number of shares	120,001,344		120,001,344	123,478,324	4,361,859	127,840,183
Diluted earnings per share attributable to parent company	(1.58)	0.66	(0.93)	0.01	0.22	0.23

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

Assets (in € millions)	Net 09.30.2022	Net 09.30.2021
Goodwill	97.6	210.7
Other intangible assets	2,068.8	1,751.4
Property, plant and equipment	206.1	203.2
Right-of-use assets	289.4	286.6
Non-current financial assets	61.7	26.2
Deferred tax assets	172.4	158.2
Non-current assets	2,896.1	2,636.4
Inventory	43.7	56.8
Trade receivables	313.2	293.2
Other receivables	163.8	219.7
Current financial assets	0.7	—
Current tax assets	79.7	60.6
Cash management financial assets*	—	194.5
Cash and cash equivalents	1,530.0	1,300.3
Current assets	2,131.1	2,125.0
TOTAL ASSETS	5,027.2	4,761.4
Liabilities and equity (in € millions)	Net 09.30.2022	Net 09.30.2021
Capital	9.7	9.7
Premiums	630.2	627.7
Consolidated reserves	1,337.3	1,103.6
Consolidated earnings	-190.1	0.9
Equity attributable to owners of the parent company	1,787.1	1,741.9
Non-controlling interests	1.9	8.9
Total equity	1,789.0	1,750.8
Provisions	14.0	6.0
Employee benefit	16.0	22.2
Long-term borrowings and other financial liabilities	1,464.9	1,900.1
Deferred tax liabilities	81.1	104.2
Other non-current liabilities	17.4	29.9
Non-current liabilities	1,593.3	2,062.4
Short-term borrowings and other financial liabilities	738.6	168.4
Trade payables	153.8	210.0
Other liabilities	724.5	546.2
Current tax liabilities	28.0	23.6
Current liabilities	1,644.9	948.3
Total liabilities	3,238.2	3,010.6
TOTAL LIABILITIES AND EQUITY	5,027.2	4,761.4

* 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)	09.30.2022	09.30.2021
Non-IFRS Cash flows from operating activities		
Consolidated earnings	(190.2)	1.6
+/- Net Depreciation on R&D intangible fixed assets	299.5	101.3
+/- Other depreciation on fixed assets	114.9	70.4
+/- Net Provisions	4.5	1.3
+/- Cost of share-based compensation	46.3	40.8
+/- Gains / losses on disposals	0.1	0.1
+/- Other income and expenses calculated	(23.7)	2.7
+/- Cost of internal development and license development	(496.3)	(398.1)
+/- IFRS 15 Impact	(23.9)	(24.6)
+/- IFRS 16 Impact	(23.8)	(20.6)
Non-IFRS cash flow from operation	(292.5)	(225.1)
Inventory	(19.2)	(32.3)
Trade receivables	179.3	51.9
Other assets	35.2	41.2
Trade payables	(2.0)	59.4
Other liabilities	30.8	(183.7)
+/- Non-IFRS Change in working capital	224.1	(63.5)
Non-IFRS cash flow generated by operating activities	(68.3)	(288.6)
Cash flows from investing activities		
- Payments for the acquisition of intangible assets and property, plant and equipment	(41.7)	(44.6)
+ Proceeds from the disposal of intangible assets and property, plant and equipment	—	0.1
Free Cash-Flow	(110.0)	(333.1)
+/- Payments for the acquisition of financial assets	(43.4)	(50.6)
+ Refund of loans and other financial assets	39.6	40.7
+/- Changes in scope *	(30.7)	(25.0)
Non-IFRS cash generated by investing activities	(76.2)	(79.4)
Cash flows from financing activities		
+ New borrowings	180.0	121.5
- Refund of borrowings	(79.0)	(166.8)
+ Funds received from shareholders in capital increases	—	71.9
+/- Change in cash management assets	—	45.4
+/- Sales / purchases of own shares	100.4	(40.1)
Cash generated by financing activities	201.4	31.9
NET CHANGE IN CASH AND CASH EQUIVALENTS	56.8	(336.1)
Cash and cash equivalents at the beginning of the fiscal year	1,391.4	1,565.2
Foreign exchange losses/gains	(1.7)	(0.9)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,446.5	1,228.2
⁽¹⁾ Including cash in companies acquired and disposed of	0.0	0.0
RECONCILIATION OF NET CASH POSITION		
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,446.5	1,228.2
Bank borrowings and from the restatement of leases	(2,022.8)	(1,952.5)
Commercial papers	(82.0)	(43.0)
IFRS 16	327.0	312.2
Cash management financial assets	—	194.5
NON-IFRS NET CASH POSITION	(331.3)	(260.6)

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

In millions of euros	09.30.2022	09.30.2021
Cash flows from operating activities		
Consolidated earnings	(190.2)	1.6
+/- Net amortization and depreciation on property, plant and equipment and intangible assets	414.4	171.7
+/- Net Provisions	4.5	1.3
+/- Cost of share-based compensation	46.3	40.8
+/- Gains / losses on disposals	0.1	0.1
+/- Other income and expenses calculated	(23.7)	2.7
+/- Income Tax Expense	(28.3)	12.2
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	223.1	230.4
Inventory	(19.2)	(32.3)
Trade receivables	179.3	51.9
Other assets	126.7	41.5
Trade payables	(2.0)	59.4
Other liabilities	(114.3)	(98.1)
Deferred income and prepaid expenses	119.8	(69.5)
+/- Change in working capital	290.3	(47.1)
+/- Current Income tax expense	(61.7)	(53.2)
TOTAL CASH FLOW GENERATED BY OPERATING ACTIVITIES	451.7	130.2
Cash flows from investing activities		
- Payments for the acquisition of internal & external developments	(496.3)	(398.1)
- Payments for the acquisition of intangible assets and property, plant and equipment	(41.7)	(44.6)
+ Proceeds from the disposal of intangible assets and property, plant and equipment	—	0.1
+/- Payments for the acquisition of financial assets	(43.4)	(50.6)
+ Refund of loans and other financial assets	39.6	40.7
+/- Changes in scope (1)	(30.7)	(25.0)
CASH GENERATED BY INVESTING ACTIVITIES	(572.5)	(477.6)
Cash flows from financing activities		
+ New borrowings	180.0	121.5
- Refund of leases	(23.8)	(20.6)
- Refund of borrowings	(79.0)	(166.8)
+ Funds received from shareholders in capital increases	—	71.9
+/- Change in cash management assets	—	45.4
+/- Sales / purchases of own shares	100.4	(40.1)
CASH GENERATED BY FINANCING ACTIVITIES	177.6	11.3
Net change in cash and cash equivalents	56.8	(336.1)
Cash and cash equivalents at the beginning of the fiscal year	1,391.4	1,565.2
Foreign exchange losses/gains	(1.7)	(0.9)
Cash and cash equivalents at the end of the period	1,446.5	1,228.2
⁽¹⁾ Including cash in companies acquired and disposed of	0.0	0.0
RECONCILIATION OF NET CASH POSITION		
Cash and cash equivalents at the end of the period	1,446.5	1,228.2
Bank borrowings and from the restatement of leases	(2,022.8)	(1,952.5)
Commercial papers	(82.0)	(43.0)
Cash management financial assets	—	194.5
IFRS NET CASH POSITION	(658.3)	(572.8)