UBISOFT

2020

UNIVERSAL REGISTRATION DOCUMENT

and Annual Financial Report

Contents

In the table of contents, the components of the Annual Financial Report are identified by the pictogram AFR

In the table of contents, the components of the Statement of Non-Financial Performance are identified by the pictogram DPEF

Universal Registration Document 2020

and Annual Financial Report

The Universal Registration Document was filed on June 5, 2020 with the *Autorité des Marchés Financiers* (AMF – the French Financial Markets Authority), the competent authority in this respect under Regulation (EU) 2017/1129, without any prior approval requirement, as set out in article 9 of said Regulation.

The Universal Registration Document may be used for the purpose of a public offering of securities or their admission to trading on a regulated market if it is supplemented with a securities note and, where applicable, a summary and all amendments made to the Universal Registration Document. This set of documents is then approved by the AMF in accordance with Regulation (EU) 2017/1129.

Yves GUILLEMOT

Message from the Chairman and Chief Executive Officer

In these unprecedented times, our priority has been to protect the safety and well-being of our teams, no matter where they are in the world. With courage and commitment, they have demonstrated extraordinary adaptability and professionalism, and I applaud them wholeheartedly for this. I would also like to express our support for the people who have been affected and to pay tribute to the healthcare workers and everyone who is working to fight this virus to help restore a sense of normalcy to our lives.

Ubisoft's mission is to enrich players' lives with memorable gaming experiences. Amid the current health and economic crisis, this mission is more vital than ever. In April 2020, the Washington Post[1] published a study on how video games are becoming a learning tool for students while schools are closed. The article singled out the benefits of the Discovery Tour mode of the game Assassin's Creed Odyssey for learning about ancient Greek history. This mode was a major reason why Ubisoft was honored as the Best Learning Game and given the People's Choice Award at the Games for Change Awards[2].

Although the results of the past financial year fell short of our initial expectations, the arrival of a new generation of consoles offers us an opportunity to measure the considerable progress we made over the cycle that is ending. Over the last seven years, Ubisoft has taken advantage of its long-term investment strategy to build and strengthen four fundamental assets:

- first, a major transformation of our game portfolio. Our portfolio is now deeper, more diversified and much more focused on player engagement. We now occupy a strong position in multiplayer games, e-sports and RPG, adding to our well-established strengths in action-adventure games. Thanks to this transformation, 11 of our titles sold more than 10 million units during this cycle (*Assassin's Creed Unity - Assassin's Creed Origins - Assassin's Creed Odyssey - The Division - The Division 2 - Far Cry 4 - Far Cry 5 - Tom Clancy's Ghost Recon Wildlands - Tom Clancy's Rainbow Six Siege - Watch Dogs - Watch Dogs 2*), whereas only the *Assassin's Creed* franchise and *Far Cry 3* reached those levels during the previous cycle. In addition, the number of active players on our console and PC games quadrupled over the period, the number of "session days" increased eightfold and the share of PRI in our revenue increased sixfold, underscoring the positive impact of this revamping of our portfolio;
- second, this transformation was complemented by escalated expertise in our Live game management and in our engagement with player communities. Over the last financial year, 117 million console and PC players connected to our digital platform. The platform is now fully integrated with consoles and PC, and with the various streaming sites, and is a key component of our direct relationship with players. Uplay now represents 40% of our digital sales on PC;
- third, these achievements emerged partly from our production capacity, the second largest in the industry, and from a well-regarded corporate culture. Because talent is pivotal to creating value in the video game industry, our culture is an essential asset for attracting and retaining the best people;
- fourth, our control over our technologies and ownership of all our key brands give us a long-term outlook and are a major advantage as the number of platforms mushrooms.

This new financial year has got off to an excellent start with, in particular a back catalog, digital segment and PRI that are stronger than initially anticipated, and the most ambitious lineup in the industry. Nevertheless, the current crisis calls for caution given the many external uncertainties that are arising. The transition to remote working has had short-term repercussions on our production, but for now these are limited to just a few weeks. The coming months will provide more visibility on whether we can maintain our release plans. Furthermore, among other issues, the economic crisis is calling into question the operating conditions of our business partners and how consumption will change. We will continue to be adaptable and agile during this period of uncertainty.

Looking to the future, the growth potential of the video game industry is immense. As a whole, we are reaching a much more mainstream audience, and year after year, our sector bolsters its segment leader status in the entertainment industry with high growth rates. This dynamic is rooted in attributes specific to video gaming, such as ever-changing and particularly engaging social experiences, outstanding player-created content and tremendous accessibility thanks to the proliferation of platforms and business models. This accessibility will only increase as streaming becomes more powerful in the coming years.

In this context, there is still a lot of work ahead of us, and we are especially focused on developing social interactions in our games. Thanks to the fundamental assets we have built and a solid financial position, I am certain that Ubisoft is in the best position to create major value for its talent, players, partners and shareholders in the years to come.

I heartily thank all of you for your loyalty, support and confidence in us.

Yves Guillemot
Chairman and Chief Executive Officer

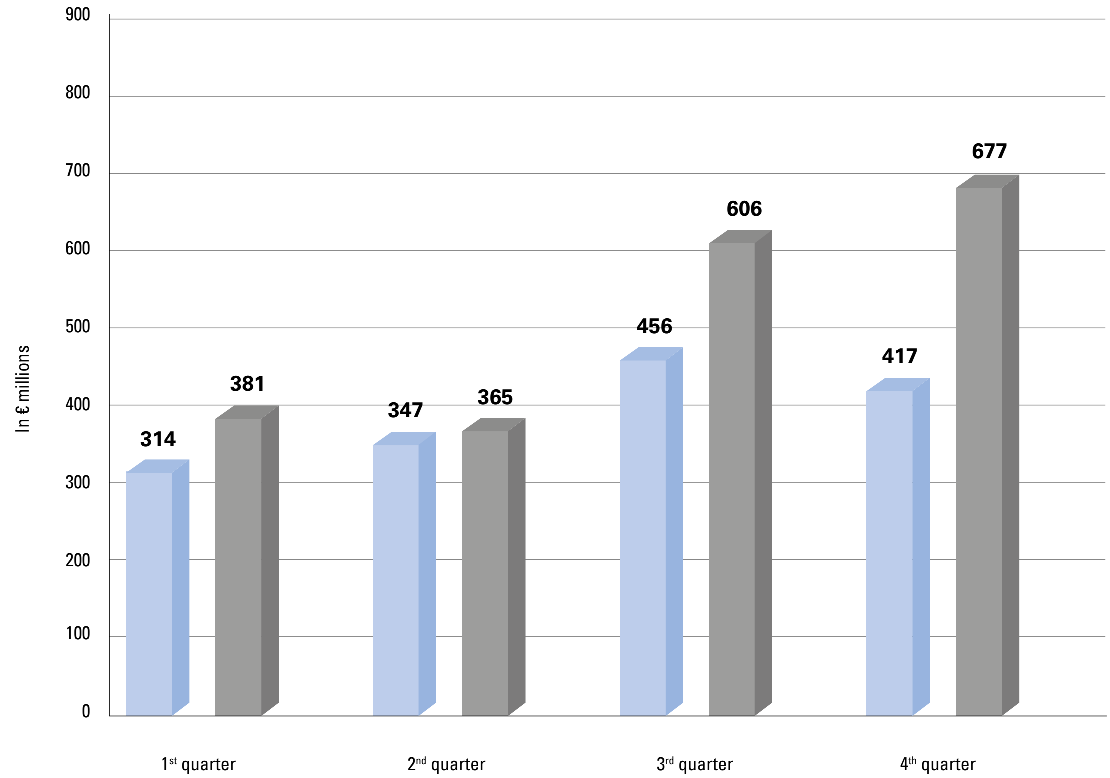
(1) "With coronavirus closing schools, here's how video games are helping teachers," April 15, 2020

(2) Games for Change highlights the efforts and talent of individuals and teams who use the game media to learn, serve the community and make the world a better place

1 Key figures

1.1 Quarterly and annual consolidated sales

NET BOOKINGS



Net bookings (1) *(in € millions)*	2019/2020	2018/2019	Change at current exchange rates	Change at constant exchange rates (2)
1st quarter	314	381	-17.6%	-19.8%
2nd quarter	347	365	-4.9%	-6.7%
3rd quarter	456	606	-24.8%	-26.0%
4th quarter	417	677	-38.3%	-39.0%
FINANCIAL YEAR TOTAL	**1,534**	**2,029**	**-24.4%**	**-25.7%**

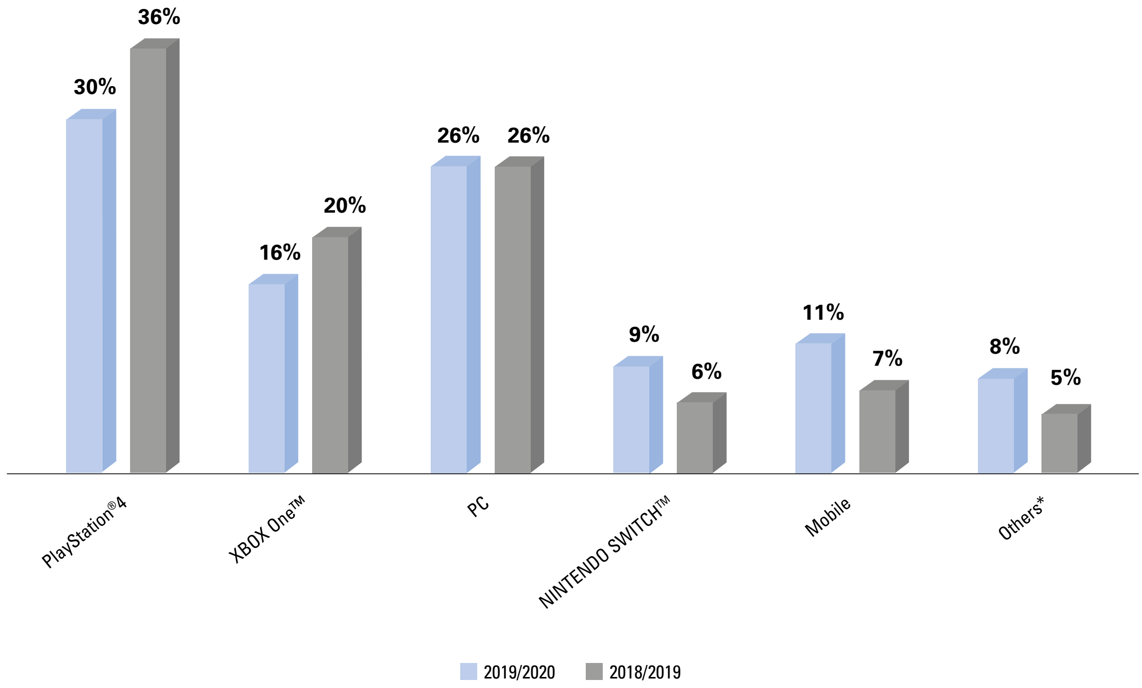
(1) Net bookings correspond to historical sales (sales excluding impacts from the application of IFRS 15)

(2) Net bookings 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 financial year

IFRS 15 sales *(in € millions)*	2019/2020	2018/2019	Change at current exchange rates	Change at constant exchange rates (1)
1st quarter	363	400	-9.2%	-11.5%
2nd quarter	334	367	-9.0%	-10.7%
3rd quarter	416	562	-25.9%	-27.1%
4th quarter	481	516	-6.8%	-7.9%
FINANCIAL YEAR TOTAL	**1,595**	**1,845**	**-13.6%**	**-15.1%**

(1) 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 financial year

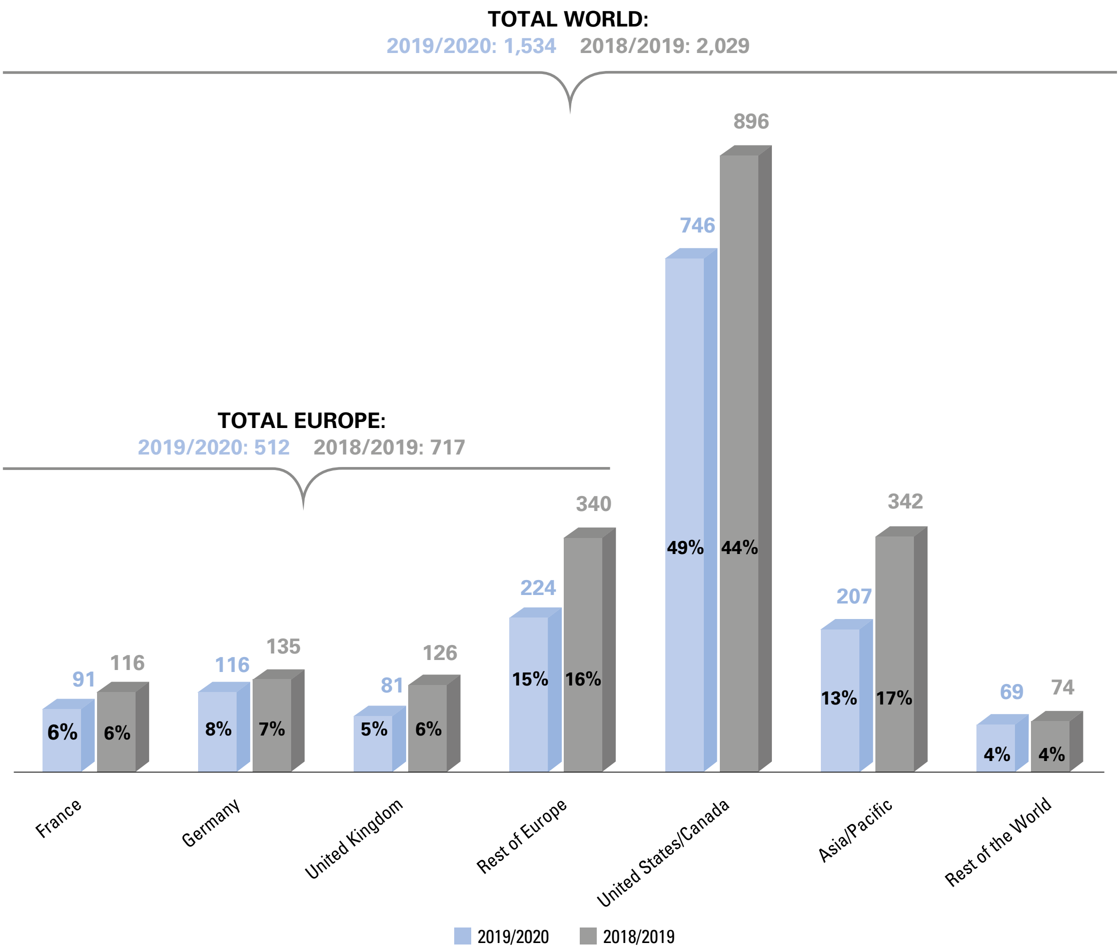
1.2 Sales by platform (Net bookings)



* Derivatives, etc.

1.3 Sales by geographic region (Net bookings)

The breakdown of Group net bookings by geographic region is as follows *(in € millions)*:



2 Group presentation

2.1 Group business model and strategy

Ubisoft is a leader in the video game industry. The Group's main business activities are centered around the production, publishing, distribution and "operation" of video games for consoles, PC, smartphones and tablets in both physical and digital formats. Ubisoft stands out thanks to a distinctive and recognized corporate culture, as well as a unique production organization which enables the Group to continue creating successful new brands, to hold all of its most significant franchises, and to release high quality new content and games on a regular basis. This strategy has enabled Ubisoft to record rapid organic growth over the years. Drawing on these advantages, the Group has undergone a considerable transformation and extended its portfolio of franchises, which are now more focused on long-term player engagement: *Assassin's Creed*®, *The Crew*®, *Far Cry*®, *For Honor*®, *Tom Clancy's Ghost Recon*®, *Tom Clancy's Rainbow Six*® *Siege*, *Tom Clancy's The Division*® and *Watch Dogs*®.

Moreover, with the strong growth in its digital business in recent years, Ubisoft has managed to successfully transform its economic model into a more profitable and sustainable business. Thanks to one of the wealthiest and most diversified portfolio of franchises in the video gaming industry, to the fact that it holds all of its brands and studios, to the second largest production team in the industry and to a culture which is profoundly focused on long-term sustainability, innovation and cooperation, the Group provides a sustainable environment for enhancing players' lives, for ensuring the full development of its talents, and for creating long-term value for its shareholders. Player communities are at the very heart of our games and the digital transformation seen in the last 10 years has enabled Ubisoft to establish a direct relationship with these groups. Ubisoft is committed to creating gaming experiences that enhance players' lives and environments in which they can fully enjoy the gaming experience with their friends in complete safety. This requires:

- the creation of games that offer more than just entertainment:
  - with *Assassin's Creed*, players can immerse themselves in history by traveling back to the time of the Crusades, the Italian Renaissance, the American or French revolutions, the industrial revolution during the reign of Queen Victoria, and even ancient Egypt or ancient Greece. They can also interact with famous individuals such as Leonardo da Vinci, Napoleon, George Washington, Cleopatra or Socrates, etc.,
  - *Just Dance*® is a fitness game to be enjoyed by the whole family today,
  - games such as *The Division, Ghost Recon Wildlands*, and *Rainbow Six Siege* require players to develop tactical and cooperative skills,
  - open world games such as *Far Cry, The Crew,* or *Watch Dogs* offer players the freedom to define their own experience,
  - in addition, some Ubisoft games touch on a wide range of subjects including autism, slavery, or the experiences of combat troops in the First World War through the letters sent by soldiers,
  - *Dig Rush*™, a game developed jointly with doctors, helps treat amblyopia (an eye condition),
  - finally, *Rocksmith*® is an excellent way of learning to play guitar;
- the adoption of monetization and engagement policies that respect the player experience and are sustainable in the long term. At Ubisoft, the golden rule when developing AAA games is to allow players to enjoy the game in full without having to spend more. Our monetization offer within pay-to-play games makes the player experience more fun by allowing them to personalize their avatars or progress more quickly, however this is always optional;
- the development of a safe player environment. Ubisoft is constantly investing in the implementation of efficient solutions for the protection of player privacy and data and to prevent toxic behavior online.

With growth that has been mainly organic over the 34 years of its existence, Ubisoft has placed its teams at the very heart of its value creation process. The Group's long-term potential depends substantially on its capacity to attract and retain the best talent in a highly competitive environment. Based on these strengths, the Group is determined to continue to develop an organization in which its teams are able to learn, to reach their full potential, and to perform to the very best of their abilities. Ubisoft has therefore established a strong corporate culture:

- focused on innovation;
- with a long-term approach in order to give its teams the opportunity to bring their visions to life and adapt to changes in the market;
- by providing a stimulating working environment in which each individual is respected;
- by developing autonomy to ensure each team is able to thrive, fulfill its potential, and constantly improve its processes;
- by encouraging efficient cooperation, based on the sharing of skills, know-how, and technology;
- with particular attention being paid to individual and collective well-being and within teams.

Over the coming years, Ubisoft will benefit from numerous solid drivers of growth with, in particular, significant opportunities in the digital sector generated by the extension of the multi-player and social gaming experience and by even greater integration of Live services.

The Group will also be benefiting from the strong growth potential of the mobile and PC segments, particularly in the Asian market, and the growing footprint of e-sport. The potential generated by these opportunities must be balanced against certain risks, such as regulatory risks in China in particular, and those related to gaming time and monetization. Ubisoft monitors these topics closely in order to remain fully compliant with the rules in force and offer players a positive experience. New methods of gaming and forms of monetization are emerging on PCs and consoles, Ubisoft's traditional segments. This is in particular the case with regard to the "free-to-play" and subscription options which, in parallel with the "paymium" model, offer the possibility of reaching a wider and more diverse public and strengthening player engagement. This means that Ubisoft's games must be sufficiently flexible so as to adapt to these three forms of monetization (paymium, free-to-play, and subscription). This impact should be amplified by streaming, which the Group sees as a major long-term opportunity. Firstly, this will allow the potential market to be extended by offering the option of playing anywhere, anytime, on any screen (including cellphones), without the obligation to purchase an expensive console or PC to play.

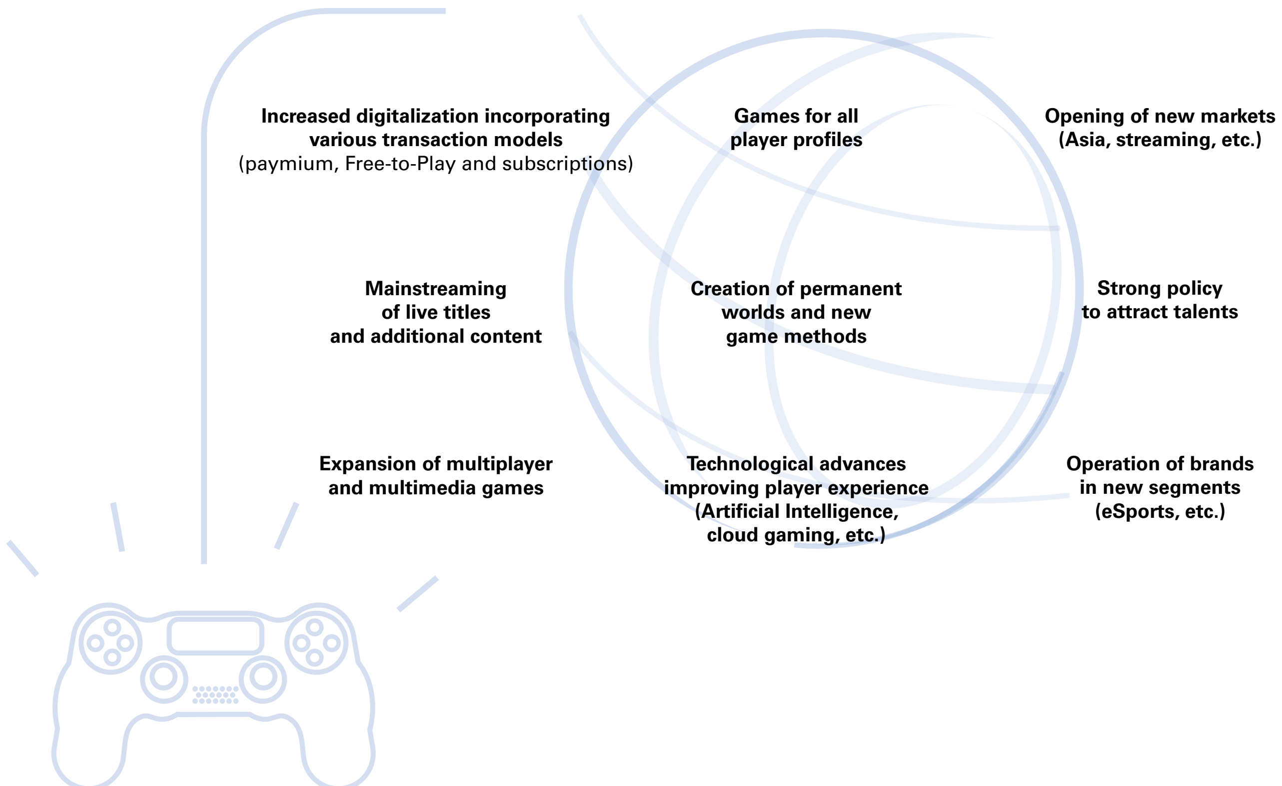
Secondly, the video gaming industry has always grown through technological progress and cloud computing is going to provide developers with unprecedented technological power which they will use to create permanent worlds that are increasingly captivating, rich, and high-quality. However, while the potential represented by cloud gaming is significant, this does however raise questions as to the monetization model. Ubisoft will also closely monitor the impact of streaming on the environment as it necessitates intensive server use.

Artificial intelligence should also play a major role in the long term, in particular allowing gaming experiences to be adapted in response to the profile of each player.

Video gaming is now the largest entertaining industry in the world and its growth will continue thanks to its unique characteristics: interactivity, social links with communities, and the fact that players are active rather than passive. The development of this industry will continue to benefit from new technological developments and have an increasing impact on people's day-to-day lives. Ubisoft is ideally positioned to benefit from this long-term trend, as it has already proven over the last 30 years, due to its capacity to act with agility and react quickly.

Thanks to the total control of its brands and studios, its unique enterprise culture which allows talented individuals to develop and reach their full potential, a portfolio of rich and varied franchises, and a profound wish to add value to players' lives, Ubisoft offers long-term visibility to its talents, its player community, and its shareholders.

Trends/Outlook for Ubisoft's business



OUR STRATEGY TO ENRICH THE LIVES OF OUR PLAYERS WHILE CREATING ORIGINAL AND MEMORABLE GAME EXPERIENCES

Video games for consoles,
PCs and mobiles in digital and physical format

OUR STRATEGY

Development of franchises with strong player commitment to bring them entertainment and much more.

- **Closer developer/player and communities relationships**
- **More electronic, multiplayer and multimedia games, leveraging new technologies and accessible to all**
- **A protected environment, in which players' personal data are protected, building up solid relationships in the communities**

RESOURCES

VALUE CREATION FOR OUR STAKEHOLDERS

2

Enriching players' lives through entertainment and more

PLAYERS

Resources	Value creation
High quality and diversified games and experiences	117 million active players Games that promote strategic and collective thinking, learning, cognitive skills, etc.
Engaged player communities who are stakeholders in our universes	Brands recognized for their quality and their relationships with their communities
Games tailored to the individual permitting a positive and risk-free experience	Prevention of toxic behaviors and problematic game usage Monetization policy in AAA which is exclusively optional Data protection strengthened by the GDPR Games accessible to people with disabilities

Thanks to a **corporate culture** focused on the long-term, **creativity** and **innovation**

ECONOMIC AND STRATEGIC

Resources	Value creation
Ownership of all our brands, studios and key technologies	All the main brands are wholly owned
Recognized agility and adaptability	Transformation of *Assassin's Creed* into an RPG franchise and of *Rainbow Six* into an esports game
Organic growth and targeted acquisitions	Net bookings: +79% over 6 financial years (FY16 through FY21e) Targeted acquisitions: Green Panda & Kolibri
An R&D policy that incorporates the most recent technological advances	*Streaming & Cloud Computing*
Internalization of the vast majority of the production	Percentage of internal production in total R&D expenses: 98%
Long-term presence of the founders on the Board of directors (mainly independent) and a stable Executive Committee	Solid governance
Transformation of the business model toward more recurring activity (back catalogue) and more profitability (digitalization)	Percentage of recurring revenue (back catalog): 73% Percentage of digital revenue: 82% Non-IFRS operating margin: from 12.1% in FY16 to 17% - 23% in FY21e

A fulfilling work environment

TALENTS

Resources	Value creation
An appropriate production force	18,045 employees in 30 countries
An attractive employer brand	2,260 net jobs created in FY20
Teams that reflect the diversity of our players	22% female representation within our teams/ 108 nationalities
191,705 hours of training to remain on the leading edge of the market	62% of employees completed training during the year
A collaborative culture	10 years of experience in inter-studio cooperative culture

Long-term relationships with our business partners

BUSINESS PARTNERS

Resources	Value creation
Trusted partners (Nintendo, Sony, Microsoft, EPIC, Google, Tencent, etc.)	Long-term win-win relationships Collaboration with Tencent, Google, Epic, Apple, etc.
A responsible supply chain (i.e. for the manufacturing of derived products, etc.)	Criteria focused on Human Rights in the selection of partners
Limited use of outsourcing	16% outsourcing (excluding film) in 2019

By developing **our local roots**

LOCAL SOCIO-ECONOMIC ECOSYSTEM

Resources	Value creation
Partnerships with local suppliers Direct and indirect job creation in regions with high potential	85% of purchases made in France are from local partners - 2,200 jobs in France supported indirectly in 2019
A commitment to social causes related to our business Local charitable activities	193 "Play for Good" charitable activities
Contribution to regional standing through technology and culture	University chairs in Quebec, India and France

And **by optimizing our environmental impact**

ENVIRONMENT

Resources	Value creation
Increasing digitalization of products	Carbon emissions of a downloaded game lower than those of a physical game
A policy of optimization of our own servers	Optimized server infrastructure
Management of the circular economy related to our business	Recycling of our WEEE*

* Waste electrical and electronic equipment

2.2 History

1986: Creation of Ubisoft

By the five Guillemot brothers.

1989-1995: International expansion

Ubisoft opens its first sales and marketing subsidiaries in the United States, Germany and the United Kingdom and its first internal development studios in France and Romania.

Launch in 1995 of *Rayman*®, Ubisoft's first major franchise.

1996-2001: Internal growth and strategic acquisitions

Flotation on the Paris stock exchange in 1996.

Opening of new studios including Shanghai in 1996 and Montreal in 1997. Acquisition in 2000 of Red Storm Entertainment (*Tom Clancy* games) and acquisition in 2001 of Blue Byte Software (*The Settlers*®). This strategy powered Ubisoft into the world's top 10 independent publishers in 2001.

2002-2006: A development strategy for owned franchises

Launch of *Tom Clancy's Ghost Recon*, *Prince of Persia*® and *Tom Clancy's Splinter Cell*®, acquisition of *Driver*® and *Far Cry* franchises.

2007-2020: A real creator of franchises and acceleration of the digital business

Ubisoft maintains its reputation as a key player. With *Assassin's Creed, Watch Dogs*, and *Tom Clancy's The Division*, Ubisoft claims three of the four most successful new brand launches in the history of video gaming, including *Tom Clancy's The Division* in the number one spot. Over this period, Ubisoft also developed the *Just Dance* music game series.

The Group is part of a significant movement towards multiplayer franchises with the successful comeback of *Tom Clancy's Ghost Recon* and *Tom Clancy's Rainbow Six* and creations of *For Honor, The Crew*, and *Tom Clancy's The Division*.

2012 launch of Ubisoft Club (Uplay), an online (PC and consoles) and distribution (PC) services platform.

Between 2013 and 2020, the percentage of net digital bookings rose from 11.7% to 79%.

Studios opened in Chengdu (China) in 2007, Singapore and Kiev in 2008 and Toronto in 2009. Launch in 2011 of the Motion Pictures business. Studios opened in the Philippines and in Belgrade in 2016, in Bordeaux, Berlin, Saguenay and Stockholm in 2017, in India, Ukraine and Winnipeg in 2018 and in Vietnam in 2019.

Acquisitions:

- the Tom Clancy name for video games and ancillary products, the Massive Entertainment studio (Sweden) and Pune (India) in 2008;
- Nadéo studio in 2009;
- Owlient studio, specializing in free-to-play games, and RedLynx, specializing in downloadable games in 2011;
- THQ Montreal and two specialists in free-to-play games: Digital Chocolate (Barcelona) and Future Games of London in 2013;
- Ivory Tower studio (France) and the assets of Longtail Halifax (Canada) in 2015;
- the publisher of the free-to-play Ketchapp mobile games and the assets of the Leamington studio in 2016;
- free-to-play mobile game *Growtopia*® in 2017;
- 1492 Studio and Blue Mammoth Games studio, specializing in free-to-play gaming in 2018, and i3D.net, leader in hosting solutions for the video gaming industry in 2019;
- Green Panda Games et Kolibri Games studios in 2019 and 2020.

2.3 Financial year highlights

June 2019 – Games for Change Awards

At the Games for Change festival which was held in New York June 17 through 19, 2019, the Discovery Tour Ancient Egypt mode from *Assassin's Creed Origins* was awarded Best Learning Game and the People's Choice Award. Ubisoft also received the very first Industry Leadership Award in the history of Games for Change. This award acknowledges the social commitment and positive power generated by the Ubisoft Group's studios as a whole.

July 2019 – All resolutions adopted at the Ubisoft General Meeting held on July 2, 2019

The shareholders approved all of the resolutions featured on the agenda for the meeting. In particular, they voted in favor of the resolution enabling the appointment to the Board of Directors of a director representing the employee shareholders, as well as the resolution enabling the allocation of free shares to employees which is one of the drivers used by the Group in its talent recruitment and retention policy. The voting also led to the renewal of the appointments as director of Ms. Virginie Haas and Ms. Corinne Fernandez-Handelsman.

July 2019 – Acquisition of a 70% stake in Green Panda Games, a leading publisher of free-to-play mobile games, specialized in hyper-casual games

Founded in 2013 and based in Paris, Green Panda Games develops and publishes games in the idle genre. Green Panda Games brings to the Group a finely-honed publisher's view of the idle games sector, of data-based iterative creative processes, and unchallenged know-how in terms of new user acquisition and advertising-driven monetization.

September 2019 – Placement of bonds convertible into new shares and/or exchangeable for existing shares ("OCEANEs") due 2024, and early redemption of those issued on September 27, 2016

On September 17, 2019, Ubisoft successfully completed an offering of bonds convertible into new shares and/or exchangeable for existing shares ("OCEANEs") due 2024 by way of a private placement to institutional investors for a nominal amount of €499,999,897.17. Concurrently with the offering, Ubisoft announced that it was exercising its option to redeem its outstanding c. €400 million OCEANEs due 2021 issued on September 27, 2016, (ISIN: FR0013204286) in accordance with the terms and conditions of the existing bonds. The bondholders opted almost unanimously to convert their OCEANEs into Ubisoft shares. Consequently, 7,260,363 OCEANEs (representing 99.36% of the outstanding total) were converted into 6,265,677 new Ubisoft shares or exchanged for 994,686 existing Ubisoft shares held in treasury.

October 2019 – Ubisoft updates its financial objectives and games timetable for the 2019-20 financial year

Ubisoft announced that it had reviewed its financial objectives and timetable for the launch of games for the 2019-20 financial year. The Group also announced its initial objectives for the 2020-21 financial year. These adjustments are the consequence of the significant downward revision of the revenue anticipated from *Ghost Recon Breakpoint*, and, to a lesser extent, from *The Division 2*, and the decision to extend the development period for *Gods & Monsters*™, *Rainbow Six Quarantine* and *Watch Dogs Legion*, which are now scheduled for release in 2020-21.

January 2020 – Acquisition of a 75% stake in Kolibri Games, a leading publisher of free-to-play mobile games and one of the leaders in the idle segment

Kolibri Games developed and published *Idle Miner Tycoon*, a game downloaded by over 104 million players worldwide. The studio, based in Berlin, Germany, is comprised of a team of around one hundred talents which will provide Ubisoft with its acknowledged expertise in games development and live mobile services.

2.4 Subsidiaries and equity investments

2.4.1 INVESTMENTS DURING THE FINANCIAL YEAR

Creation of new companies

- ***February 2020***: Creation of Ubisoft Vietnam Company Limited.
- ***March 2020***: Creation of Ubisoft Limited Taiwan Branch (Hong Kong).

Acquisitions

- ***July 2019:*** Acquisition of 70% of the Green Panda Games group

On July 31, 2019, Ubisoft acquired a 70% interest in France's Green Panda Games group and its two wholly-owned subsidiaries. Green Panda Games is a leading publisher of free-to-play mobile games, specialized in hyper-casual games. The Group develops and publishes idle genre games. Boasting a highly-talented 30-person team, since its creation in 2013, the publisher has launched more than 55 games, downloaded by some 85 million players worldwide.

The agreements include provision for Ubisoft to increase its stake to 100% over the next four years.

- ***January 2020:*** Acquisition of 75% of Kolibri Games

On January 31, 2020, Ubisoft acquired a 75% stake in Germany's Kolibri Games. The company is a leading publisher of free-to-play mobile games and one of the leaders in the idle segment. Based in Berlin, the studio, comprised of a team of around one hundred talented individuals, developed and published *Idle Miner Tycoon* which has been downloaded by over 104 million players worldwide and for which over 160 updates with additional content have been issued since its launch in 2016.

The agreements include provision for Ubisoft to increase its stake to 100% over the next four years.

Mergers

None

Dissolution of subsidiaries

- ***March 2020:*** Dissolution without liquidation of Ubisoft Learning & Development SARL.

2.4.2 BUSINESS ACTIVITY OF SUBSIDIARIES

Production subsidiaries

These are responsible, under the supervision and within the framework set out by the parent company, for the design and development of the software, including in particular the scenarios, animation, gameplay, layouts and game rules, as well as the development of design tools and game engines, enhanced by the increasingly direct relationship with player communities.

Sales and marketing subsidiaries

These are in charge of the worldwide distribution of Ubisoft products in physical and digital format, under the supervision of and within the framework defined by the parent company. They are also in charge of implementing local marketing strategies and campaigns associated with game promotion, as decided by the parent company.

MAIN DISTRIBUTION SUBSIDIARIES

	03/31/20			03/31/19			03/31/18		
Subsidiary *(in € thousands)* IFRS financial statements	Sales	Operating profit (loss)	Net income	Sales	Operating profit (loss)	Net income	Sales	Operating profit (loss)	Net income
Ubisoft Inc. (United States)	675,085	17,765	(3,776)	822,405	61,766	34,814	780,977	23,083	19,068
of which intra-group sales	*42,859*			*44,206*			*44,540*		
Ubisoft EMEA SAS	599,419	11,391	6,505	793,004	10,693	6,008	582,122	7,259	3,181
of which intra-group sales	*88,718*			*183,936*			*168,289*		
Ubisoft Mobile Games SARL	107,878	(83,949)	(107,832)	99,252	(10,108)	(21,290)	90,092	24,397	16,117
Ubisoft Ltd (United Kingdom)	26,972	(5,083)	1,451	86,719	8,324	54,572	81,718	1,608	15,719
Ubisoft Entertainment Inc. (Canada) *Distribution only*	30,050	265	(43)	46,551	3,921	3,155	56,783	1,473	1,078
Ubisoft GmbH (Germany)	43,208	1,116	655	92,600	2,094	956	79,382	1,559	1,228
Ubisoft France SAS	27,663	436	(894)	56,876	1,359	721	57,949	12,305	3,813

Relations between the parent company and subsidiaries

The existence of the subsidiaries involves:

- production subsidiaries billing the parent company for development costs based on the progress of their projects;
- the invoicing by the parent company of a distribution license to the sales and marketing subsidiaries.

The parent company also centralizes a certain number of costs that it then allocates to its subsidiaries, in particular in relation to:

- general and administrative expenses;
- interest related to the cash management agreement, interest on guarantees and loans.

2.4.3 SIMPLIFIED ORGANIZATION CHART

The organization chart below shows the Group companies and/or branches as at March 31, 2020. Unless otherwise indicated, these companies are wholly owned, directly or indirectly.

Ubisoft Entertainment SA

Video games production

Ubisoft Production Internationale SAS
France

Ubisoft Paris SAS
France

Nadéo SAS
France

Ubisoft Montpellier SAS
France

Ubisoft Annecy SAS
France

Ubisoft Création SAS
France

Ivory Tower SAS
France

Ivory Art & Design SARL [1]
France

Ubisoft Bordeaux SAS
France

Ubisoft Blue Byte GmbH
Germany

Ubi Studios SL
Spain

Ubisoft Studios Srl
Italy

Ubisoft Toronto Inc. [1]
Canada

Ubisoft Winnipeg Inc. [1]
Canada

Ubisoft Entertainment Inc. [4]
Canada

Ubisoft Reflections Ltd [1]
United Kingdom

Red Storm Entertainment Ltd [1]
United Kingdom

RedLynx Oy [1]
Finland

Ubisoft Entertainment Sweden AB
Sweden

Ubisoft EooD
Bulgaria

Ubisoft Srl
Romania

Ubisoft Ukraine LLC
Ukraine

Ubisoft Doo Beograd
Serbia

Shanghai Ubi Computer Software Co. Ltd
China

Chengdu Ubi Computer Sofware Co. Ltd
China

Ubisoft Osaka KK
Japan

Ubisoft Entertainment India Privale Ltd
India

Red Storm Entertainment Inc. [1]
United States

Blue Mammoth Games LLC [1]
United States

BMG Europe BV [1]
Netherlands

Ubisoft Singapore Pte Ltd
Singapore

Ubisoft Entertainment Philippines [5]
Philippines

Production / Distribution mobile games

Ubisoft Mobile Games SARL
France

Ubisoft Paris – Mobile SARL
France

Owlient SAS
France

1492 Studio SAS [1]
France

Green Panda Games SAS [1][2]
France

Puzzle Games Factory SAS [1][2]
France

Solitaire Games Studio SAS [1][2]
France

Ubisoft Sarl
Maroc

Ubisoft Emirates FZ LLC
United Arab Emirates

Ubisoft Barcelona Mobile SL [1]
Spain

Future Games of London Ltd [1]
United Kingdom

Kolibri Games GmbH [1][3]
Germany

Ubisoft Vietnam Company Limited [1]
Vietnam

Games hosting

Performance Group BV
Netherlands

i3D.net BV [1]
Netherlands

i3D.net LLC [1]
United States

SmartDC Holding BV [1]
Netherlands

SmartDC BV [1]
Netherlands

SmartDC Heerlen BV [1]
Netherlands

Distribution

Ubisoft France SAS
France

Ubisoft EMEA SAS
France

Ubi Games SA
Switzerland

Ubisoft Ltd
United Kingdom

Ubisoft CRC Ltd [1]
United Kingdom

Ubisoft Nordic A/S
Denmark

Ubisoft SA
Spain

Ubisoft SpA
Italy

Ubisoft BV
Netherlands

Ubisoft [5]
Belgium

Ubisoft Entertainment [5]
Korea

Ubisoft Pty Ltd
Australia

Ubisoft Games LLC
Russia

Ubisoft Ltd
Hong-Kong

Ubisoft KK
Japan

Ubisoft Entertainment Inc. [4]
Canada

Ubisoft Music Publishing Inc.
Canada

Ubisoft Inc.
United States

Ubisoft Entertainment Ltda
Brazil

Ubisoft GmbH
Germany

Ubisoft GmbH spółka z ograniczoną [5]
Poland

Ubisoft Limited Taiwan Branch (Hong-Kong) [5]
Taiwan

Movies

Ubisoft Motion Pictures SARL
France

Ubisoft Motion Pictures Rabbids SAS [1]
France

Hybride Technologies Inc. [1]
Canada

Ubisoft L.A. Inc. [1]
United States

Script Movie Inc. [1]
United States

Dev Team LLC [1]
United States

Robot Parking Productions LLC [1]
United States

Very Perry Productions LLC [1]
United States

Creature Within Productions [1]
United States

Other business

Ubisoft International SAS
France

Ubisoft Fastigheter AB [1]
Sweden

(1) Indirectly owned
(2) 70% stake
(3) 75% stake
(4) Studios Montreal, Quebec and Halifax (Mobile) / Distributor for North America
(5) Branch

2.5 Research and development, investment and financing policy

2.5.1 RESEARCH AND DEVELOPMENT POLICY

In order to develop exceptional video games, Ubisoft has established a project-led R&D policy for tools and technologies using the most recent technological advances.

The technical decisions of a game are made very early in the creative process, years before its release, so as to align innovative efforts, both in terms of human resources and funding. Thanks to its integration of teams of engineers mastering the best existing technologies, Ubisoft employs a very pragmatic approach to its projects: depending on the problems and expected results for a game, the choice of tools will either focus on specific internal developments or on existing software on the market, or most commonly, on a combination of both. Research and analysis are thus focused on innovation and functionality using technologies that are suited to the development of a high-quality product.

In a sector where technological innovation is a constant, a culture of knowledge-sharing and re-use is essential to the performance of the teams. A collaborative approach [1] is favored to encourage the sharing and transfer of technological knowledge within the Group's different teams (production, support, IT) and to provide the possibility of contributing to ongoing advances in tools and production processes.

Different initiatives have been implemented over the years, driven mainly by the Knowledge Management and Technology Group departments, to develop various tools and sharing platforms to support knowledge capitalization. On the other hand, the re-use of the technological building blocks that are vital to the creation of a video game is encouraged and allows the production team to focus on their research and development work on the non-generic parts of the games, thus maximizing their added value. These advances, associated with promoting networking between the Group's studios, have enabled the Company to master the development of new products, particularly with regard to the transition toward new generations of consoles and the exploration of new technologies such as cloud gaming and virtual and augmented reality.

Although the Group does not conduct any basic research, it has worked closely with a variety of research partners for many years in order to collaborate with researchers in fields connected to game development. For example, the Montreal studio works closely with university research departments on the joint development of innovative prototypes to obtain a better understanding of player activity or on the use of artificial intelligence and machine learning to improve production and player experience. In addition, the Strategic Innovation Lab, which reports to General Management, and whose mission is to anticipate the future and to help the organization prepare itself for it, supports these research efforts and strategic recommendations with prototypes and open innovation projects with the academic world, industrial partners and startups. Lastly, specific collaborations are also taking place with external software providers to improve the productivity of the tools and methods used by Ubisoft in game production.

Ubisoft regularly uses open-source software and we contribute to and invest in open-source software. Further to joining the Blender Development Fund in early 2019 in order to support open-source animation, Ubisoft has confirmed its sponsorship of the Dear ImGui project. Certain of Ubisoft's in-house projects are open source and the Company has adopted InnerSource (the application of the principles of open source development to Ubisoft's in-house development) in order to improve sharing and re-use and accelerate the development process.

These different initiatives have enabled Ubisoft to complement its internal software developments while still encouraging openness to the many technological fields that now comprise the creation of increasingly advanced and immersive interactive experiences and content. Thanks to this openness and its active participation in various technical events and conferences (Games Developers Conference, Dice, Siggraph, etc.), Ubisoft contributes to the influence of the video game sector for the whole industry.

With regard to the 2019/2020 financial year, commercial software and movie costs reached €873 million, 13% higher than the previous financial year.

2.5.2 INVESTMENT POLICY

The vast majority of Ubisoft's production is in-house, thereby affording it full control over its expertise in game development and the ability to share this knowledge between its various studios. This approach is crucial for the development of open-world games – which involve large teams and therefore require close collaboration between the different studios – and for Live games with the development of additional game content.

Ubisoft has continued its investment expenditure policy to enable the Company to gain traction in new platforms, develop its online business and more generally increase its market share and improve its financial performance. Studio production costs, financed by the parent company, increased in 2019/2020.

(1) See 5.4.1.3

	2019/2020	2018/2019	2017/2018
Internal production-related capex	€858 million	€759 million	€671 million
Capex per member of production staff	€58,381	€59,742	€61,217

2.5.3 FINANCING POLICY

Ubisoft has broadly two kinds of cash flows:

- cash flows for financing development costs, which are spread evenly throughout the year;
- cash flows linked to the highly seasonal nature of games marketing.

These cash flows include a lag between production costs and cash inflows. The business must first of all finance the manufacturing of the products as well as the marketing costs before it can record any income. The Group must therefore finance significant cash flow peaks linked to the game release dates.

However, progress in the development of digital activity is easing financing requirements associated with the physical production of marketed products.

Equity financing

The video game business line requires substantial capital expenditure in development, over average periods of between 2 and 5 years, which publishers must be able to finance out of their own resources.

In addition, publishers are required to launch new releases on a regular basis, and their levels of success cannot always be guaranteed.

For these reasons, significant capitalization is essential to guarantee the continuous financing of capital expenditure and to deal with contingencies stemming from the success or failure of games without endangering the future of the Company.

With equity of €1,315 million, the Ubisoft Group financed investment expenditure on internal and external production of games and films to the tune of €909 million for the 2019/2020 financial year.

Other sources of financing

Over the 2019/2020 financial year, the Ubisoft Group used the following resources to meet its operating cash requirements:

- a €300 million syndicated loan signed in July 2017, with a term of five years, with two one-year extension options: the first extension option was exercised in 2018 and extends maturity through July 2023, while the second extension option, exercised in 2019, extends maturity through July 2024;
- a €400 million OCEANE bond redeemed in full in October 2019, with 99.36% converted into shares at par;
- a €500 million OCEANE bond issued in September 2019 (maturing in September 2024);
- a bond issue of €500 million (maturing in January 2023);
- bilateral credit lines of €10 million (maturing in less than one year);
- a loan of €1.3 million (maturing in March 2021);
- a program of short-term negotiable securities (NEU CP or Negotiable EUropean Commercial Paper) with a ceiling of €300 million.

The Group has had recourse to factoring via disposals of receivables on rights to multimedia title credits (CTMM) in Canada, for one-off transactions.

However, Ubisoft does not use securitization agreements, Daily assignment agreements or sale and repurchase agreements.

Covenant management

With regard to the syndicated loan, the Schuldschein type loan and the bilateral credit lines, Ubisoft must comply with the following ratios calculated on the basis of the IFRS consolidated annual financial statements:

- the "Net debt restated for assigned receivables/equity restated for goodwill" ratio must be below 0.8;
- the "Net debt restated for assigned receivables/EBITDA over the last 12 months" ratio must be below 1.5.

As at March 31, 2020, the Ubisoft Group was in compliance with these ratios and expects to remain so in the 2020/2021 financial year.

Financing in 2020/2021

For the 2020/2021 financial year, and unless the Company makes a major acquisition, Ubisoft should be able to finance its operations from cash and the facilities at its disposal, including at least €1,300 million in lines of credit due in more than one year.

2.6 2019/2020 performance review (non-IFRS data)

2.6.1 DEFINITION OF NON-IFRS FINANCIAL INDICATORS

Ubisoft has concluded that these indicators, which are not strictly accounting measures, provide pertinent additional information for analyzing the Group's operating and financial performance. Management uses these measures since they are the best reflection of business performance and exclude the majority of non-operating and non-recurring items.

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

- net bookings corresponds to historical sales (i.e. sales excluding the impacts of the application of IFRS 15);
- non-IFRS operating profit, calculated based on net bookings corresponds to operating profit less the following items:
  - stock-based compensation expense arising on free share plans, Group savings plans and/or stock options,
  - impairment of acquired intangible assets with an indefinite useful life,
  - non-operating profit linked to the Group's organizational restructuring;
- non-IFRS operating margin corresponds to non-IFRS operating profit expressed as a percentage of net bookings. This ratio reflects economic performance;
- non-IFRS net income corresponds to net income after deduction of:
  - restatements included in the non-IFRS operating profit above,
  - income and expenses relating to the remeasurement after the measurement period of any variable compensation granted in connection with business combinations,
  - interest on the OCEANE bond under IFRS 9,
  - tax impacts on these adjustments;
- non-IFRS net income attributable to owners of the parent corresponds to that portion of non-IFRS net income attributable to the owners of the parent company;
- non-IFRS diluted EPS corresponds to non-IFRS net income attributable to owners of the parent 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 flows from operations, which includes:
  - the costs of internal software and external development (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 canceling out the deferred tax income or expenses presented in non-IFRS cash flows from operations;
- total non-IFRS cash flows from operating activities, which includes:
  - the costs of internal software and external developments, presented in accordance with IFRS under cash flows from investing activities,
  - the restatement of commitments connected to leases relating to the application of IFRS 16, presented in accordance with IFRS under cash flows from financing activities;
- non-IFRS cash flows from investing activities, which excludes the costs of internal software and external developments presented under non-IFRS cash flows from operations;
- free cash flow corresponds to non-IFRS cash flow from operating activities after cash inflows/outflows relating to other intangible assets and property, plant and equipment and commitments relating to leases under IFRS 16;
- free cash flow before working capital requirement corresponds to cash flow from operations after cash inflows/outflows arising on the disposal/acquisition of other intangible assets and property, plant and equipment and commitments related to leases recognized on the application of IFRS 16;
- non-IFRS cash flows from financing activities, which excludes commitments linked to leases relating to the application of IFRS 16 presented as non-IFRS cash flows from operating activities;
- IFRS net financial position corresponds to cash and cash equivalents less financial liabilities excluding derivatives;
- non-IFRS net financial position corresponds to the net financial position restated for commitments related to leases (IFRS 16).

RECONCILIATION OF IFRS NET INCOME AND NON-IFRS NET INCOME

	2019/2020			2018/2019		
(in € millions with the exception of per share data)	IFRS	Adjustments	Non-IFRS	IFRS	Adjustments	Non-IFRS
IFRS 15 Sales	**1,594.8**		**1,594.8**	**1,845.5**		**1,845.5**
Deferred revenue related to IFRS 15		(60.8)	(60.8)		183.1	183.1
Net bookings			**1,534.0**			**2,028.6**
Total operating expenses	**(1,654.3)**	**154.6**	**(1,499.7)**	**(1,686.5)**	**103.9**	**(1,582.6)**
Stock-based compensation	(53.8)	53.8	-	(54.7)	54.7	-
Goodwill/brand impairment	(100.8)	100.8	-	(49.2)	49.2	-
OPERATING PROFIT (LOSS)	**(59.5)**	**93.7**	**34.2**	**159.0**	**287.0**	**446.0**
Net financial income	(19.1)	8.2	(10.9)	(10.9)	8.4	(2.4)
Share in profit of associates	-		-	0.3	-	0.3
Total income tax	(45.7)	13.5	(32.2)	(48.4)	(61.9)	(110.4)
Consolidated net income	**(124.2)**	**115.5**	**(8.8)**	**100.0**	**233.6**	**333.5**
Net income attributable to owners of the parent company	(125.6)		(10.2)	100.0		333.5
Net income attributable to non-controlling interests	1.4		1.4	-		-
Earnings per share	**(1.12)**	**1.03**	**(0.09)**	**0.89**	**1.91**	**2.80**

2.6.2 CHANGES IN THE INCOME STATEMENT (UNAUDITED)

(in € thousands)	03/31/20	03/31/19
IFRS 15 sales	**1,594,831**	**1,845,522**
Deferred revenue related to IFRS 15	(60,844)	183,128
Non-IFRS net bookings	**1,533,986**	**2,028,650**
Non-IFRS gross profit	1,280,910	1,699,678
Non-IFRS R&D costs	(680,885)	(700,370)
Non-IFRS SG&A costs	(565,787)	(553,279)
Non-IFRS current operating profit	**34,238**	**446,030**
Non-IFRS net financial income	**(10,855)**	**(2,430)**
Share of profit of associates		294
Non-IFRS income tax (credit)	(32,159)	(110,352)
NON-IFRS CONSOLIDATED NET INCOME	**(8,776)**	**333,543**
Non-IFRS net income attributable to owners of the parent company	**(10,157)**	**333,543**
Non-IFRS net income attributable to non-controlling interests	**1,382**	**-**
Equity attributable to owners of the parent company	1,314,553	920,018
Investment expenditure on internal and external game and film production	909,556	801,325
Staff	18,045	15,985

Gross profit as a percentage of net bookings grew to 83.5%, or €1,280.9 million in absolute terms, compared with a gross profit of 83.8% (€1,699.7 million) in 2018/2019.

Non-IFRS operating profit amounted to €34.2 million, down 92.3% from the €446.0 million generated in 2018/2019.

The change in operating profit breaks down as follows:

- €418.8 million decrease in gross profit due to the delay in the release of 3 games to the next fiscal year;
- R&D costs declined by €19.5 million, to stand at €680.9 million (44.4% of net bookings), compared with €700.4 million for 2018/2019 (34.5%);
- SG&A costs were up by €12.5 million, at €565.8 million (36.9% of net bookings), compared with €553.3 million (27.3%) for the previous financial year:
  - variable marketing expenses stood at €262.6 million (17.1% of net bookings), a decrease from the €296.0 million (114.6%) for 2018/2019,
  - overheads totaled €303.2 million (19.8% of net bookings) compared with €257.3 million (12.7%) in 2018/2019.

Non-IFRS net income attributable to owners of the parent totaled €(10.2) million, corresponding to non-IFRS diluted net earnings per share of €(0.09), compared with non-IFRS net income of €333.5 million for 2018/2019, or €2.80 per share.

2.6.3 CHANGE IN NON-IFRS WCR AND NON-IFRS NET CASH POSITION

On the basis of the non-IFRS cash flow statement, the non-IFRS working capital requirement fell by €83.4 million compared with a decrease of €84.7 million from the previous financial year.

Cash used by non-IFRS operating activities stood at €86.4 million (compared with the €384.7 million generated in 2018/2019). This reflects non-IFRS cash flows from operations of €(169.9) million (compared with €300 million for 2018/2019) and a fall in working capital requirement of €83.4 million.

The non-IFRS net financial position as at March 31, 2010 was €(100.6) million compared with €(293.8) million as at March 31, 2019. This change is the result of the following:

- cash flows generated by non-IFRS operational activities: €(86.4) million;
- receipts and disbursements relating to other intangible assets and property, plant and equipment: €(104.7) million;
- receipts and disbursements relating to non-current financial assets: €(5.2) million;
- acquisitions: €(143.7) million;
- exercise of stock options and employee stock ownership: €81.5 million;
- purchases/sales of own shares: €35.3 million;
- equity component – interest on convertible bonds: €42.7 million;
- conversion of 2016 convertible bond: €380 million;
- effect of foreign exchange gains and losses: €(18.7) million;
- opening debt linked to IFRS 16 application: €12.5 million.

NON-IFRS CASH FLOW STATEMENT (UNAUDITED)

(in € thousands)	03/31/20	03/31/19
Non-IFRS cash flows from operating activities		
Consolidated profit (loss)	(124,242)	99,985
+/- Share of profit of associates	-	(294)
+/- Net depreciation and amortization of gaming software & movies	422,531	485,928
+/- Other net depreciation and amortization of non-current assets	196,898	98,330
+/- Net provisions	2,265	22,039
+/- Cost of stock-based compensation	53,772	54,686
+/- Gains/losses on disposals	682	261
+/- Other income and expenses calculated	10,653	(5,401)
+/- Internal development and license development costs	(651,202)	(587,699)
+/- IFRS 15 Impact	(45,633)	132,165
+/- IFRS 16 Impact	(35,577)	-
Non-IFRS cash flows from operations	**(169,853)**	**300,000**
Inventory	20,186	(31,326)
Customers	182,891	(18,031)
Other assets	24,983	29,647
Suppliers	(49,199)	3,181
Other liabilities	(95,426)	101,203
+/- Change in non-IFRS WCR	**83,436**	**84,674**
Total non-IFRS cash flow generated by operating activities	**(86,418)**	**384,675**
Non-IFRS cash flows from investing activities		
- Payments for other intangible assets and property, plant and equipment	(104,909)	(74,403)
+ Proceeds from the disposal of intangible assets and property, plant and equipment	179	25
Free Cash Flow	*(191,148)*	*310,297*
- Payments for the acquisition of financial assets	(215,697)	(43,816)
+ Repayment of loans and other financial assets	210,498	142,057
+/- Changes in scope *	(143,735)	(84,327)
Total non-IFRS cash flow used by investing activities	**(253,664)**	**(60,464)**
Cash flows from financing activities		
+ New borrowings	(935,213)	(603,661)
+ New finance leases contracted	-	21
- Repayment of finance leases	-	(1,300)
- Repayment of borrowings	(584,908)	(572,177)
+ Proceeds from shareholders in capital increases	81,466	131,910
+/- Sales/purchases of own shares	35,348	(201,899)
Cash generated by financing activities	**467,119**	**(39,784)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**127,037**	**284,427**
Cash and cash equivalents at the beginning of the financial year	878,612	583,354
Foreign exchange losses/gains	(18,720)	10,831
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR *	**986,927**	**878,612**
* *Including cash in companies acquired and disposed of*	*20,165*	*(2,254)*

2.7 Outlook

In 2019, the global video game market grew by 7% (EMEA, Latin America, North America and Asia-Pacific; source: Newzoo). Growth is set to continue in 2020, still due to the sharp increase in digital revenues and a dynamic console, PC and mobile market.

The Group's targets for financial year 2020-2021 are: net bookings between €2,350 million and €2,650 million and non-IFRS operating income between €400 million and €600 million.

3 Risks and internal control

3.1 Risk factors

In the course of its business, the Group is exposed to a series of risks that could affect its performance, its reputation, the achievement of its strategic and financial goals and its share price.

During 2019, in order to improve the effectiveness of its internal procedures and strategic monitoring processes, Ubisoft updated its global risk mapping, involving the Group's operational and functional management. On this basis, and in accordance with the provisions of Regulation (EU) 2017/1129 of June 14, 2017, revising the Prospectus directive, the key risk factors identified and presented below are those which the Group considers to be material, high-priority and specific to its business, and which are liable, as of the date of publication of this Universal Registration Document, to have a significant impact on its operations, its image, its financial position, its results, and its ability to achieve its objectives.

These risk factors are grouped into four categories, presented in no particular order (business risks, risks connected to talent, regulatory risk, technological risk). However, within each category, risk factors are presented on the basis of their net criticality in decreasing order of importance. The net criticality of the risk factors is calculated through a combination of the probability of the risk occurring and the corresponding level of severity, once the risk management measures put in place by the Group have been taken into account. The manner in which each risk factor could impact Ubisoft, as well as the control and mitigation measures put in place by the Group to deal with these, are explained below. However, these measures cannot provide an absolute guarantee that these risks will be controlled.

Other risks, considered less significant by the Group or not yet identified as at the date of this document, could also become significant risk factors able to have an adverse effect on Ubisoft's business and performance. In order to anticipate, identify, and palliate the main internal or external risks being faced by the Group, Ubisoft has put in place the internal control and risk management procedures described in section 3.2 of this chapter.

Investors are therefore invited to examine carefully each of the risks described below as well as all of the information presented in this Universal Registration Document in order to make investment decisions in a fully informed manner.

Specific and material risks to which the Group considers itself exposed		Net criticality
Business risks	Restriction of access to certain markets	High
	Failure by external partners rendering a game unavailable	High
	Disclosure, theft, espionage, loss, or irreversible alteration of sensitive data	Moderate
	Toxicity in games and services	Moderate
	Dependence with regard to certain suppliers/subcontractors	Moderate
	Failures in the development process of a flagship game leading to delays to its launch	Moderate
	Mistrust among the player community	Moderate
Risks associated with talents	Departure of key talents	High
	Inability to attract and retain talent	Moderate
Regulatory risks	New regulations	High
	Reduction in the level of grants, subsidies, and tax credits	Moderate
Technological risks	Delays by Ubisoft or occurrence of disruptive innovation by a competitor	Moderate
	Inability to respond rapidly to major technological developments	Moderate

Financial risks, not being considered as specific to Ubisoft's business (foreign exchange, financing and liquidity, interest rate, counterparty risk and risks relating to the company's shares), are set out in notes 40 to 45 to the consolidated financial statements attached to this Document.

Moreover, in addition to the significant and specific risks listed above to which the Group considers it has exposure, Ubisoft also faces the generic risk generated by the Covid-19 pandemic whose principal impacts identified as of the date of this Universal Registration Document are as follows:

RISKS LINKED TO THE COVID-19 EPIDEMIC

Faced with the current health crisis, the Group has taken the necessary measures to protect its employees and ensure the continuity of its business.

The impact of Covid-19 is being closely monitored by the Group to assess the situation and take all necessary measures. The Group has therefore been able to use its IT infrastructure and digital co-working solutions to allow most of its teams to work remotely in order to maintain high levels of productivity in a particularly difficult context.

As of the date of publication of this document, the Group estimates that the Covid-19 epidemic should have a limited overall impact on its business. The widespread lockdowns linked to the crisis have moreover had a positive impact on engagement regarding players using Consoles and PC, and on revenue. It is however impossible as of the date hereof to determine whether this impact will be sustainable.

Nevertheless, the Covid-19 crisis requires a prudent approach. Main uncertainties remain regarding the future, such as:

- the possibility that one of its 5 AAA titles scheduled for the fiscal year 2020-21 could be postponed until the next fiscal year due to the repercussions of the transition to working from home;
- the impact of the economic recession, on the basis of its intensity and duration, on changes to gaming consumption;
- the impact on business linked to potential difficulties incurred by physical distributors on game launches;
- the short-term postponement of the launch of new high definition consoles. However, to the extent that Ubisoft had planned to launch its games on the two generations of consoles, the impact should if applicable be relatively limited.

In this context of extreme uncertainty, Ubisoft is continuing to monitor closely all changes to the situation and its impacts.

3.1.1 BUSINESS RISKS

Restriction of access to certain markets

Identification and description of the risk	Potential impacts on the Group
Ubisoft may be faced with restrictions on access to certain markets or have a presence which is not sufficient to note the emergence of potential disruptions to the market. Typically, the Chinese market, which has enormous potential, is marked by a restrictive and changeable regulatory environment which makes access difficult and could expose the Group to a major loss of competitive advantage compared to competitors who may also be trying to enter this market.	The failure or inability of the Group to penetrate certain markets could trigger: ♦ a significant fall in market share; ♦ a loss of opportunity in terms of revenue; ♦ a loss of competitive advantage; ♦ an inability to reach new players.

Risk mitigation and control

For the Group, the best way to counter this risk consists of adapting its games in response to the requirements imposed by local authorities, acting early and being responsive, and developing partnerships with major stakeholders in the sector (e.g. Tencent in China) to promote access to the market.

Failure by external partners rendering a game unavailable

Identification and description of the risk	Potential impacts on the Group
Any failures by the external partners on which Ubisoft's business activities are dependent, such as the game platforms/playstores or servers maintained by Ubisoft or third parties, leading to the temporary unavailability of one or several games for the player community, could cause significant damage to Ubisoft. This risk has been heightened in particular by the increased digitalization and technological developments used to improve the gamer experience (cloud gaming, etc.). Similarly, Ubisoft may, as part of its development activities, call upon external studios using traditional subcontracting agreements to complete projects by supplying additional and/or specialized production capacity or to take on original projects in which they have specific expertise. These independent development studios may sometimes have a limited capital base or could have operational weaknesses which would put the completion of a project at risk (failure to meet the deadlines set, inability to provide the quality expected, etc.).	Any failures by third parties (platform, external server, etc.) leading to the temporary unavailability of one or several games could lead to a loss of income, market share, or players (dissatisfaction potentially leading players to switch to a competitor's games). This could also involve pressure to find an alternative solution. Similarly, any failure by a subcontractor in the development of a game may cause delays in production, generate additional costs and, in particular, lead to a loss of revenue linked to the non-delivery/late delivery of an update or a new functionality expected by the community.

Risk mitigation and control

Ubisoft has teams available 24/7 to guarantee optimal service to users. Ubisoft has limited dependence on the technologies that enable its games to be played online and has put in place multiple hosting strategies enabling the risk of dependence on any single service provider to be reduced. Ubisoft publishes its content across all types of gaming platforms, thereby reducing the risk in the event of any failure by a partner.

In addition, to limit the risk of financial or operational failure by the independent development studios to which Ubisoft subcontracts the production of certain projects, Ubisoft has put internal monitoring procedures in place (regular communication with the partner to monitor progress made, formalized monitoring with its frequency dependent on the scale of the project, security audits), limits the number of games entrusted to any one studio, and integrates all or part of the technology used by such studios.

Furthermore, concerning mobile gaming, the risk on Android is de facto less than that on iOS due to the multiple hardware models (Samsung, LG, Google, etc.) and stores (GooglePlay store as well as Samsung Store, etc.) which enable Ubisoft to reach our customers through different partners. Should any one of these partners fail to deliver, the end client could select a substitute solution in order to recover access to his or her Ubisoft game.

Disclosure, theft, espionage, loss, or irreversible alteration of sensitive data

Identification and description of the risk

Ubisoft's significant digital presence means that it has greater exposure to those risks liable to compromise sensitive data of all kinds relating to the Group, its employees, its executives, and the community of player customers (archives, research, history, strategic or marketing information, personal data relating to Group employees, confidential information, gaming data, innovation service analysis and industry monitoring, design projects, etc.).

These risk factors primarily concern:

- loss or theft of data: the majority of online games require Ubisoft to handle a large quantity of data relating to players, employees and partners, as well as information relating to products, services and activation keys. Ubisoft is conscious of the strategic value of this data and the fact that the loss, disclosure or theft thereof could do significant damage to the Group;
- fraud in connection with physical and virtual currency liable to generate financial losses or a loss of potential earnings;
- identity theft: new communication technologies bring new potential weaknesses in the security measures put in place by groups, as does the sophistication of the methods used by fraudsters ("social engineering" type attacks, fraudulent emails with theft of the senders' identity, etc.);
- piracy of products and services whereby the hackers' objective is to gain a financial benefit, more prominence or any other benefit;
- espionage: intellectual property data is extremely important to publishers. This data constitutes a competitive advantage that could be jeopardized in the event of espionage.

Potential impacts on the Group

The occurrence of incidents such as hacking, theft, breaches, espionage, public disclosure, the malevolent destruction or modification of sensitive data and information could impact the Group's business and have multiple consequences, depending on the type of incident:

- **technical and operational**: reduction in the level of our normal business while the incident is handled;
- **financial**: loss of revenue, additional costs generated in resolving the issue, investments not made profitable, penalties/fines;
- **relating to reputation and image**: reduction in the level of activity in relation to our games, boycotts, negative publicity.

Risk mitigation and control

The Security and Risk Management Department develops innovative security programs to anticipate and protect against all of these risks related to information and infrastructure security. It is tasked in particular with ensuring and protecting the confidentiality and integrity of all information processed by Ubisoft. To this end, its main work involves:

- the centralization and securing of "player" data;
- the development of innovative IT system monitoring programs;
- the raising of employee awareness in order to prevent data breaches;
- the redefinition and harmonization of access rights with the help of an identity management system and appropriate governance;
- the management of any breach by a dedicated and competent department (the Public Relations department);
- rapid communication with players in the event of an incident;
- a range of sanctions for individuals responsible for any misconduct;
- the regular performance of internal and external audits to adapt and improve risk management procedures: in particular, Ubisoft carries out network and system intrusion testing, social engineering tests, etc.;
- the monitoring of incidents and technological surveillance of vulnerabilities and cyber attacks.

Toxicity in games and services

Identification and description of the risk	Potential impacts on the Group
Toxicity in games may manifest itself in various forms such as: ♦ the fraudulent alteration of players' Game Play experience due to cheating. The use of cheat tools in any form enables dishonest players to gain a competitive advantage over other players. Such practices generate an imbalance in the gaming experience within the player community which also has a negative impact on the Group; ♦ in-game harassment between players, which can have a significant negative impact on the experience.	Toxic behaviors may have a significant damaging impact on the life of a game and on Ubisoft's image. Low levels of player satisfaction linked to toxicity in the gaming experience can lead to a loss of players, revenue, and market share for the Group.

Risk mitigation and control

In order to provide a safe gaming experience for players and prevent toxic behavior, Ubisoft has reinforced the level of security of its games by installing cheat-prevention systems and using "ethical hackers" to detect and block this type of risk upstream and rapidly. The Group also monitors player feedback on a regular basis (social networks, escalation of cheats via the player community and other reliable sources) to identify and react to cheating. Finally, Ubisoft penalizes players identified as having cheated by imposing either temporary suspensions or total bans on players having demonstrated toxic behavior so as not to disturb other players' experience, and may even file lawsuits in order to prevent the sale of solutions involving cheating.

Dependence with regard to certain suppliers/subcontractors

Identification and description of the risk	Potential impacts on the Group
In the context of its business, Ubisoft is exposed to dependency on certain suppliers/subcontractors such as: ♦ suppliers of technology (hosting, modeling tools, etc.); ♦ suppliers of licenses and software; ♦ integrators (product packaging, assembly, suppliers of promotional goods, "goodies" and POS materials, etc.); ♦ console manufacturers (the supply of gaming materials is subject to prior approval from the manufacturers [Sony, Nintendo and Microsoft-approved duplication plants] to these materials being manufactured in sufficient numbers, and to the setting of royalties). These situations of dependence, potentially resulting from the concentration of stakeholders in the market (supplier monopolies/duopolies, etc.), Ubisoft's operational choices or quasi-exclusive technologies not fully mastered within the company, generate a risk for the Group's business should any one of these suppliers fail to deliver or decide to change its commercial practices.	Dependence on certain suppliers/subcontractors may have multiple consequences: ♦ **operational/commercial** in the event of potential interruptions to the supply chain linked to availability issues at suppliers or a failure to deliver by the latter, or in the event of the interruption of commercial relations; ♦ **financial** generated by changes in commercial practices (change in supplier's business model, increase in the cost of supplies from providers with a dominant market position, etc.); ♦ **strategic**: Ubisoft may become captive due to the difficulty in finding replacement solutions because of the quasi-exclusivity held by certain suppliers. Similarly, the Group may be faced with a possible breach of confidential data resulting from the concentration of suppliers/subcontractors within the market (if a competitor were to take over one of Ubisoft's suppliers or subcontractors). Under these conditions, both Ubisoft's business and results and its image could be impacted.

Risk mitigation and control

In order to limit these risks, Ubisoft:

- has put in place supplier selection procedures (based on the verification of certain criteria such as the stability of the service provided, the size of the supplier, future prospects, etc.);
- is diversifying its suppliers as far as possible: alternating between suppliers in the market to provide certain products in order to limit dependence;
- pools orders to have greater weight when negotiating terms and conditions (indirect purchasing);
- seeks alternative solutions: recruitment in-house for those necessary skills in order to limit subcontracting or joint development, preferring open source solutions customized to meet the Group's needs;
- regularly reviews the dependence of suppliers, particularly small-scale suppliers (e.g. start-ups developing specific technologies).

Failures in the development process of a flagship game leading to delays to its launch

Identification and description of the risk

Ubisoft may have to delay the launch of a video game for any of the following reasons:

- difficulty in accurately estimating the time required to develop or test it;
- requirements imposed by the creative process;
- challenges in the coordination of large development teams, often based in different countries;
- the increasing technological complexity of video game products and platforms;
- the desire to continue to improve the quality of the game prior to launch. The marketing of a flagship game that lacks the level of quality required to realize its potential could have a negative impact on the Group's brand and its earnings.

Similarly, if a competitor brings out a game with significant technological or artistic innovations, the Group might also have to postpone the release dates of some of its games to boost their chances of commercial success in a competitive environment where players are very sensitive to the quality and content of games.

Potential impacts on the Group

Any errors in the development process of a flagship game leading to a delay its release could have a negative impact on the Group's income and future earnings which may differ significantly from the initial targets and could potentially lead to a drop in its share price.

Any failure to meet the production and release schedules for our products can also lead to an increase in marketing and development costs.

Similarly, the postponed release of a game can also lead to a loss of competitive advantage, cause reputational damage, harm the brand image of a game, lead to a loss of responsiveness, or even lead to the loss of players (disappointed players who may potentially switch to competitors).

Risk mitigation and control

To alleviate these risks, the Group continually strives to improve its development processes, both in the organization of its teams and through leveraging synergies and/or cultivating its in-house expertise. Ubisoft has put in place processes to monitor and assess projects and makes plans at each stage of a game's development in order to ensure that the means and resources required are in line with the product launch objectives. The Group is also developing an increasingly high-performance editorial supervisor process, quality controls and game testing in order for games to be launched with the quality required in order to compete in the market. Finally, for many years now, Ubisoft has been developing recognized expertise on the recording of player feedback to ensure that games are improving all the time and to mitigate the impact of certain potential weaknesses on the releases of such games.

Moreover, the increasing share of the back catalog and digital, offering a larger recurrence in revenues and better profitability, enable it to be less reliant on game launches.

Mistrust among the player community

Identification and description of the risk

Ubisoft may have to collect data from its player community. These data are used to perfect games, to ensure the best possible player experience and for marketing activities.

Nevertheless, the player community could become suspicious of the Ubisoft group. The manner in which Ubisoft uses these data could be poorly perceived. This perception could be amplified by social media.

Potential impacts on the Group

Should the player community become suspicious about the use made of their data by Ubisoft, this could cause damage to the reputation and image of the Group potentially leading to a reduction in the level of activity in our games, revenue, and market share.

Risk mitigation and control

Ubisoft ensures that it complies with applicable regulations in terms of collecting, using, storing and transferring personal data relating to players. In particular, it ensures that only information strictly necessary for its business purposes is collected. Guaranteeing the collection and use of personal data in a responsible and transparent manner is at the very heart of Ubisoft's projects aimed at providing a safe gaming environment for all. For this purpose, various measures have been put in place:

- implementation of the General Data Protection Regulation (GDPR) within the European Union, while at the same time taking specific local regulations into account;
- development of specialist teams;
- creation of reinforced means of control offered to players concerning the use of their personal data: a program of transparency and options for better control of personal data in the various universes in which Ubisoft is present, either on mobile phones, PCs or consoles;
- development of the documents addressed to players, in particular, the Privacy Charter and Terms and Conditions of Use applicable to Ubisoft services, in order to increase transparency and the understanding of the latter by players;
- application of the "Privacy by Design": the inclusion of respect for personal data starting from the design of any new services or the implementation of new data processing methods;
- communication with and awareness raising among employees;
- increased contractual requirements with regard to personal data in the context of partnerships;
- operating methods used for data sharing;
- completion of impact studies relating to privacy;
- use of monitoring tools in order to analyze online forums, social media, and in-game comments;
- existence of community developers and community managers who handle these issues on a day-to-day basis to ensure they are dealt with rapidly.

3.1.2 RISKS ASSOCIATED WITH TALENTS

Departure of key talents

Identification and description of the risk

Should a top management position become suddenly vacant, including the Chairman and Chief Executive Officer and Executive Vice Presidents, in particular, further to an unforeseen event (accident, sickness, death, etc.) or an event insufficiently planned for (retirement, etc.), the Group could experience an impact in relation to the manner in which it makes operational and strategic decisions.

Similarly, the sudden departure of members of the core teams could be damaging for the Group's development and could have a significant impact on its editorial policy.

Potential impacts on the Group

The departure of members of top management or core teams could have consequences, including:
- **operational and technical**: loss of responsiveness and competitiveness, reputation, competitive advantage;
- **strategic**: damage to the decision-making hierarchy, pressure to find a governance solution as a matter of urgency.

Risk mitigation and control

The Nomination and Compensation Committee sets out any recommendations relating to the succession plan for corporate officers, in particular in the event of unforeseen vacancies. It is kept informed about the succession plan relating to members of the Group's Executive Committee.

Attracting and retaining talented individuals is at the very heart of the Group's long-term strategy, implemented through the creation of a strong corporate culture, an attractive compensation policy, and an inter-studio cooperation model which values the sharing of expertise, know-how, and technologies.

Inability to attract and retain talent

Identification and description of the risk

With sustained organic growth, Ubisoft has placed its teams at the very heart of its value creation process. The Group's long-term potential depends substantially on its capacity to attract and retain the best talent in a highly competitive environment.

Ubisoft must be able to compete with the highly attractive nature of its competitors in video gaming (more attractive salary policy, etc.), other sectors/industries looking for the same talents (engineers, etc.), and a globalized talent market in which geographical areas are competing with each other. This could lead to a shortage of resources, either in quantity or quality, which could turn out to be damaging to the development of the Group.

Moreover, the skills require by the video gaming industry are among the most recent and innovative ones to be found. Against this background, Ubisoft has a duty to ensure that each individual has the most up-to-date skills in his or her specific area and thereby to avoid the skill sets and expertise held by the teams becoming obsolete as a result of the rapid technological changes which could be damaging to the quality of the games produced.

Potential impacts on the Group

If the Group is no longer able to attract new talent, or to retain and motivate its key employees, the Group's growth prospects and financial position could be affected.

The inability to attract and retain talent could have multiple consequences:
- **operational and technical**: increase in the number of employee departures, extended periods of time before a position is filled, loss of expertise, delays in the development of games, difficulties in exploring new market segments, priority given to deliverables in the short term to the detriment of the medium and long term, fall in the level of employee commitment;
- **financial**: wages overbid and other incentives to attract/retain talent, growing training budgets, fall in productivity linked to the greater number of employees in the process of being onboarded, loss of revenue;
- **strategic**: lack of innovation and creativity, loss of competitiveness, loss of players, deterioration in the attractiveness and reputation of the Group.

Risk mitigation and control

The Company follows an active policy of recruitment, training and retention, particularly through the following initiatives:
- partnerships with the leading colleges in the various countries in which the Group operates;
- advertising campaigns regarding the employer brand;
- multiplication of collaborative tools and forums to encourage skill-sharing;
- implementation of various high-level training programs tailored to the challenges of the video game sector;
- development of a deep-rooted corporate culture promoting well-being in the workplace and the fulfillment of teams, allowing talents to reach their full potential.

Furthermore, all of the programs introduced by human resources at local and international levels are first and foremost designed to attract, train, retain and motivate employees with strong technical and/or managerial skills: development opportunities, share purchase plans, stock option plans, personal development plans, etc.
Ubisoft cultivates a working environment based on giving responsibility to all employees, on cooperation, and on well-being in the workplace. This unique employer culture helps ensure that the teams in place remain loyal and is an attractive feature in a highly competitive marketplace.

Ubisoft plays great attention to retaining a wide range of talents and also monitors the fair and equal treatment of its employees, offering the same hiring, career development, and compensation opportunities for equivalent performance. Any feeling of unfairness among employees would have an adverse effect on their level of commitment and their motivation. To track this risk, the Group monitors the level of commitment and motivation of its employees via various surveys measuring team satisfaction.

3.1.3 REGULATORY RISK

New regulations

Identification and description of the risk	Potential impacts on the Group
The introduction of new regulations and any changes leading to the current regulations (general or specific to the video gaming industry) becoming more stringent are liable to constitute a significant risk factor for Ubisoft, in particular with regard to game content, monetization, gaming time, marketing and PR operation, and commercial relations.	Changes to regulations may have multiple consequences: ♦ **technical and operational**: player losses, damage to Ubisoft's reputation either locally or globally, risk of failure by suppliers impacted by regulatory non-compliance; ♦ **legal and financial**: loss of revenue, fines/penalties, overheads linked to the application/integration of new regulations.

Risk mitigation and control

Ubisoft ensures that it complies with applicable regulations and anticipates potential risks by putting in place:

- active legal monitoring of changes to the regulations in the various countries in which the Group is operational;
- regular discussions with the public authorities;
- a plan to ensure compliance with any new regulations (GDPR, Duty of Care Plan, etc.) on a Group-wide level;
- particular vigilance with regard to game content and functionalities;
- protection mechanisms for underage players including the integration of minimum age indicators;
- training and awareness-raising activities for employees on the subject of the regulatory risks identified, both attended in person and e-learning.

Reduction in the level of grants, subsidies, and tax credits

Identification and description of the risk	Potential impacts on the Group
The Group benefits from public policies that support the sector, particularly in France, Canada, the United Kingdom and Singapore. Ubisoft therefore receives grants, subsidies and tax credits in connection with its innovation and research and development activities. Any change to the government policies in these countries could lead to a reduction in the level of these subsidies. The amount and geographical distribution of the grants are detailed in Note 13 to the consolidated financial statements.	Any reduction in the level of the grants, subsidies and tax credits awarded to Ubisoft would have an impact on the Group's production costs and profitability.

Risk mitigation and control

In order to limit the risks related to changes in public policy as far as possible, the Group:

- is adopting a diversification strategy (via a presence in multiple countries);
- is making an active contribution to value creation for Governments via the creation of long-term employment and significant investment in education, entrepreneurship and R&D.

3.1.4 TECHNOLOGICAL RISK

Delays by Ubisoft or occurrence of disruptive innovation by a competitor

Identification and description of the risk	Potential impacts on the Group
Ubisoft operates on a market that is becoming increasingly competitive and selective and is subject to concentration, marked by rapid technological changes and economic models requiring significant R&D investment. While the Group is doing everything it can to plan for such new challenges, Ubisoft is exposed to the risk of a major loss of competitive advantage if a competitor is first to introduce a new disruptive innovation in terms of the technology or business model used (virtual reality, machine learning, etc.).	The appearance of innovations and disruptive economic models to which Ubisoft would be unable to adapt with sufficient speed would be liable to cause a loss of market share and compromise profitability and future income.

Risk mitigation and control

In order to limit this type of risk, Ubisoft:
- tries out new business models;
- continues to offer products in different market segments, including the most innovative markets, so as to be ready to respond if these innovative markets were to explode, and has put partnerships in place with leading market stakeholders;
- carries out innovative research with dedicated teams tasked with planning for the next disruptive events or revolutions, in particular in relation to software, gameplay, or technology.

Inability to respond rapidly to major technological developments

Identification and description of the risk	Potential impacts on the Group
In a sector in which innovation is a constant, Ubisoft must demonstrate agility in order to respond rapidly to major technological changes. This relates in particular to: - hardware, in order to cope with the transition to new generations (consoles, PCs, cellphones or new technologies); - cloud gaming, which provides unparalleled technological power to developers allowing video games to be streamed to any screen whatsoever, which the Group considers as a major opportunity in the long term. The Group is doing everything possible to benefit from these technological developments, both in-house through the development of games specifically dedicated to these new methods, and externally by establishing partnerships with traditional stakeholders in this market (Sony, Microsoft, Nintendo), new arrivals (Google, etc.) and expert companies. Nevertheless, Ubisoft is exposed to the risk of a major loss of competitive advantage if the Group were to be unable to adapt its games to suit the new methods and business models generated by cloud gaming, subscriptions, etc. and were to be overtaken or late to the game in comparison with its competitors with regard to these developments or by becoming dependent on external technologies.	Any inability on the part of the Group to respond rapidly to major technological developments could lead to: - a loss of market share; - a loss of revenue; - a loss of competitive advantage; - an inability to reach new players; - a need to make significant investments as a matter of urgency (due to the lack of responsiveness) which would not necessarily be profitable.

Risk mitigation and control

To counter these risks and respond rapidly to technological developments, Ubisoft:
- has secured the services of a large number of experts in the fields of software and hardware engineering and technology, who are among the best in the world;
- operates two "Technologies" groups, tasked with providing production studios with all of the tools necessary for the creation of ambitious, innovative products, while at the same time reducing as much as possible any risk of dependence on external technologies;
- is in the process of creating an in-house community bringing together all of the Group's "Tech Leaders", which can be contacted on a regular basis to help make the right decisions and plan for future technological disruption;
- is continuing to work with universities on fundamental research projects.

3.2 Risk management and internal control mechanisms

This section sets out the internal control and risk management measures in place. It is based on information and control methods reported by the various parties involved in internal control within Ubisoft and its subsidiaries, as well as the work carried out by the Internal Control Department, at the request of General Management and the Audit Committee.

3.2.1 OBJECTIVES AND GENERAL PRINCIPLES

Ubisoft has introduced a range of risk management and internal control measures to pre-empt, identify and address the main internal and external risks facing the Group in the context of its activities and that could have a negative impact on its performance, image, financial position or ability to reach its targets.

To complete this range of measures, Ubisoft refers to the reference framework of France's Autorité des Marchés Financiers (AMF) and its application guide, updated in July 2010, and to the guidelines issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) updated in 2013.

Internal control and risk management are measures that contribute to the management of activities, the effectiveness of operations, and the efficient use of resources, and which enable appropriate consideration to be given to any material risks, whether operational, financial or compliance risks.

The range of internal control measures is designed in particular to ensure:

- compliance with laws and regulations;
- application of the instructions and policies set down by the General Management and the Audit Committee;
- proper functioning of the Group's internal processes, particularly those involving the security of its assets;
- reliability of the financial information published.

The risk management system is a component of internal control. It allows Ubisoft to anticipate and identify the key internal or external risks that could pose a threat and prevent it from achieving its objectives. This management tool seeks in particular to:

- create and preserve the value, assets and reputation of the Group;
- secure the Group's decision-making and processes to help it achieve its objectives;
- contribute to ensuring that all actions are consistent with Group values;
- involve Group employees in a common vision of the principal risks.

Therefore, these measures play a key role the conduct and monitoring its activities.

However, Ubisoft is aware that its risk management and internal control system cannot provide an absolute guarantee that its objectives will be met and that all risks will be controlled.

3.2.2 ORGANIZATION OF INTERNAL CONTROL

The internal control system relies on a solid foundation of autonomy and collaboration within the Group's teams, encouraging the alignment of goals, resources and mechanisms deployed. It is based on the clear identification of goals and responsibilities, a human resources policy ensuring that resources and skill levels are sufficient, information systems and tools that are adapted to each team and/or subsidiary. Each subsidiary is responsible for implementing the relevant strategies to achieve these objectives, although the monitoring and verification of the internal control system and risk management is highly centralized by the operational departments.

The internal control systems of each subsidiary include both the application of Group procedures and the definition and application of procedures specific to each business line in terms of its organization, culture, risk factors and operational characteristics. With regard to the parent company, Ubisoft monitors the existence and adequacy of internal control systems and specifically the accounting and financial procedures implemented by fully consolidated entities.

The internal control process undergoes constant modification to adapt to changes in the economic and regulatory environment, the Group's organization and its strategy.

Key parties involved in the internal control system

Board of directors

Its internal rules define the rules of governance that specify the role of the Board of directors assisted to this end by its committees, in particular the Audit Committee tasked with ensuring the quality of internal control.

Audit Committee

- Ensures that the Group has reliable procedures that enable the internal control system and the risk identification, assessment and management system to be monitored.
- Annually defines the priority internal control objectives that it communicates to the Internal Control Department.
- Oversees the preparation of the accounting and financial information.

General Management*

Responsibilities:

- overseeing the Group's activities and implementation of the strategic and development policies decided by the Board of Directors;
- stablishing the procedures and mechanisms deployed to ensure both the functioning and monitoring of the internal control system.

Functional Management

- Help to define the key accounting, finance, legal, fiscal, IT and human resources policies, in collaboration with the General Management.
- Support the subsidiaries in the implementation of key policies.
- Ensure that the internal control system is satisfactory by conducting audits and training sessions in the subsidiaries and issuing recommendations.

These functional management are presented in detail in section 3.2.3 "Control activities"

Operational Management

- The major policies and goals are determined by the General Management in each area and approved by the Group General Management before being sent to the subsidiaries.
- Each subsidiary has its own general management, its management team and is responsible for implementing the strategies designed to ensure that these goals are achieved.
- The finance and accounting teams, present in all Group subsidiaries, are responsible for performing analysis and control functions, including budgeting and the preparation of the financial statements.

Internal Control Department

- Prepares and implements the risk management assessment methodology based on an approach focused on the processes that allow the identification of risks and key controls.
- Formalizes the risk mapping and provides support to operational teams through the implementation of internal control tools and software.
- Organizes activity monitoring by defining key indicators to assess the relevance of the internal control system and facilitate decision making.
- Defines Group procedures aimed at structuring and improving internal control.

EXTERNAL AUDITORS/REGULATORS

* General Management appoints the Chairman and Chief Executive Officer Yves Guillemot and the members of the Executive Committee

Clear goals and responsibilities

The division of powers and responsibilities is clearly defined by the organization charts.

In order to enable the various operational teams to achieve their goals, temporary and permanent operational and banking authorizations are granted. These are frequently reviewed by the Treasury Department assisted by the Administration Department and are updated to reflect any changes in roles and responsibilities. General Management defines the rules for delegating power to subsidiaries.

Consequently, at an individual level, each subsidiary has local internal control procedures (delegation of bank signing authority, verification of day-to-day transactions, principle of segregation of duties, etc.) to minimize the risk of fraud.

Similarly, budgetary goals are defined annually by the General Management and monitored in each subsidiary by the accounting and finance teams. Business performance is monitored by management financial planning teams: at subsidiary level, these teams provide relevant cost analyses to operational managers so that they can make the necessary management decisions. This information is periodically reported in a standard format and is consolidated by head office teams, who analyze the differences between objectives and actual performance.

Adequate resources and skills

Recruitment, training, and skills management are key elements of the range of internal control measures which ensure, across all areas and in particular those that require specific expertise, the required level of skill, in accordance with the Group's values.

All of the programs introduced by human resources at local and international levels are first and foremost designed to attract, train, retain and motivate employees with strong technical and/or managerial skills by offering them development opportunities, share purchase plans, stock option plans, personal development plans, customized training, etc.

The human resources teams are therefore also tasked with ensuring compliance with local regulations and applying Group policies.

Risk identification and management

During 2019, in order to improve the effectiveness of its internal procedures and strategic monitoring processes, Ubisoft updated its global risk mapping. This was presented to the Audit Committee and then to the Board of Directors and is updated on a regular basis to take into account an environment increasingly exposed to change (regulatory, economic, etc.).

The methodology used, based on interviews carried out with the key managers of the Group's operational and functional management, allows the situations and scenarii liable to have adverse impacts (strategic, financial, operational, commercial, human resources, etc.) for Ubisoft to be identified and analyzed. The risks thus identified are then ranked in accordance with their net criticality in order to prioritize the action plans to be put in place to limit the probability of these risks occurring and to minimize the consequences thereof.

The main risk factors that the Group considers to be significant, high priority, and specific to its business, together with the measures designed to control such risks, are described in section 3.1 "Risk factors."

Other sources such as summaries of the reviews of subsidiaries drawn up by the internal control department and the comments and recommendations made by the Statutory auditors are also taken into consideration when defining the actions to be taken.

Combating corruption

In order to comply with the requirements imposed by article 17 of the law of December 9, 2016 on transparency, combating corruption, and the modernization of the economy (known as the "Sapin 2 Act"), Ubisoft has reinforced its range of risk management and internal control measures by integrating a program to prevent corruption and influence peddling.

To do this, the Group has set up an intranet dedicated to the prevention of corruption, with the aim of providing all employees with the resources necessary in order to act in accordance with the principles of integrity defined by the Group. This intranet site allows them to access:

- the Ubisoft Code of Conduct: This in particular defines the behaviors to be banned as liable to constitute acts of corruption or influence peddling. This is also a decision-making guide that covers a large range of subjects, from the prevention of corruption to environmental protection, which explains to employees how to respond to the most frequent and the most critical situations in the context of their work, such as confidentiality of information, accepting gifts from suppliers, data protection, conflicts of interest, etc.;
- a secure and anonymous online whistle-blowing platform enabling employees who witness situations that are in breach of the Code of Conduct to submit this information;
- an online training program enabling them to identify and react in response to potential situations of corruption which may arise in a professional context.

  In parallel with this training program, those employees who have the greatest exposure to risks of corruption and influence peddling, such as management or purchasing staff, have received special training and awareness-raising on these aspects;
- the disciplinary regime which sets out the sanctions for any breaches of the Code of Conduct.

Moreover, Ubisoft has mapped corruption risks in order to define the priority actions and accounting controls aimed at ensuring that accounting processes are not used to conceal acts of corruption or influence peddling. The Group is constantly working to reinforce these prevention measures, in particular by adjusting the existing processes governing relations with third parties.

In order to ensure the implementation and effectiveness of these measures used to prevent and detect corruption (the law known as "Sapin 2 Act"), a range of internal control and assessment measures have been put in place.

Adapted solutions and operating methods

The IT teams provide the different business lines with solutions that are adapted to their activities. They define, implement and operate these solutions. The range of solutions used includes commercial software as well as IT solutions developed in-house. This range is constantly evolving in line with the ever increasing requirements in managing and analyzing information, while ensuring compliance with the security standards in place at Ubisoft.

In particular, the internal control department operates a risk management IT system in order to establish control guidelines, automate assessments, render internal control data reliable, and optimize risk management and the monitoring of action plans and recommendations. This tool already allows the industrialization and real-time monitoring of the progress made by the regular controls carried out by subsidiaries, in particular in the context of the law known as the "Sapin 2 Act", as well as the modeling of the operational processes of subsidiaries.

Similarly, each subsidiary and team strives to continuously improve processes and documentation. This also involves frequently reviewing and updating procedures to ensure uniform application. These procedures are made available to the relevant teams through collaborative tools developed by the Group.

Procedures associated with the preparation of accounting and financial information are described in section 3.2.4.

3.2.3 CONTROL ACTIVITIES

In addition to the risk management system, the Group has many control processes at all levels of the Company. Operational departments at registered office play a crucial role in ensuring that subsidiaries' initiatives comply with Group guidelines and providing support for risk management, especially when local teams lack sufficient expertise.

The centralized organization of these support functions enables consistent dissemination of the major policies and goals of the General Management:

- **the Financial Planning Department** is responsible for analyzing the Company's performance using operational monitoring based on monthly reports from all Group subsidiaries. It also coordinates meetings between the General Management and the Operational and Finance Departments at which the various reporting indicators are reviewed and the differences between actual performance and initial forecasts are analyzed, enabling the quarterly, interim, annual and multiannual forecasts to be fine-tuned on the basis of actual figures and market outlooks as received from local and operational teams. The financial controllers monitor the whole financial reporting cycle and constantly query subsidiaries on their performance levels, earnings and business activity. They then define and distribute the financial objectives for the current financial year. The Financial Planning Department also carries out an annual in-depth review of the multiannual forecasts (3 or 5 years), ensuring consistency with the strategic decisions made by the Group. These processes taken together represent a major component of the Group's internal control system and an ideal tool for monitoring the operations of subsidiaries. They allow the Management Audit Department to have the role of alerting the General Management to the financial consequences and the levels of performance of the different operations undertaken whenever necessary. Furthermore, the Management Audit Department regularly performs an alignment of management processes and improves its management tools, in addition to establishing defined management standards with the Information Systems Department so as to provide a common language for all employees to work with;
- the role of **the Consolidation Department** is to monitor standards, to define the Group's accounting policies, to produce and analyze the consolidated financial statements and to prepare the accounting and financial information. This department is the main point of contact with the Statutory auditors during annual and half-yearly audits.

  The IFRS accounting standards applicable to the Group are identified by the Consolidation Department and systematically distributed via the online accounting policies manual accessible by all accounting and financial services. Technical monitoring is carried out by the team that organizes and manages the updating process via instructions or training.

  The Consolidation Department centralizes all expertise on the preparation and analysis of the Group's monthly, interim and separate consolidated financial statements. It audits the accounting information received from subsidiaries, checks its compliance with the accounting policies manual and performs reconciliations to ensure the standardization of procedures. A detailed report is sent to General Management each month so that the Group's performance may be monitored and analyzed. It ensures compliance with applicable standards and regulations so as to provide a true picture of the Group's business activities and position;
- **the Treasury Department** checks the suitability and compatibility of exchange rate and liquidity risk management policies, as well as the financial information published. It arranges foreign exchange derivative contracts and coordinates cash flow management at French and foreign subsidiaries, in particular by overseeing the dissemination of cash pooling solutions and cash flow projections. It centralizes and verifies the authorization granted to a limited number of employees, who are exclusively authorized by the General Management to handle certain financial transactions, subject to pre-defined thresholds and authorization procedures. The Treasury department provides support to the Group's subsidiaries in the implementation of tools for enhancing controls and the security of means of payment;
- acquisitions are managed by the **Acquisitions Department**, which reports to the Finance Department in close collaboration with the Legal Department. The Acquisitions Department examines and assesses the strategic interest of the planned total or partial takeover of a company and submits the relevant

proposal to the General Management, which makes the final decision, given that, if in excess of a certain acquisition value, the decision must first be approved by the Board of Directors;

- **the Legal Department** is comprised of specialists in all legal business matters and particularly in acquisition law, company law, contract law, employment law and intellectual property law. It is responsible for developing innovative legal solutions that comply with current regulations in the various countries in which Ubisoft operates. Working in close partnership with the operational teams, the lawyers work upstream to identify the best strategy, to assess and manage risks and to provide support in implementing said solutions. The legal teams provide support to all subsidiaries with regard to their legal issues and are involved at every stage of their projects (from concept and production to marketing and distribution). They coordinate external growth operations, prepare and implement strategies and contractual relations (particularly in the development of new products, the hiring of new staff in France or abroad, and negotiations with new partners). They manage the portfolio of industrial property, handle any disputes and continually monitor regulatory changes in the various countries in which Ubisoft operates;
- **the Tax Department** assists and advises the Group's French and foreign companies with the analysis of the tax aspects of their projects. In coordination with external tax consultants, it ensures the Group's tax security by organizing risk prevention, identification and management. It determines the Group's transfer pricing policy and ensures compliance with reporting requirements;
- **the Information Systems Department** is involved in selecting IT solutions, ensures their consistency, and monitors their technical and functional compatibility. The IT Department monitors the progress of IT projects and ensures that they are compatible with requirements, existing systems, budgets, etc. A periodic review of medium-term projects is also carried out to take into account changes in the Company, priorities and constraints.

The Risk Security and Management Department is responsible for ensuring and organizing the protection of Ubisoft activities, which include but are not limited to the security of applications, information systems, online games, human resources and property. To this end, rules and control measures are established with the aim of preventing and managing risks. These internal policies and procedures are reviewed regularly, circulated and adapted to maximize their efficiency.

3.2.4 INTERNAL CONTROL OF THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

The internal control procedures relating to the preparation of financial and accounting information are aimed in particular at guaranteeing:

- compliance with accounting rules and the correct application of the principles used for the preparation of the accounts;
- the quality of the information escalated which is used for the preparation of the accounts;
- that fraud and accounting irregularities are, as far as possible, prevented and detected;
- reliability of the financial information published.

These are mainly implemented via the various accounting, financial and IT departments.

Organization and security of the financial information systems

With a view to continually improving its information system and ensure the integrity of accounting and financial data, the Group invests in implementing IT solutions and procedures to meet the requirements and constraints both of the local teams and of the Group, while at the same time reinforcing the measures put in place for the separation of tasks and the improvement of the control of access rights.

Most of the subsidiaries are integrated in PeopleSoft – Oracle for the accounting and management of operational flows (procurement, logistics, etc.). This centralized application, which uses a single database, allows the sharing of frameworks and transaction formats (product database, customer and supplier files, etc.).

With a view to integrating and automating accounting and financial solutions, the Group implements PeopleSoft – Oracle in its new subsidiaries. The computerization of data exchange (interfaces between accounting systems and the consolidation system, daily integration of banking entries, automated payment issuing, etc.) optimizes and improves processing and guarantees greater reliability of accounting processes.

The consolidation and management forecasting applications are used by all Group companies, providing an exhaustive and standardized view of business activities, and accounting and financial data. They thus help improve the effectiveness of information processing.

Similarly, special attention is paid to the security of IT data and processing. The Risk Security and Management Department is constantly working with IT to improve levels of control to ensure:

- availability of online services and systems;
- data availability, confidentiality, integrity and traceability;
- protection of online services from unauthorized access;
- monitoring of the network against internal and external threats;
- data security and recovery.

These systems are mainly housed in our internal data centers but also at partners providing cloud-based services and software as a service (SaaS). Security audits are carried out both upstream and downstream within the context of our quality audit to ensure the security of the information system.

Financial statement preparation and consolidation process

The financial statements of each subsidiary are drawn up, under the responsibility of their manager, by the local accounting departments, which ensure compliance with country-specific regulatory and tax constraints. For those subsidiaries with the greatest contribution in terms of sales or capitalized production, Statutory Auditors conduct:

- limited reviews at the half-year closing (thereby enabling coverage of 85% of Group sales and 70% of capitalized production);
- full audits or limited reviews at annual closing depending on the size of the subsidiary (thereby enabling coverage of over 95% of Group sales and capitalized production).

Reporting of accounting information, in standardized monthly reports, is carried out on the basis of a schedule established by the Consolidation Department and approved by the Administration Department. Each subsidiary must apply existing Group procedures to the recording of accounting data for monthly reporting, half-year and annual financial statements and quarterly forecasts.

Reporting for subsidiaries is compiled in accordance with the IFRS applicable to the Group. These are identified by the Consolidation Department and systematically distributed via the online accounting policies manual accessible by all accounting and financial services. The consolidation statements are subject to an audit or a limited review to ensure that Group policies are being correctly applied.

The subsidiaries' accounting information is uploaded, reconciled and then consolidated in a central software solution, HFM from Oracle, under the responsibility of the Consolidation Department. This software supports automatic verification and consistency checking of flows, the statement of financial position, specific line items in the income statement, etc. It also allows fast, reliable data reporting and is designed to make the consolidated financial statements secure.

The Group has taken measures to shorten the process of preparing the consolidated financial statements and to make it more reliable. For example, the Consolidation Department has drawn up procedures, which are updated periodically, enabling subsidiaries to optimize understanding and effectiveness of the solutions, and to guarantee the standardization of published accounting and financial data:

- drawing up a Group chart of accounts;
- implementing automatic mapping between the separate financial statements and the consolidated financial statements;
- drawing up a user manual for the consolidation statement;
- drawing up a consolidation manual;
- drawing up an accounting policies manual.

The Consolidation Department also carries out ongoing monitoring so as to track and anticipate changes to the regulatory framework applicable to Group companies.

Accounting and financial information validation procedures

Ubisoft's accounting and financial information is prepared by the Administrative Department under the supervision of the Chairman and Chief Executive Officer, with the Board of Directors responsible for final approval, based on a presentation by the Audit Committee.

The consolidated financial statements are subject to a limited review as at September 30 and an audit as at March 31 by the Group's Statutory auditors. The Administrative Department works in constant collaboration with the Statutory auditors to coordinate the year- end process and to anticipate significant accounting treatments.

One-off assignments during the financial year, such as pre-closing reviews prior to each interim and annual closing date, make it possible to forecast and assess specific accounting issues in advance. This systematic review eases finalization at the balance sheet date and reduces the time needed to prepare the consolidated financial statements.

At international level, the audit of the financial statements in certain subsidiaries is carried out by the KPMG and Mazars networks, co- auditors for the holding company. Their local representative does everything required as regards the Statutory auditors. This organization helps to standardize audit procedures.

The Group announces its sales on a quarterly basis and its earnings every six months.

The Consolidation Department checks and delivers the accounting information included in the Group's financial releases that relate to the consolidated financial statements.

External financial information management process

The Financial Communications Department distributes the financial information required for the Group's strategy to be understood to shareholders, financial analysts, investors, etc.

All financial and strategic releases are reviewed and approved by the General Management. Financial information is published in strict compliance with market regulations and in keeping with the principle of equal treatment of shareholders.

3.2.5 ONGOING SUPERVISION OF THE INTERNAL CONTROL SYSTEM

The introduction of an overall formalized approach to internal control thus allows:

- the quality of controls in subsidiaries to be understood, particularly by means of:
  - ensuring that risk levels associated with their business and functional organization are taken into account,
  - ensuring that activities carried out locally are in line with Group strategy and guidelines,
  - justifying investments and expenditure,
  - evaluating the efficient utilization of resources (human, material or financial);
- the improvement of operational and financial practices by means of corrective and optimization initiatives to remedy shortcomings;
- effective monitoring of compliance with these procedures and controls.

To ensure the continual improvement of the Internal Control measures in place, the Group continued its efforts in 2019/2020, with the following actions in particular:

- the continuation of the roll-out of the anti-corruption program in the context of the planned compliance with the law of December 9, 2016 on transparency, combating corruption, and the modernization of the economy (known as the "Sapin 2 Act");
- key and standardized periodic controls being rolled out in all Group entities, which are now undertaken via the risk management information system;
- the updating of the Group's global risk mapping;
- the drawing up of Group procedures aimed at structuring and improving internal controls.

In 2020/2021, the Group will continue to support its subsidiaries with a proactive approach to the assessment of operational risk and the definition of action plans and the corresponding controls.

In addition, the Audit Committee, which comprises three independent directors receives regular updates on the roll-out of internal control measures, the results of the reviews carried out within subsidiaries, any major risk identified in the context of the risk mapping exercise, and also on the monitoring of the action plans relating to the control of such risks. It thereby guarantees the effectiveness of the internal control systems, risk management, and the security of the Group's IT systems.

The Audit Committee is also tasked with monitoring the process used for the preparation of financial and accounting information. It examines the annual and half-year consolidated financial statements as well as the conclusions of the Statutory auditors prior to their presentation to the Board of Directors.

3.2.6 INSURANCE AND RISK COVERAGE

The insurance management policy falls under the general scope of risk management. It aims to protect the Group and its staff against the consequences of certain potential and identified events that could have an impact on it or them.

So as to take advantage of its international presence, Ubisoft combines the standardized coverage of global risks with the specific management of local risks.

The main insurance programs coordinated by the Group relate to:

- **commercial liability insurance:** this worldwide program offers coverage for:
  - operations liability,
  - product liability – including the removal of goods,
  - professional liability.

  This program provides standardized and coordinated coverage for all Ubisoft subsidiaries;
- **transport and storage insurance:** the Group acts as a service platform offering arranged coverage, up to a maximum limit. All European and Canadian subsidiaries are covered;
- **civil liability insurance for corporate officers:** this is in place to cover any claims made against de jure or de facto executives, as well as defense and ancillary costs;
- **customer credit insurance:** to protect itself against the risk of default, the Group has taken out a comprehensive policy that pools risks to which a large majority of the sales subsidiaries [1] have subscribed.

Moreover, other insurance is for its part managed locally by the entities, with support from the registered office:

- **property damage and trading loss insurance:** this type of insurance is monitored directly by the subsidiaries so as to take account of the specific nature of their businesses and any local insurance opportunities;
- **specific coverage,** such as insurance for building and construction work, vehicle insurance, employee health and retirement benefits, occupational accidents, business travel, or expatriation. These are put in place in accordance with local regulations and requirements.

Through these programs, the Group aims to offer comprehensive and extensive coverage for risks and pays particular attention to the financial conditions offered.

Total premiums paid on insurance policies in force during the financial year ended March 31, 2020 amounted to €1,851 thousand excluding credit insurance.

(1) Representing 83% of non-Digital Group sales as at the end of March 2020

4 Corporate governance report

This chapter contains the report of the Board of directors on corporate governance which was presented to the Shareholders' General Meeting, in accordance with the provisions of articles L. 225-37, paragraph 6, and L. 225-37-2 to L. 225-37-5 of the French commercial code.

It was presented to the Nomination and Compensation Committee prior to its adoption by the Board of directors at its meeting of May 14, 2020.

The main parties involved in preparing and drawing up the report are the Chairman and Chief Executive Officer, the members of the Board of directors and of the committees, working in close collaboration with the Human Resources Department and the Administration Department in charge of its preparation.

4.1 Corporate governance

The Company is committed to applying the best corporate governance practices in order to ensure effective, transparent governance, in keeping with the long-term interest of the Company and all of its stakeholders. In this regard, the Board of directors refers to the results of the periodic assessment of the work performed by the Board of directors and its committees (*see 4.1.3.5*), and on the discussions that the Company has with its shareholders.

To this effect, the Board of directors relies on the work of its committees and Lead Director, and on:

- the feedback from the governance roadshows conducted every year with the governance teams of Ubisoft's main shareholders and proxy advisors, in the presence, where appropriate, of the Lead Director;
- the recommendations of the AFEP-MEDEF Code;
- the results of the assessment of the Board's operating procedures, in particular the assessment conducted in early 2020 by an external firm, the results of which are detailed in section 4.1.3.5 of this chapter;
- lastly, the succession plans, which are reviewed on an annual basis.

The Board of directors makes sure that Ubisoft's governance bodies operate in a smooth and efficient way, with due regard to the balance of powers, thanks to the existence of solid checks and balances (*see 4.1.2.2*).

GOVERNANCE

SUMMARY PRESENTATION AT MAY 14, 2020

Committee Chairman/woman | Audit Committee | Nomination and Compensation Committee | Corporate Social Responsibility Committee

DIRECTORS

12 55.83 YEARS AVERAGE AGE

11 OF WHICH directors appointed by the General Meeting

AND

1 director elected by employees

INDEPENDENT DIRECTORS (1)

54.55%

OF WHICH

100% within the Audit Committee and the Nomination and Compensation Committee

and 50% (1) within the CSR Committee (3)

1 DIRECTOR LEAD INDEPENDENT

PARITY (%) MEN/WOMEN

45.45 % (2)

(1) The director representing employees is not taken into account in the calculation of the independence rate of the Board of directors and its committees, in accordance with the AFEP-MEDEF Code

(2) The director representing employees is not taken into account in the calculation of this percentage, pursuant to article L. 225-27-1, II of the French commercial code

(3) Corporate Social Responsibility Committee

4.1.1 CORPORATE GOVERNANCE CODE

The Company refers to the AFEP-MEDEF Corporate Governance Code for listed companies as revised in January 2020 (the "AFEP-MEDEF Code"), available on the AFEP website (www.afep.com).

In accordance with the provisions of article L. 225-37-4, 8° of the French commercial code, the following table indicates the AFEP-MEDEF Code recommendations that were not taken into consideration by the Company and the reasons for this.

Provisions of the AFEP-MEDEF Code	Explanation
18.1 Composition (of the Committee in charge of compensation) *"It is recommended […] that one of its members be an employee director."*	The director representing employees takes part in the Board meetings examining and debating on compensation based on the Nomination and Compensation Committee's comprehensive reports. It should be noted that Lionel Bouchet is a member of the Corporate Social Responsibility Committee, given his interest in sustainable development issues.
26.1 Ongoing information *"All of the corporate executive officers' compensation components, whether potential or vested, must be publicly disclosed immediately after the meeting of the Board approving the relevant decisions."*	The potential or vested compensation components are not made public after a decision is made by the Board of directors but are set out in section 4.2 of the Universal Registration Document on the compensation of corporate officers ("Ex Post" or "Ex Ante" vote).

4.1.2 CURRENT GOVERNANCE STRUCTURE

The corporate governance structure of the Ubisoft group is suited to its specific needs, including the constant pursuit of progress.

Based on the recommendations of the Nomination and Compensation Committee, the Company's Board of directors makes every effort to establish a governance structure that can meet the demands of the functions that are entrusted to it, while being able to meet the challenges specific to the Ubisoft group and following best market practices in this area.

4.1.2.1 General Management methods

Firstly, it is recalled that the AFEP-MEDEF Code states that "*companies with a Board of directors can choose between the separation of the offices of Chairman and Chief Executive Officer and the aggregation of such duties. The law does not favor either formula and allows the Board of directors to choose between the two forms of exercise of executive management*".

The Company's Board of directors – irrespective of its composition – considers since the introduction of the option to separate the duties of Chairman of the Board of directors from those of Chief Executive Officer, as provided by Law no. 2001-420 of May 15, 2001 (the French "NRE Law") that the aggregation of these duties is the best option in view of the specificities of the Group, whose business segment requires rapid decision-making in a highly competitive international environment.

Since its decision of October 22, 2001 not to separate the duties of Chairman of the Board of directors from those of Chief Executive Officer, the Board of directors has decided, at each renewal of the term of office of Yves Guillemot, to maintain the aggregation of such duties, deeming that this governance structure provides a decision-making capacity that has proven successful over time, and that it promotes a close relationship between corporate executive officers and shareholders.

Indeed, the Board of directors deems that this governance structure, which is the most widespread among publicly traded companies in France, is best suited to the Group's interests and those of its shareholders:

- the aggregation of duties ensures the smooth functioning of the Board of directors and facilitates the implementation of the Group's strategic policies through rapid decision-making and better communication between the Board of directors and the management teams;
- the structure is more streamlined and responsive and the governance is clearer from both internal and external standpoints, with a Company representative speaking with a single voice to all stakeholders.

Since 2016, before the expiration of Yves Guillemot's term of office as director, the Board of directors has assessed the impact of the aggregation or separation of the duties of Chairman and Chief Executive Officer on the short- and medium-term organization of the Company and of the Group. Accordingly, at its meetings of September 2 and 6, 2016 and March 23, 2020, the Board of directors unanimously decided that the aggregation of the duties of Chairman and Chief Executive Officer was suited to the Company's mode of operation and organization, thanks to the checks and balances put in place and constantly reinforced (limitations imposed on the powers of the Chief Executive Officer, appointment of a Lead Director, independent directors' meetings, and the independence rate within the Board of directors and its committees (*see 4.1.2.2*)). In its constant quest to adopt a form of governance that optimizes the Group's economic and financial performance and creates the most favorable conditions for its long-term development, the Board of directors confirmed that the aggregation of said duties allows rapid and efficient decision-making in a constantly changing and highly competitive environment, while strengthening the cohesion of the entire organization (strategy and operations), thus facilitating and streamlining the decision-making process.

In the past and still today, the aggregation of the duties of Chairman and Chief Executive Officer has proven to be fully compatible with the Group's mode of operation, organization, and business, as it fits in with Ubisoft's governance tradition, particularly in view of its specific shareholding structure.

CHAIRMANSHIP OF THE BOARD OF DIRECTORS

From among its members, and in accordance with the relevant legal requirements, the Board of directors elects a Chairman, an individual who organizes and supervises the work of the Board, on which he/she reports at the General Meeting. The Chairman of the Board of directors ensures that the Company's management bodies function properly, and that the directors are able to perform their duties. He provides the Board of directors and its committees with the information they need and reports on the highlights of the Group's activities. He implements the decisions taken by the Board of directors.

GENERAL MANAGEMENT

Legal presentation

In accordance with relevant legal provisions, the Board of directors entrusts the Company's General Management to the Chairman of the Board or another individual, who may or may not be a director, holding the title of Chief Executive Officer.

Shareholders and third parties are informed of this decision under the conditions established by current legal and regulatory provisions.

When the Company's General Management is undertaken by the Chairman of the Board of directors, the following provisions relating to the Chief Executive Officer also apply to the Chairman.

In addition, in accordance with legal and statutory provisions, the Board of directors may, based on a proposal by the Chief Executive Officer, appoint Executive Vice Presidents, who are individuals, and who may or may not be directors, to assist the Chief Executive Officer; there can be no more than five of them.

The Board of directors determines the compensation of the Chief Executive Officer and Executive Vice Presidents in accordance with the provisions of article L. 225-37-2 of the French commercial code.

Operational presentation ("G5")

Yves Guillemot is assisted in his duties as Chief Executive Officer by Claude Guillemot, Executive Vice President in charge of operations, Michel Guillemot, Executive Vice President in charge of development, strategy and finance, Gérard Guillemot, Executive Vice President in charge of publishing, and Christian Guillemot, Executive Vice President in charge of administration.

As founding shareholders, each Executive Vice President has extensive knowledge of the Group.

The G5 (the Chief Executive Officer and four Executive Vice Presidents) meets biweekly for an update on strategic cross-cutting issues requiring their specific expertise in the areas of operations, development and strategy, publishing and finance, thereby assisting the Chief Executive Officer to perform his duties.

The complementary skills of the members of the G5 – set out in section 4.1.2.4 – combined with the large family-owned stake (representing 16.37% of the share capital and 22.82% of voting rights at March 31, 2020), are a major asset for the future of the Group and provide long-term vision for management.

The G5 reports to the Board of directors on a quarterly basis.

General Management succession plan

At the annual review of the succession plans, the Board of directors takes into account the views of the Nomination and Compensation Committee to ensure that the General Management succession plan is consistent with Group and market practices, in view of its specific family-based shareholding structure and its composition. In this regard, it assesses the relevance of the proposals made in view of the composition of its management bodies, in keeping with the measures implemented to ensure the Group's continuity and efficiency at all levels.

4.1.2.2 Balance in the power structure

The Board of directors has deemed that the proper balance of the governance structure was ensured through the limitations imposed on the powers of the Chief Executive Officer, as described hereunder, along with the presence of a Lead Director, independent directors' meetings, and the independence and powers of the Board and its committees. This governance structure, which is governed by the Board of directors' internal rules, thus guarantees compliance with the best governance practices within the framework of unified governance.

Moreover, the Board of directors ensures that it is capable of fully carrying out its duties in order to guarantee the balance of powers. The General Management communicates with all directors in total transparency and keeps them regularly informed of all aspects related to the Group's business and its performance.

LIMITATIONS IMPOSED BY THE BOARD OF DIRECTORS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

Subject to the internal provisions, unenforceable against third parties, that the Board of directors may impose on the powers of the Chief Executive Officer in the internal rules of the Board of directors, the Chief Executive Officer has a broad mandate to act in all circumstances on behalf of the Company. He represents the Company in its dealings with third parties. He exercises these powers within the limit of the corporate purpose and without prejudice to the powers expressly granted by law to shareholders' meetings and to the Board of directors in accordance with the internal rules of the Board. The internal rules provide for power limitations beyond legal requirements. The internal rules thus specify that any significant operation outside the strategy announced by the Company and/or the Group, as well as any investment projects – pertaining to external growth operations likely to have a material impact on the Group's earnings, the structure of its statement of financial position or its risk profile – are subject to the prior approval of the Board of directors. Accordingly, the Chairman and Chief Executive Officer must obtain the prior authorization of the Board of directors for all external investments that involve the acquisition of shareholdings or assets amounting to more than €100 million each and not previously approved by the Board.

In addition, at its meeting on May 15, 2019, the Board of directors set out the scope of the Chairman and Chief Executive Officer's powers as regards granting deposits, endorsements and guarantees by setting the overall authorized amount at €150 million for a legal term of one year in accordance with article R. 225-28 of the French commercial code. This authorization was renewed on May 14, 2020 in the same proportions, notwithstanding the amendment of article L. 225-35 of the French commercial code by Law no. 2019-744 of July 19, 2019 ("Soilihi Law") which now allows the annual authorization to be without limitation of the amounts for commitments made by controlled companies within the meaning of article L. 233-16 II of the French commercial code.

LEAD DIRECTOR

The choice to combine the positions of Chairman and Chief Executive Officer is exercised in compliance with the prerogatives of the various bodies. As part of the drive to improve governance, the position of Lead Director was created on March 3, 2016 and the Board elected Didier Crespel to fill this position. The internal rules of the Board of directors require that a Lead Director be appointed, whose responsibilities, resources and powers are described in section 4.1.3.3, when the positions of Chairman and Chief Executive Officer are held by the same person.

The main responsibility of the Lead Director is to see to the proper operation of the Company's governance bodies and, in particular, to assist the Chairman and Chief Executive Officer, as required, in his relations with shareholders with respect to governance. The powers of the Lead Director particularly include the option to hold meetings with the independent directors. The balance of powers established by the Board of directors is also supported by the Lead Director's capacity to ask the Chairman, where required, to add items to the agenda of Board meetings, as well as ask the Chairman to convene the Board of directors, or do so directly, to examine a specific matter whose importance or urgency would justify the holding of an extraordinary meeting of the Board of directors.

INDEPENDENT DIRECTORS' MEETINGS

The independent directors meet at least once a year at the request of the Lead Director to discuss items outside plenary Board meetings (*see 4.1.3.3*).

INDEPENDENCE AND POWERS OF THE BOARD AND ITS COMMITTEES

The Board's composition and diversity policy contribute to the balance of powers, in particular through the presence of independent directors, thus allowing the Board to fully discharge its executive oversight duties. Moreover, all of the committees are chaired by independent directors, except for the Corporate Social Responsibility Committee.

The balance of power is also ensured by the directors' full involvement in the work of the Board and committees, as well as the diversity of profiles, the independent directors' regular meetings, and the unrestricted review of the issues examined by the committees, allowing the directors to explore certain issues in depth and be in direct contact with Ubisoft's teams.

4.1.2.3 Group Management ("Executive Committee")

The Executive Committee is made up of Ubisoft's Chairman and Chief Executive Officer and the Group's operational managers. Each member makes proposals in terms of strategy and organization. They implement policies and procedures that apply generally to the entire Group and are decided on by the General Management.

The Executive Committee members working alongside the Chairman and Chief Executive Officer are:

Alain Corre	Executive Director, EMEA
Laurent Detoc	Executive Director, NCSA
Christine Burgess-Quémard	Executive Director, worldwide production
Serge Hascoët	Chief Creative Officer

In accordance with the AFEP-MEDEF Code, the Board of directors regularly ensures – in particular through the work of the Nomination and Compensation Committee in this regard – that corporate executive officers implement a policy of non-discrimination and diversity, particularly in terms of equitable representation within the management bodies.

The Ubisoft group's Executive Committee has one female member in the person of Christine Burgess-Quémard, named Women of the Year 2018 by the organization Women in Games for her contribution to and achievement in the European video game industry, and her work in this field since 2000. It should be noted that the video game industry's workforce mainly consists of men, with only 15% to 30% women.

In its reflections on the Executive Committee succession plans, the Nomination and Compensation Committee takes gender balance into account, based on existing profiles. The General Management was thus asked to examine the issue in order to make a recommendation on the composition of the Executive Committee in the short term.

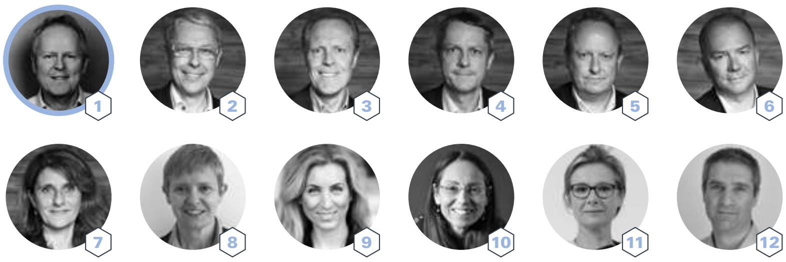
Moreover, with the support of the Nomination and Compensation Committee and the Corporate Social Responsibility Committee, the Board of directors has decided to make the final award of the corporate executive officers' long-term variable compensation contingent upon the improvement of gender balance within the teams, in order to reassert the diversity policy implemented (*see sections 4.2.1.3 and 4.2.1.4*).

For further information on the objectives and actions of the Ubisoft group in relation to diversity and inclusion, please refer to section 5.4.2 of this Universal Registration Document.

4.1.2.4 The Board of directors and its committees

12
DIRECTORS

88%
average attendance rate at meetings of the Board of directors in FY20



54.55% (1)
Percentage of independent directors

45.45% (2)
Percentage of women

1. **Yves GUILLEMOT**
 Chairman and Chief Executive Officer
 Director
 59 years
 French
2. **Claude GUILLEMOT**
 Executive Vice President in charge of operations
 Director
 63 years
 French
3. **Michel GUILLEMOT**
 Executive Vice President in charge of development, strategy and finance
 Director
 61 years
 French
4. **Gérard GUILLEMOT**
 Executive Vice President in charge of publishing
 Director
 58 years
 French-American
5. **Christian GUILLEMOT**
 Executive Vice President in charge of administration
 Director
 54 years
 French
6. **Didier CRESPEL**
 Lead INDEPENDENT director
 58 years
 French
7. **Laurence HUBERT-MOY**
 INDEPENDENT director
 58 years
 French
8. **Florence NAVINER**
 INDEPENDENT director
 57 years
 French
9. **Frédérique DAME**
 INDEPENDENT director
 44 years
 French-American
10. **Corinne FERNANDEZ-HANDELSMAN**
 INDEPENDENT director
 58 years
 French
11. **Virginie HAAS**
 INDEPENDENT director
 54 years
 French
12. **Lionel BOUCHET**
 Director representing employees
 46 years
 French

(1) The director representing employees is not taken into account, pursuant to the AFEP-MEDEF Code
(2) The director representing employees is not taken into account, pursuant to article L. 225-27-1, II of the French commercial code

AUDIT COMMITTEE

Florence NAVINER
Chairwoman
Independent director

Laurence HUBERT-MOY
Independent director

Didier CRESPEL
Independent director

100%	**67%**	**6**	**94%**
Independence ratio	% women	Number of meetings in FY20	Average attendance rate

NOMINATION AND COMPENSATION COMMITTEE

Laurence HUBERT-MOY
Chairwoman
Independent director

Virginie HAAS
Independent director

Corinne FERNANDEZ-HANDELSMAN
Independent director

100%	**100%**	**7**	**100%**
Independence ratio	% women	Number of meetings in FY20	Average attendance rate

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Gérard GUILLEMOT
Chairman
Director

Lionel BOUCHET
Director representing employees

Corinne FERNANDEZ-HANDELSMAN
Independent director

50% (1)	**50%** (2)	**2**	**100%**
Independence ratio	% women	Number of meetings in FY20	Average attendance rate

(1) The director representing employees is not taken into account, pursuant to the AFEP-MEDEF Code
(2) The director representing employees is not taken into account, pursuant to article L. 225-27-1, II of the French commercial code

4

DIVERSITY POLICY APPLICABLE TO THE MEMBERS OF THE BOARD OF DIRECTORS

In accordance with the AFEP-MEDEF Code, the Board of directors is required to periodically review, in accordance with the relevant recommendations of the Nomination and Compensation Committee and by examining in detail all factors to be taken into account in its decision-making, the optimum balance of its composition and the composition of its committees, in particular in terms of diversity (percentage of men and women, nationalities, age, qualifications, work experience, etc.).

The balance of the composition of the Board of directors and its committees is one of the topics that are reviewed each year as part of the assessment of the Board (see section 4.1.3.5). The Nomination and Compensation Committee takes this goal of diversity into account when examining nominations for a director's position or for a committee.

The table below shows the objectives, procedures and results in this regard:

Objectives	The Board deems that, to achieve a good balance, it must have a diversity of profiles, in particular in terms of age, length of service, qualifications and work experience, as well a sufficient number of independent directors. The Board strives to maintain a good balance between directors with long-standing knowledge of the Group and more recently appointed directors.
Implementation procedures	The balance of the composition of the Board and its committees is one of the topics that are reviewed each year as part of the assessment of the Board *(see section 4.1.3.5)*. The Nomination and Compensation Committee takes this diversity objective into account when it examines nominations for a director's position, a corporate executive officer's position or a committee. When the Nomination and Compensation Committee makes proposals to the Board of directors for the nomination of a new director, or the renewal or revocation of a director's term of office, it ensures that the diversity policy is applied to the directors. The composition of the Board of directors is reviewed every year prior to the Board meeting which lays down the draft resolutions to be submitted to the General Meeting. In accordance with legal requirements and the Company's articles of association, the Board includes one director representing employees. The nomination of one director representing employee shareholders will be submitted to a vote at the next General Meeting and a second director representing employees will be appointed within six months following the General Meeting, thereby contributing to the diversity policy.
Results obtained	**Skills and expertise** The Nomination and Compensation Committee has identified a set of skills and expertise that support Ubisoft's strategy and development objectives *(see below)*. It has also defined a core of skills and expertise which are common to all directors (the "common core"). **Independent directors** *(see below)* **Nationalities and international experience** Two of the Board members have dual nationality. Most of the directors have had an international career and responsibilities. Four of the directors are based abroad. **Gender balance** The Board deems that the ratio of 45.45% female directors makes for a good gender balance. Two out of three committees are chaired by a woman (Audit Committee and Nomination and Compensation Committee) and, out of the eight positions within these committees (the director representing employees is not included in this calculation [1]), six are held by women, i.e. a proportion of 75%. **Age/Length of service** At March 31, 2020: • the average age of the directors is 55.83; • the average length of service of the directors is 15.83 years. If we exclude the "founding" directors, it is 4.29 years.

(1) Article L. 225-27-1, II of the French commercial code

DIRECTORS' QUALIFICATION AND WORK EXPERIENCE

Common core of skills and expertise

All Company directors provide the Board of directors with:

- a sense of innovation and an entrepreneurial dimension;
- strategic vision;
- dedication to the Company's interest and that of its shareholders;
- quality of judgment;
- ethics;
- experience and proper operation of the governance bodies.

Skills in line with Ubisoft's strategy and development objectives

Ubisoft's directors are complementary through their varied professional experience and offices. Their personal skills and expertise cover the following areas in support of the Group's strategy.

TABLE OF RESPONSIBILITIES

		Ubisoft business lines	International experience	Talent management	Technology	Finance - Audit	CSR
GENERAL MANAGEMENT	Yves Guillemot, Chairman & CEO	✓	✓	✓		✓	
	Claude Guillemot, Executive Vice President	✓	✓		✓		
	Michel Guillemot, Executive Vice President	✓	✓		✓	✓	
	Gérard Guillemot, Executive Vice President	✓	✓	✓			✓
	Christian Guillemot, Executive Vice President	✓	✓			✓	
INDEPENDENT DIRECTORS	Didier Crespel		✓	✓		✓	
	Laurence Hubert-Moy		✓		✓		✓
	Florence Naviner		✓			✓	
	Frédérique Dame		✓		✓		
	Corinne Fernandez-Handelsman			✓			✓
	Virginie Haas		✓		✓		
REP. EMPLOYEES [(1)]	Lionel Bouchet	✓			✓		
		6	10	4	6	5	3

(1) Director representing employees

With their complementary expertise and free judgment, the directors jointly ensure that the measures adopted support the implementation of Ubisoft's strategy.

ASSESSMENT OF DIRECTORS' INDEPENDENCE

The independent directors have no relationship of any kind whatsoever with the Company, its Group or its management that could compromise their judgment.

In accordance with the Company's internal rules, directors deemed independent must undertake at all times to maintain their independence with regard to analysis, judgment, decisions and action. They must undertake not to seek out or to accept benefits from the Company or associated companies, either directly or indirectly, which are likely to be considered prejudicial to their independence.

The status of independent directors was reviewed by the Board of directors on April 9, 2020 based on the questionnaire issued by the Nomination and Compensation Committee to all independent directors, under the terms of which directors were invited to state their position based on each criterion applied by the AFEP-MEDEF Code to determine independent status. The results of this review are given in the table below:

	Didier Crespel	Laurence Hubert-Moy	Florence Naviner	Frédérique Dame	Corinne Fernandez-Handelsman	Virginie Haas
Employee corporate officer Must not be or have been during the course of the previous five years: ♦ an employee or corporate executive officer of the Company; ♦ an employee, corporate executive officer or director of a company consolidated within the Company; ♦ an employee, corporate executive officer or director of the parent company of the Company or of a company consolidated within this parent company.	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Cross-directorships Must not be a corporate executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or a corporate executive officer of the Company (currently in office or having held such office within the last five years) is a director	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Significant business relationships Must not be a client, supplier, commercial banker, investment banker or adviser: ♦ that is material to the Company or its Group; or ♦ for whom the Company or its Group accounts for a significant part of business.	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Family ties Must not be related by close family ties to a corporate officer	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Statutory Auditors Must not have been a Statutory Auditor of the Company within the previous five years	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Term of office exceeding 12 years Must not have been a director of the Company for more than 12 years	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Status of corporate non-executive officer (1) Must not be a corporate non-executive officer receiving variable compensation in cash or securities or any compensation linked to the performance of the Company or Group	N/A	N/A	N/A	N/A	N/A	N/A
Status of major shareholder Must not be, control or represent a shareholder holding, alone or in concert, more than 10% of the capital or voting rights at General Meetings of the Company or its parent company	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

(1) Chairman of the Board of directors in corporations with Board of directors having opted for the separation of duties

The Board of directors, noting that no business relationship – even minor – existed between directors and the Company or the Ubisoft group that could potentially compromise the independence of the directors concerned, decided that there was no point at this stage in setting a percentage threshold below which a business relationship would not be material.

INDIVIDUAL PRESENTATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The table below summarizes the current composition of the Board of directors.

	Personal information				Position within the Board			Attendance				Offices in publicly traded companies (outside the Ubisoft group)
Name	Age	Gender	Nationality	Number of shares (05/14/20)	Start of 1st term	End of current term	Years of presence on the Board	Board of directors (FY20)	Audit Committee	N&C Committee	CSR Committee	
GENERAL MANAGEMENT												
Yves Guillemot, Chairman & CEO	59	M	French	935,294 (1)	02/28/88	2020	32	100%				1
Claude Guillemot, Executive Vice President	63	M	French	745,369	02/28/88	2021	32	92%				1
Michel Guillemot, Executive Vice President	61	M	French	501,215	02/28/88	2021	32	83%				1
Gérard Guillemot, Executive Vice President	58	M	French-American	455,659	02/28/88	2020	32	83%			100% (3)	1
Christian Guillemot, Executive Vice President	54	M	French	107,292 (2)	02/28/88	2021	32	83%				1
DIRECTORS DEEMED INDEPENDENT												
Didier Crespel	58	M	French	320	11/20/13	2021	7	83%	83%			-
Laurence Hubert-Moy	58	F	French	414	06/27/13	2021	7	100%	100%	100% (3)		-
Florence Naviner	57	F	French	315	09/29/16	2020	4	75%	100% (3)			-
Frédérique Dame	44	F	French-American	880	09/29/16	2020	4	67%				-
Corinne Fernan-dez-Han-delsman	58	F	French	190	09/22/17	2023	3	100%		100% (4)	100%	1
Virginie Haas	54	F	French	242	09/22/17	2023	3	83%		100%		-
DIRECTOR REPRESENTING EMPLOYEES												
Lionel Bouchet	46	M	French	148	03/07/18	2022	2	100%			100%	-

(1) Of which 1,727 preference shares (free share allocation plans of December 16, 2015 and December 14, 2016) without voting rights (see 4.2.3.3)
(2) Of which 167 preference shares (free share allocation plan of December 16, 2015) without voting rights (see 4.2.3.3)
(3) Committee Chairperson
(4) Corinne Fernandez-Handelsman has been a member of the Nomination and Compensation Committee since July 2, 2019
***N&C Committee**: Nomination and Compensation Committee/**CSR Committee**: Corporate Social Responsibility Committee*

A detailed individual presentation of the directors, and the experience and expertise that each of them contribute to the Board of directors, is set out in section 4.1.2.5 of this Universal Registration Document.

Changes in the Board of directors and its committees during the financial year

	Nomination	Term of office expired	Renewal
Board of directors	N/A	N/A	**Combined General Meeting of 07/02/19:** Virginie Haas Corinne Fernandez-Handelsman
Audit Committee	N/A	N/A	N/A
Nomination and Compensation Committee	**07/02/2019** Corinne Fernandez-Handelsman member (independent)	N/A	N/A
CSR Committee (1)	N/A	N/A	N/A

(1) Corporate Social Responsibility Committee

RULES GOVERNING THE COMPOSITION OF THE BOARD OF DIRECTORS

- **Number of directors**: According to the Company's articles of association, the Board of directors shall be composed of at least three members and of no more than eighteen members, notwithstanding any derogation permitted by law. The directors representing employees and employee shareholders are not included in this calculation.
- **Method of appointment**: Over the life of the Company, the directors (except for those representing employees) are appointed or reappointed by the Ordinary General Meeting; however, in the event of a merger or demerger, the appointment may be made by the Extraordinary General Meeting held to deliberate on the operation concerned. Between two meetings and in the event of a vacancy due to death or resignation, appointments may be made on a provisional basis by the Board of directors. They are subject to ratification at the next General Meeting.
- **Duration of a director's term of office**: In accordance with article 8 of the Company's articles of association, the directors' term of office is four years, with a system of staggered renewal for directors appointed by the General Meeting. For the director(s) representing employees, renewal is subject to prior approval of the relevant amendment to article 8 of the articles of association by the General Meeting of Shareholders due to take place on July 2, 2020. In accordance with the recommendations of the AFEP-MEDEF Code, the aim of this staggered renewal system is to promote the smooth renewal of the Board of directors and avoid the simultaneous renewal of all members. The General Meeting can, in exceptional circumstances, appoint or re-elect one or more directors for a term of two or three years so as to stagger re-elections.

  Pursuant to applicable legislative and regulatory provisions, if a director is appointed to replace another, he or she shall only hold this position for the remainder of his or her predecessor's term.

  The term of office of directors ends following the Ordinary General Meeting called to approve the financial statements for the previous financial year and held in the year in which that term of office expires.
- **Age limit for directors**: The articles of association set an age limit of 80.
- **Number of Ubisoft Entertainment SA shares held**: In accordance with the Board of directors' internal rules, each director must acquire – within one year of their appointment, following the payment of the compensation allocated to them for their director's duties – a number of shares amounting to €10,000 (in terms of acquisition value), which they must hold throughout their term of office. The number of shares held by the directors is variable as the Company currently believes that the number of shares held by the directors is not a corollary of their commitment to performing their duties.

DIRECTOR(S) REPRESENTING EMPLOYEES

In accordance with the provisions of article L. 225-27-1 of the French commercial code, as amended by Law no. 2019-486 of May 22, 2019 relative to the growth and transformation of enterprises (the French "Pacte Law"), the Board of directors – which is composed of 11 directors appointed by the General Meeting of Shareholders – must now include two directors representing employees. Consequently, the General Meeting of Shareholders due to be held on July 2, 2020 will be asked to amend the Company's articles of association, under the 33rd resolution, to allow for the appointment of a second director representing employees, within a period of six months following the General Meeting, in accordance with the conditions laid down in article 8.2 of the Company's articles of association.

DIRECTOR(S) REPRESENTING EMPLOYEE SHAREHOLDERS

The General Meeting of Shareholders will also be asked, under its 17th resolution, pursuant to the provisions of article L. 225-23 of the French commercial code and article 8.3 of the Company's articles of association, as established by the Combined General Meeting of July 2, 2019, to rule on the appointment of a director representing the Company's employee shareholders, along with his/her alternate, by employee shareholders within the meaning of article L. 225-102 of the French commercial code in accordance with the procedures laid down in said article 8.3 of the articles of association.

4.1.2.5 List of offices and positions held by corporate officers at March 31, 2020

59 years

French

1st appointment (director)
02/28/88

End of current term
General Meeting 2020

Number of shares at 03/31/20
935,294 (1)

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
2

Ubisoft Entertainment SA
Lagardère SCA

Yves GUILLEMOT

Chairman and Chief Executive Officer/Director

Fresh out of business school, Yves Guillemot and his four brothers embarked on an adventure in the nascent video game industry and founded Ubisoft in 1986. Early on, they understood that creating original content in-house and developing proprietary brands would be key to Ubisoft's success. Originating from the word ubiquity, Ubisoft immediately announced its intention to be present with all players worldwide. Yves was appointed Chairman by his brothers. He established Ubisoft's strategy of using ground-breaking technologies or changing habits to innovate, create brands and capture market share. With a strong focus on organic growth, he developed an organization recognized for its top-ranking talents and collaborative approach.

For over 30 years now, Yves has been supporting Ubisoft's growth in a constantly evolving industry. Under his leadership, Ubisoft's passionate teams have been able to make the most of technological breakthroughs to innovate and reinforce player commitment. His extensive business experience is highly valued by major international groups such as Lagardère and Andromède, where he holds seats, respectively, on the Supervisory Board and on the Board of directors.

Yves is also a director of the Cercle des Dirigeants d'Entreprises Franco-Québécois (French Quebec executives club). He was named Entrepreneur of the Year by Ernst & Young in 2009 and 2018, and Glassdoor elected him one of the Top 2 most esteemed CEOs in France in 2018. In March 2020, at the Pegase awards (French academy of video game arts and techniques), he received a Prize of Honor in recognition of his entire career.

Expertise brought to the Board of directors:

- Video game industry
- International strategy and innovation
- Finance
- Governance and management

OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020

France

Chairman of Ubisoft Annecy SAS, Ubisoft EMEA SAS, Ubisoft France SAS, Ubisoft International SAS, Ubisoft Montpellier SAS, Ubisoft Motion Pictures Rabbids SAS, Ubisoft Paris SAS, Ubisoft Production Internationale SAS, Nadéo SAS, Owlient SAS, Ubisoft Création SAS, Ivory Tower SAS, Ubisoft Bordeaux SAS, 1492 Studio SAS, Green Panda Games SAS, Puzzle Games Factory SAS, Solitaire Games Studio SAS

General Manager of Ubisoft Motion Pictures SARL, Ubisoft Mobile Games SARL, Ubisoft Paris – Mobile SARL, Ivory Art & Design SARL

Abroad

Chairman and Chief Executive Officer of Ubisoft Vietnam Company Limited (Vietnam)

Chairman and Director of Ubisoft Entertainment Inc. (Canada), Ubisoft Éditions Musique Inc. (Canada), Hybride Technologies Inc. (Canada), Ubisoft Toronto Inc. (Canada), Ubisoft Winnipeg Inc. (Canada), Ubisoft Nordic A/S (Denmark), Ubisoft Entertainment India Private Ltd (India), Red Storm Entertainment Inc. (United States), Ubisoft CRC Ltd (United Kingdom)

Vice-Chairman and Director of Ubisoft Inc. (United States)

Chief Executive Officer and Director of Ubisoft Emirates FZ LLC (United Arab Emirates)

General Manager of Ubisoft Blue Byte GmbH (Germany), Ubisoft GmbH (Germany), Kolibri Games GmbH (Germany), Ubisoft EooD (Bulgaria), Ubisoft Studios Srl (Italy), Ubisoft Sarl (Morocco), Blue Mammoth Games LLC (United States), Dev Team LLC (United States), i3D.net LLC (United States)

Chairman of Dev Team LLC (United States)

Executive Director of Shanghai Ubi Computer Software Co. Ltd (China), Chengdu Ubi Computer Software Co. Ltd (China)

Director of Ubisoft Pty Ltd (Australia), Ubisoft SA (Spain), Ubi Studios SL (Spain), Ubisoft Barcelona Mobile SL (Spain), Ubisoft Ltd (Hong Kong), Ubisoft SpA (Italy), Ubisoft KK (Japan), Ubisoft Osaka KK (Japan), Ubisoft BV (Netherlands), BMG Europe BV (Netherlands), Performance Group BV (Netherlands), i3D.net BV (Netherlands), SmartDC Holding BV (Netherlands), SmartDC BV (Netherlands), SmartDC Heerlen BV (Netherlands), Ubisoft Srl (Romania), Ubisoft Ltd (United Kingdom), Ubisoft Reflections Ltd (United Kingdom), Red Storm Entertainment Ltd (United Kingdom), Ubisoft Singapore Pte Ltd (Singapore), Ubisoft Entertainment Sweden AB (Sweden), RedLynx Oy (Finland), Future Games of London Ltd (United Kingdom), Ubisoft Fastigheter AB (Sweden), Ubisoft DOO Beograd (Serbia)

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020	
France	**Abroad**
Director of AMA SA, Andromède SAS **Member of the Supervisory Board** of Lagardère SCA (2) **Executive Vice President** of Guillemot Corporation SA (2) **Chief Executive Officer** of Guillemot Brothers SAS	**Director and Executive Vice President** of Guillemot Brothers Ltd (United Kingdom) **Director** of Playwing Ltd (United Kingdom), AMA Corporation Ltd (United Kingdom) **Director** of Guillemot Ltd (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada)
EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)	
France	**Abroad**
Chairman of Ketchapp SAS, Ubisoft Motion Pictures Assassin's Creed SAS, Ubisoft Motion Pictures Splinter Cell SAS, Krysalide SAS **General Manager** of Script Movie SARL and Ubisoft Learning & Development SARL	**Chairman and Director** of Ubisoft Musique Inc. (Canada), 9275-8309 Québec Inc. (Canada), Studio Ubisoft Saint-Antoine Inc. (Canada), Ubi Games SA (Switzerland), Ubisoft L.A. Inc. (United States), Script Movie Inc. (United States) **General Manager** of Ubisoft Entertainment SARL (Luxembourg)
EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)	
France	**Abroad**
Executive Vice President and Director of Gameloft SE (3) **Director** of Guillemot Corporation SA (2) and Rémy Cointreau SA (2)	**Director** of Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada)

(1) Of which 1,727 preference shares (free share allocation plans of December 16, 2015 and December 14, 2016) without voting rights (see 4.2.3.3)

(2) Publicly traded company

(3) Publicly traded company delisted from Euronext Paris on July 26, 2016

63 years

French

1st appointment (director)
02/28/88

End of current term
General Meeting 2021

Number of shares at 03/31/20
745,369

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
2

Ubisoft Entertainment SA
Guillemot Corporation SA

Claude GUILLEMOT

Executive Vice President in charge of operations/Director

Claude Guillemot is the Chairman and Chief Executive Officer of Guillemot Corporation, which specializes in audio solutions under the Hercules brand and gaming accessories for PC, mobiles and consoles under the Thrustmaster brand. Since 1997, he has been in charge of the development of the company that markets these products in more than 100 countries, with the backing of several R&D and logistics centers in Europe, Canada and China.
Claude Guillemot co-founded Ubisoft in 1986. He sits on Ubisoft's Board of directors and is Executive Vice President in charge of operations. He provides entrepreneurial spirit to the Board of directors of Ubisoft, as well as his international experience of Asia (where he lived) and his in-depth knowledge of gaming technologies for PCs, consoles and accessories.
Claude Guillemot holds a Master's Degree in Economic Science from Rennes 1 University (France) and an Industrial Computing Certificate from ICAM (Lille, France).

Expertise brought to the Board of directors:

- Hardware technologies
- International development

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OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
N/A	**Director** of Ubisoft Nordic A/S (Denmark), Ubisoft Emirates FZ LLC (United Arab Emirates) **Alternate member** of Ubisoft Entertainment Sweden AB (Sweden), RedLynx Oy (Finland), Ubisoft Fastigheter AB (Sweden)

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
Chairman and Chief Executive Officer and Director of Guillemot Corporation SA (1) **Chairman** of Hercules Thrustmaster SAS, Guillemot Innovation Labs SAS **Chief Executive Officer** of Guillemot Brothers SAS **Director** of AMA SA	**Chairman and Director** of Guillemot Inc. (Canada), Guillemot Research & Development Inc. (Canada), Guillemot Inc. (United States) **Director and Executive Vice President** of Guillemot Brothers Ltd (United Kingdom) **Executive Director** of Guillemot Electronic Technology (Shanghai) Co. Ltd (China) **Director** of Guillemot SA (Belgium), Guillemot Ltd (United Kingdom), Guillemot Corporation (HK) Ltd (Hong Kong), Guillemot Srl (Italy), Guillemot Romania Srl (Romania), Guillemot Spain SL (Spain) **Director** of Playwing Ltd (United Kingdom), AMA Corporation Ltd (United Kingdom) **General Manager** of Guillemot GmbH (Germany)

EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
Executive Vice President and Director of Gameloft SE (2)	**Director** of Gameloft Divertissements Inc. (Canada), Gameloft Ltd (United Kingdom), Gameloft Live Développements Inc. (Canada), Gameloft Madrid SL (Spain)

(1) Publicly traded company

(2) Publicly traded company delisted from Euronext Paris on July 26, 2016

Michel GUILLEMOT

Executive Vice President in charge of development, strategy and finance/Director

61 years

French

1st appointment (director)
02/28/88

End of current term
General Meeting 2021

Number of shares at 03/31/20
501,215

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
2

Ubisoft Entertainment SA
Guillemot Corporation SA

Michel Guillemot joined his parents' family business after completing his studies. With a passion for programming, he created Guillemot International Software in 1984. At the time, the company was positioned in a niche segment – the distribution and import of video games – in which it rapidly became the French leader.
In 1986, Michel Guillemot co-founded Ubisoft with his brothers. In charge of the creation of Ubisoft's studios, he took part in the Company's first major production – Rayman. He then co-founded Gameloft, which he steered toward the development of mobile games, and managed from 2001 to 2016. Under his leadership, Gameloft experienced strong growth and became a major player in the global market. Michel Guillemot is now developing new companies specializing in artificial intelligence (AI).
He is a member of the Board of directors of Ubisoft and Executive Vice President of Development, Strategy and Finance. He brings to the Board of directors his in-depth knowledge of mobile games and the mechanisms to attract and engage a mass-market audience, as well as his expertise in all AI aspects.
He graduated from EDHEC business school and holds a degree (DECS) in accounting.

Expertise brought to the Board of directors:
- IT
- Video game industry
- Mobile industry
- Finance

OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
N/A	N/A

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
Executive Vice President and Director of Guillemot Corporation SA (1) **Chief Executive Officer** of Guillemot Brothers SAS **Director** of AMA SA	**Director and Executive Vice President** of Guillemot Brothers Ltd (United Kingdom) **Director** of Playwing Ltd (United Kingdom), Artificial Intelligence Research Lab Ltd (United Kingdom), AMA Corporation Ltd (United Kingdom) **Chairman and Director** of Ariann Finance Inc. (Canada), Divertissements Playwing Inc. (Canada), Laboratoire de recherche sur l'intelligence artificielle (AIRLAB) Inc. (Canada) **Director** of Guillemot SA (Belgium), Guillemot Ltd (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada), Playwing Ltd (Bulgaria)

EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)	
France	**Abroad**
Chairman and Chief Executive Officer and Director of Gameloft SE (2) **Chairman** of Gameloft Distribution SAS, Gameloft Partnerships SAS, Ludigames SAS **General Manager** of Gameloft Rich Games Production France SARL	**Chairman** of Gameloft Srl (Romania), Gameloft Software (Beijing) Company Ltd (China), Gameloft Software (Chengdu) Company Ltd (China), Gameloft Argentina SA (Argentina), Gameloft Software (Shenzhen) Company Ltd (China) **Chairman and Director** of Gameloft Inc. (United States), Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada), Gameloft Entertainment Toronto Inc. (Canada), Gameloft Limited (United Kingdom), Gameloft KK (Japan), Gameloft Company Ltd (Vietnam), Gameloft Iberica SA (Spain), Gameloft Private India Ltd (India), Gameloft Co. Ltd (Korea), Gameloft Ltd (Hong Kong), Gameloft Philippines Inc. (Philippines), Gameloft Pte Limited (Singapore), PT Gameloft Indonesia (Indonesia), Gameloft New Zealand Ltd (New Zealand), Gameloft Hungary Software Development and Promotion kft (Hungary), Gameloft SDN BHD (Malaysia), Gameloft FZ-LLC (United Arab Emirates), Gameloft Madrid SL (Spain), Gameloft OY (Finland), Gameloft LLC (Russia), LLC Gameloft (Belarus), Gameloft Uruguay SA (Uruguay) **General Manager** of Gameloft GmbH (Germany), Gameloft Srl (Italy), Gameloft EOOD (Bulgaria), Gameloft S. de R.L. de C.V. (Mexico) **Director** of Gameloft Australia Pty Ltd (Australia), Gameloft de Venezuela SA (Venezuela)

(1) Publicly traded company

(2) Publicly traded company delisted from Euronext Paris on July 26, 2016

4

Gérard GUILLEMOT

Executive Vice President in charge of publishing/Director
CEO of Ubisoft's film business
Chairman of the Corporate Social Responsibility Committee

58 years

French-American

1st appointment (director)
02/28/88

End of current term
General Meeting 2020

Number of shares at 03/31/20
455,659

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
2

Ubisoft Entertainment SA
Guillemot Corporation SA

Gérard Guillemot is the founder, Chairman and Chief Executive Officer of Longtail Studios, a company producing video games for family audiences. In 2000, he founded Gameloft, which was then a pioneer in the development of online games. Gérard Guillemot founded Ubisoft with his brothers in 1986, being in charge of editorial content and the production teams. He plays an active role in the strategy of the creation of original brands. The holding of proprietary franchises is now a distinctive pillar of the Group's strategy, providing long-term visibility and security to shareholders. Gérard Guillemot also supported the expansion of Ubisoft in North America.
He is now at the helm of Ubisoft's Film & Television division. He also sits on the Board of directors and is Executive Vice President in charge of publishing. Deeply rooted in the USA and with a keen interest in the dynamics of social media and online community management, he brings to the Board his understanding of these essential aspects for the success of video games.
Gérard Guillemot chairs the Corporate Social Responsibility Committee.
He is a graduate of the EDHEC business school and has been living in the United States for around fifteen years.

Expertise brought to the Board of directors:
- Publishing
- Content creation
- Talent recruitment and management
- Corporate Social Responsibility

OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
N/A	**Chairman and Director** of Ubisoft L.A. Inc. (United States), Script Movie Inc. (United States) **Vice President** of Dev Team LLC (United States)

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
Executive Vice President and Director of Guillemot Corporation SA (1) **Chief Executive Officer** of Guillemot Brothers SAS **Director** of AMA SA	**Chairman** of Longtail Studios Inc. (United States), Longtail Studios Halifax Inc. (Canada), Longtail Studios PEI Inc. (Canada) **Director and Executive Vice President** of Guillemot Brothers Ltd (United Kingdom) **Director** of Playwing Ltd (United Kingdom), AMA Corporation Ltd (United Kingdom) **Director** of Guillemot Ltd (United Kingdom), Guillemot Inc. (United States), Guillemot Inc. (Canada)

EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
Executive Vice President and Director of Gameloft SE (2)	**Chairman** of Studios Longtail Québec Inc. (Canada) **Director** of Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada)

(1) Publicly traded company
(2) Publicly traded company delisted from Euronext Paris on July 26, 2016

Christian GUILLEMOT

Executive Vice President in charge of administration/Director

54 years

French

1st appointment (director)
02/28/88

End of current term
General Meeting 2021

Number of shares at 03/31/20
107,292 (1)

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
2

Ubisoft Entertainment SA
Guillemot Corporation SA

Christian Guillemot is Chairman and Chief Executive Officer of AMA SA, which he founded in 2004. Specializing in the internet of things (IoT), AMA is one of the world leaders in new uses in the fields of telehealth and remote help using connected eyeglasses.
With a passion for innovation, entrepreneurship and new technologies, Christian Guillemot is actively involved in the creation of French Tech digital accelerators. He is also Chairman and Chief Executive Officer of Guillemot Brothers Ltd, the family holding company of the Guillemot group.
Christian Guillemot co-founded Ubisoft in 1986 with his brothers. He is a member of the Board of directors and Executive Vice President in charge of Administration. He has overseen the creation, consolidation and integration of Ubisoft's international subsidiaries and played a key role in the Company's stock market listing and in the Group's defense strategies in this regard. With his in-depth knowledge of new technological uses and his expertise in finance, accounting and legal matters, he is an essential voice on the Board of directors.
Christian Guillemot graduated from the European Business School of London.

Expertise brought to the Board of directors:

- Administration
- Finance and stock market transactions

OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020

France

N/A

Abroad

Director of Ubisoft Nordic A/S (Denmark)

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020

France

Chairman and Chief Executive Officer and Director of AMA SA
Chairman of Guillemot Brothers SAS, AMA Opérations SAS, AMA Research and Development SAS, SAS du Corps de Garde
Executive Vice President and Director of Guillemot Corporation SA (2)
General Manager of Guillemot Administration et Logistique SARL

Abroad

Chairman and Chief Executive Officer and Director of AMA L'Œil de l'Expert Inc. (Canada)
Chairman and Chief Executive Officer and Director of Guillemot Brothers Ltd (United Kingdom)
Chairman and Director of Playwing Ltd (United Kingdom), AMA Xperteye Inc. (United States)
Chairman and Director of Playwing Entertainment SL (Spain)
Director of AMA Corporation Ltd (United Kingdom), AMA Xperteye Ltd (United Kingdom), AMA Xperteye Limited (Hong Kong), AMA (Shanghai) Co., Ltd (China)
Chairman of Playwing Srl (Romania)
Director of Laboratoire de recherche sur l'intelligence artificielle (AIRLAB) Inc. (Canada), AMA Xperteye Srl (Romania), Guillemot SA (Belgium), Guillemot Inc. (Canada), Guillemot Research & Development Inc. (Canada), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom), Guillemot Corporation (HK) Ltd (Hong Kong)
General Manager of AMA Xpert Eye GmbH (Germany)

EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France

N/A

Abroad

N/A

EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France

Executive Vice President and Director of Gameloft SE (3)
Chairman of Studio AMA Bretagne SAS

Abroad

Director of Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada), Gameloft Ltd (United Kingdom), Gameloft Inc. (United States)
Chairman and Director of Advanced Mobile Advertisement Inc. (United States)

(1) Of which 167 preference shares (free share allocation plan of December 16, 2015) without voting rights (see 4.2.3.3)
(2) Publicly traded company
(3) Publicly traded company delisted from Euronext Paris on July 26, 2016

Didier CRESPEL

Independent Lead Director
Member of the Audit Committee

58 years

French

1st appointment (director)
11/20/13

End of current term
General Meeting 2021

Number of shares at 03/31/2020
320

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
1

Ubisoft Entertainment SA

Didier Crespel has over 30 years of experience as a senior financial manager and entrepreneur. He is the Chairman of Crespel & Associates – a consulting firm he founded in 2013 – that specializes in business strategy and equity investment. He is also the majority shareholder and President of Mecamen, an industrial group.

From 2000 to 2012, Didier Crespel was the General Manager of Shapers, an international subsidiary of the Arkk Group listed on the Tokyo Stock Exchange. He contributed to the Group's compliance by implementing the J-SOX regulations. From 1984 to 2000, he served as Chief Financial Officer and then Chief Executive Officer of Valeo's German subsidiary, where he supervised financial transactions, as well as several major mergers and acquisitions.

Didier Crespel has been sitting on Ubisoft's Board of directors as an independent director since 2013. He sits on the Audit Committee, which he chaired until May 2018. His in-depth knowledge of finance and the company's strategy is a precious asset to help Ubisoft seize new opportunities that arise. The Board of directors also benefits from his entrepreneurial mindset and international experience to support the company's diversification strategy and identify new opportunities.

Didier Crespel is a graduate of the EDHEC Business School.

Expertise brought to the Board of directors:
- Finance
- International experience
- Strategy/Entrepreneurship
- Mergers & Acquisitions

OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
N/A	N/A

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
General Manager of Crespel & Associates **Chairman** of Mecamen, AMPM, AMS	**Chairman** of Mecamen Polska (Poland)

EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

Laurence HUBERT-MOY

Independent director
Chairwoman of the Nomination and Compensation Committee
Member of the Audit Committee

58 years

French

1st appointment (director)
06/27/13

End of current term
General Meeting 2021

Number of shares at 03/31/2020
414

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
1

Ubisoft Entertainment SA

Laurence Hubert-Moy is a Professor at the University of Rennes. A member of the Scientific Programs Committee of the French Space Agency (*Agence Spatiale Française*) since 2019 and of the French Air and Space Academy (*Académie de l'Air et de l'Espace*) since 2018, she chaired the Scientific Earth Sciences Committee of the CNES (the French National Center of Space Studies) between 2013 and 2019. She is also the Scientific Manager of the ENVAM Digital Campus, a French consortium of four universities and schools. From 2017 to 2020, she was a partner in the creation and development of Kermap, a company that offers services to land development professionals based on the use of airborne and space data. In her current research work focusing on the processing of large datasets, she collaborates with scientists based in China and India.

Laurence Hubert-Moy has sat on Ubisoft's Board of directors as an independent member since 2013. She chairs the Nomination and Compensation Committee and sits on the Audit Committee. Her scientific research and her interest in big data analysis put R&D, innovation and the construction of open worlds at the heart of the agenda of Ubisoft's Board of directors.

Laurence Hubert-Moy holds a Ph.D. and completed several post-doctorate studies at Boston University. She also holds a certificate in business administration from the IFA-Sciences Po Paris.

Expertise brought to the Board of directors:

- Technology and digital expertise
- Modeling of environmental risks
- Governance and strategic planning

OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
N/A	N/A

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
Professor at the University of Rennes (France) **Member** of the Scientific Programs Committee of the CNES (French National Center of Space Studies) **Scientific Director** of the ENVAM digital campus	N/A

EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

Florence NAVINER

Independent director
Chairwoman of the Audit Committee

57 years

French

1st appointment (director)
09/29/16

End of current term
General Meeting 2020

Number of shares at 03/31/2020
315

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
1

Ubisoft Entertainment SA

Florence Naviner is Chief Financial Officer and Senior Vice President of Mars Wrigley Confectionery, an American multinational and subsidiary of Mars, Inc. that she joined in 1992. Based in Chicago, she brings Ubisoft over 30 years of experience in financial and strategic management with a leading retail player.
After several years as Vice President of Mars Financial Services, where she rolled out a shared financial services center for Mars Inc, and then as Chief Financial Officer for Wrigley, she played an active role in the global integration of Mars Chocolate and Wrigley. In 2017, she became Chief Financial Officer of the new entity – Mars Wrigley Confectionery. In this position, she managed the global finance team and co-steered the implementation of the strategy and operations of the global confectionery leader.
Florence Naviner also has solid international experience, gained from her positions as Chief Financial Officer for Mars Petcare in Europe, VP Finance for Mars in China (2006-2008), and VP Finance for Mars Petcare in the USA (2008-2011). She drove business turnarounds, managed cost competitiveness programs and oversaw the creation of synergies in post-acquisition periods. She started her career at Arthur Andersen in Paris in 1985.
Florence Naviner is a member of the Audit Committee, which she has chaired since May 18, 2018.
She graduated from HEC Business School in Paris and has a DESCF degree in accounting.

Expertise brought to the Board of directors:
- International experience
- Accounting and finance
- Acquisitions and consolidation processes
- Strategic planning and development processes

OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
N/A	N/A

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
N/A	**Chief Financial Officer and Senior Vice-President** of Mars Wrigley Confectionery (United States)

EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

44 years

French-American

1st appointment (director)
09/29/16

End of current term
General Meeting 2020

Number of shares at 03/31/2020
880

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
1

Ubisoft Entertainment SA

Frédérique DAME

Independent director

At Ubisoft, Frédérique Dame can draw upon her 15 years of experience within some of the world's most innovative companies, such as Uber, which she joined in its early days. She is now Business Investing Partner at GV (Google Ventures) in Silicon Valley.
Throughout her career in US-based digital companies, she has gained expertise in the development and launch of consumer products and services. She played an active role in Uber's strong growth, from 80 employees to over 7,000 worldwide. She spearheaded two strategic programs at Uber: the "Driver Experience", which allows private drivers to become part of Uber's network on a global scale, as well as the "Employee Experience", aimed at automating internal systems to improve the productivity and collaboration of its international teams.
Frédérique Dame also contributed to the development of Yahoo! (from 2004 to 2008), as manager of their products' social strategy. She joined Photobucket in 2009, and then Smugmug, two online photo-sharing platforms for which she implemented monetization and audience growth strategies.
Frédérique Dame holds a Master in Spacecraft Technology and Satellite Communications from University College London and a Bachelor and Master in Telecommunications Engineering from Télécom Sud Paris. She is based in San Francisco.

Expertise brought to the Board of directors:

- Digital technologies
- Development of start-ups
- Productivity improvement
- International

OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
N/A	N/A

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020

France	Abroad
N/A	**Founder and Chairwoman and Chief Executive Officer** of FredeTechnologies, Inc. **Independent director** of Les Mills International (New Zealand)

EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)

France	Abroad
N/A	N/A

58 years

French

1st appointment (director)
09/22/17

End of current term
General Meeting 2023

Number of shares at 03/31/2020
190

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
2

Ubisoft Entertainment SA
Coheris SA

Corinne FERNANDEZ-HANDELSMAN

Independent director
Member of the Corporate Social Responsibility Committee

Corinne Fernandez-Handelsman is currently Industrial & Technology Practice Leader, Partner at Progress, specializing in senior executive recruitment. Progress is a member of IIC Partners' international network, which brings together independent, market-leading recruitment agencies. For several years, Corinne Fernandez-Handelsman managed the network's Technology, Digital Media and Telecommunications Practice.
She brings Ubisoft her expertise in recruitment and valuable knowledge in sourcing, and attracting and retaining talent in the digital and technology sectors. She started her career at SNCF before joining the Boston Consulting Group as a consultant in 1986. In 1988, she joined GSI, a digital services company that was purchased by ATOS in 1997, where she held consecutive positions as Director of Marketing and Communications, Manager for business units, and Global Account Manager. She joined Progress in 1999.
Corinne Fernandez-Handelsman sits on the Nomination and Compensation Committee and on the Corporate Social Responsibility Committee. She is a graduate of HEC Paris.

Expertise brought to the Board of directors:
- Talent assessment, recruitment and development
- Management of an international headhunting network

OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020	
France	**Abroad**
N/A	**N/A**

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020	
France	**Abroad**
Director of Coheris SA (1)	**N/A**

EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)	
France	**Abroad**
N/A	**N/A**

EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)	
France	**Abroad**
N/A	**Director** of IIC Partners

(1) Publicly traded company

Virginie HAAS

Independent director
Member of the Nomination and Compensation Committee

54 years

French

1st appointment (director)
09/22/17

End of current term
General Meeting 2023

Number of shares at 03/31/2020
242

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
1

Ubisoft Entertainment SA

Virginie Haas brings Ubisoft almost 30 years of experience in the field of new technologies and IT services. She spent a large part of her career at IBM, where she held various management positions. In 2006, she joined the Steering Committee of IBM France as Director of Operations, before becoming Vice President, Global Technology Services Sales of IBM France. In 2010, she began her international career as IBM's Vice President of Worldwide Cloud Services Sales, helping the company to become one of the market leaders in the sector.
In 2016, Virginie Haas joined Shift Technology as Chief Revenue Officer. This start-up, founded in 2014, is developing a SaaS solution to detect insurance fraud by relying on artificial intelligence technologies and Big Data. Virginie Haas is in charge of developing and supporting the company's rapid growth and international expansion.
She has solid experience in issues relating to transforming and managing hyper-growth, and provides Ubisoft with her knowledge of the cloud computing market, and more broadly the market for new technologies, which are vectors of digital transformation.
Virginie Haas sits on the Nomination and Compensation Committee. She graduated from the ESCEM Business School.

Expertise brought to the Board of directors:
- New technologies and IT services
- International cloud computing market
- Development of start-ups

OTHER APPOINTMENTS AND ROLES

CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020	
France	**Abroad**
N/A	N/A

CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020	
France	**Abroad**
Chief Revenue Officer of Shift Technology	N/A

EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)	
France	**Abroad**
N/A	N/A

EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)	
France	**Abroad**
N/A	N/A

Lionel BOUCHET

Director representing employees
Member of the Corporate Social Responsibility Committee

46 years

French

Election (director representing employees)
03/07/18

End of current term
General Meeting 2022

Number of shares at 03/31/2020
148

Number of appointments (director/member of the Supervisory Board of publicly traded companies):
1

Ubisoft Entertainment SA

Lionel Bouchet sits on the Board of directors as a director representing employees.
Currently Technology Director France, he has worked at Ubisoft since the start of his career in 1996. He first worked as a programmer on POD, the very first racing game developed by Ubisoft, and then on several Formula 1 games. Since 2005, he has been focusing on ramping up the successful franchise Ghost Recon, becoming head of the development of the brand's engine and production pipeline, an ambitious project co-developed in France by three studios: Ubisoft Paris, Ubisoft Montpellier and Ubisoft Bordeaux. With over 20 years of experience in French production studios, he is able to identify all of the challenges facing the production teams, with a particular focus on technological issues.
As a Ubisoft employee with thorough understanding of the Group, Lionel provides the Board of directors with an operational perspective on the Group's entities.
He sits on the Corporate Social Responsibility Committee.
Lionel Bouchet holds a Computer Engineering degree from EERIE in Nîmes.

Expertise brought to the Board of directors:

- Video game production
- Video games' technical development pipeline
- General IT

OTHER APPOINTMENTS AND ROLES	
CURRENT POSITIONS WITHIN THE UBISOFT GROUP AS AT 03/31/2020	
France	Abroad
N/A	N/A
CURRENT POSITIONS OUTSIDE THE UBISOFT GROUP AS AT 03/31/2020	
France	Abroad
N/A	N/A
EXPIRED POSITIONS WITHIN THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)	
France	Abroad
N/A	N/A
EXPIRED POSITIONS OUTSIDE THE UBISOFT GROUP (LAST 5 FINANCIAL YEARS)	
France	Abroad
N/A	N/A

4.1.3 ORGANIZATION AND OPERATION OF THE BOARD OF DIRECTORS

The preparation and organization of the Board of directors come within the scope defined by the statutory and regulatory provisions applicable to French corporations (*sociétés anonymes*) and the Company's articles of association, and the provisions of the internal rules of the Board of directors and its committees updated on April 9, 2020. Over and above the expertise and powers of the Board, the internal rules of the Board prescribe the principle of confidentiality for information disclosed to members, and state that the office of director shall be held in accordance with the rules on independence, ethics and integrity. Moreover, the internal rules of the Board of directors stipulate the requirement that each of the directors shall inform the Board in the event of a real or potential conflict of interests in which he/she may be directly or indirectly involved.

4.1.3.1 Internal Rules of the Board of directors

The internal rules of the Board of directors, in conjunction with and/or in addition to legal, regulatory and statutory provisions, intended in particular to specify details of the composition, organization and operation of the Board of directors and committees created therein, were adopted during the meeting of the Board of directors on July 27, 2004. The internal rules of the Board also constitute the directors' governance charter.

They are examined and updated at regular intervals by the Board of directors – the most recent update was made on April 9, 2020.

Pursuant to the provisions of paragraph 2 recently inserted in article L. 225-39 of the French commercial code in respect of Law no. 2019-486 of May 22, 2019 (the French "Pacte Law"), the Board of directors amended its internal rules at its meeting of October 30, 2019 in order to lay down the procedures for assessing routine agreements entered into at arm's length (*see 4.1.4.1*).

The internal rules applicable to the Audit Committee, the Nomination and Compensation Committee and the Corporate Social Responsibility Committee are appended to the Board of directors' internal rules.

The internal rules of the Board of directors, published on the Company's website, set all the principles, which, without being set up as strict rules, should guide the composition of the Board of directors.

4.1.3.2 Organization of the Board of directors

The internal rules referred to above define or specify the content and the procedures governing the exercise of the prerogatives of the Board of directors (including the independent directors and the director(s) representing employees and employee shareholders), as well as those of the specialized committees created within the Board, the Chairman and Chief Executive Officer, the Executive Vice Presidents and of the Lead Director.

The Board of directors, as a whole, represents all shareholders. It performs the duties assigned to it by law, acts under all circumstances in the corporate interest of the Company, and strives to promote the creation of long-term value, while taking into consideration the social and environmental impacts of the Group's activities.

It determines the strategic business policies of the Company and/or Group and ensures their implementation within the limits of the Company's corporate purpose and the powers expressly granted by law to General Meetings.

It regularly examines existing opportunities and the main risks (including financial, legal, operational, labor-related, societal and environmental risks), as well as the measures taken in this regard. To that effect, the Board of directors receives all of the information required to perform its mission, in particular from the corporate executive officers.

With the exception of the Chairman and Chief Executive Officer and the Executive Vice Presidents, the directors have no individual power and must therefore act and decide by conferring with other members of the Board.

The three committees – the Audit Committee, the Nomination and Compensation Committee, and the Corporate Social Responsibility Committee – are tasked with reviewing and documenting the matters that the Board has decided to discuss and to present the latter, at a plenary session, with recommendations on the issues within the areas of their respective purview. The committees are advisory bodies and do not have the authority to make decisions themselves. Their members and their Chairperson are appointed by the Board and are selected exclusively from among the directors. Since members are personally appointed, they may not under any circumstances be represented by others at meetings of the committee(s) of which they are members. The Board reserves the right to change at any time the number and/or the composition of these committees as well as the scope of their duties. Finally, it should be noted that the internal rules of each committee – as well as any change that a committee may ultimately suggest – must receive the Board's formal approval. The responsibilities and the composition of the committees are described in section 4.1.3.4.

In his capacity as Chairman of the Board of directors, the Chairman and Chief Executive Officer prepares, organizes and supervises the work of the Board, sets the agenda for its meetings, advises the directors of any information required for the performance of their duties, ensures the proper functioning of the Company's bodies, the proper execution of decisions made by the Board and compliance with the rules of proper conduct adopted by the Company. He chairs the Shareholders' General Meeting and reports to it on the functioning, work and decisions of the Board of directors.

If the positions of Chairman and Chief Executive Officer are held by the same person, a Lead Director is appointed. The role and prerogatives of the Lead Director are detailed in section 4.1.3.3.

POWERS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

In accordance with the provisions of article L. 225-35 of the French commercial code and its internal rules, the Board of directors decides the Company's policies and oversees their implementation.

In particular, the Board of directors gives its opinion on all decisions relating to major strategic, economic, corporate, financial and technological policies of the Company and oversees their implementation by the General Management, particularly in accordance with the Board's internal rules. Subject to the powers expressly bestowed on Shareholders' Meetings and within the limit of the corporate purpose, the Board of directors may discuss any issue affecting the proper functioning of the Company and make decisions to resolve matters that concern it. It also carries out the verifications and controls it deems appropriate. Consequently, the Board of directors:

- chooses the organizational arrangements for the General Management (separation of the offices of Chairman and Chief Executive Officer, or combination of such offices);
- implements, where it sees fit, the delegations of authority and/or authorizations granted to it by the Shareholders' Meeting;

- examines and approves the financial statements;
- monitors the quality of the information provided to shareholders and to the markets in the financial statements or when major transactions are carried out.

In addition, the Board of directors contributes to the determination of the Group's objectives and strategy in line with its culture and values.

OPERATION OF THE BOARD OF DIRECTORS

It meets as often as required by the Company's business, at the registered office or at any other place chosen by the Chairman. No special form is required for meeting notices. As a collegial body, its decisions are binding on all its members.

The internal rules of the Board of directors provide an opportunity for directors to participate in the Board's deliberations via videoconference or telecommunications, including conference calls, which enable them to be identified and which guarantee their effective participation, under the conditions determined by the regulations in force. Directors who participate in the Board's deliberations in this way are deemed to be present for quorum purposes, except for Board of directors' meetings relating to the establishment of the annual consolidated and separate financial statements, and the management report.

The Chairman and Chief Executive Officer provides the directors with the information and documentation necessary for them to carry out their duties and prepare for meetings, in accordance with article L. 225-35 of the French commercial code.

Each director may also independently obtain additional information from the Chairman and Chief Executive Officer, who is available to provide relevant information and explanations to the Board of directors.

Directors are bound by a duty of confidentiality as regards confidential information that is provided as such by the Chairman of the Board of directors.

Directors may also meet with the Company's senior executive managers, including without the corporate executive officers, provided that the latter have been informed in advance.

The committees tasked by the Board of directors to examine specific issues make a contribution through their work and reports, providing the Board of directors with the information it needs to make its decisions (*see 4.1.3.4*).

Directors receive on an ongoing basis all documents that are issued by the Company and its subsidiaries to the public, especially information intended for shareholders.

Directors have access to a secure digital platform. This allows them to more easily access useful documents and information.

TRAINING OF DIRECTORS

Each director is entitled, upon his/her appointment and throughout his/her term of office, to training on corporate governance and on the Company's specific features, its business lines, its business segment, and its corporate social responsibility challenges.

In accordance with the legal provisions in force, the director representing employees shall receive appropriate training of least 40 hours per year.

Some directors have taken, at their request, certification training relating to directors' duties at Sciences Po Paris/IFA.

To facilitate the integration of new directors and their assumption of duties, an induction program was put in place, mainly involving:

- access to documents necessary for directorship duties (registration documents (Universal Registration Document from FY20), articles of association, internal rules, etc.);
- access to presentations and videos to better understand the Ubisoft environment;
- subscription to the daily press review relating to Ubisoft news and more generally on video game industry news ("Ubisoft Daily Newsletter");
- subscription to the "Ubisoft World" mailing list enabling them to receive all messages sent to Ubisoft teams;
- inclusion in the PR mailing list so that they receive all press releases published by Ubisoft;
- an invitation to KOM EMEA, which provides a true immersion into the universe of Ubisoft games.

The directors may, if they so wish, have exchanges with operational staff to gain a better understanding of Ubisoft's business lines if they deem it necessary.

Furthermore, members of the Audit Committee are entitled, upon their appointment and at their request, to information on accounting, financial or operational specificities of the Company/Group.

BOARD OF DIRECTORS' WORK DURING THE FINANCIAL YEAR ENDED MARCH 31, 2020

Number of meetings of the Board of directors and committees/Attendance rate

	Board of directors	Audit Committee	Nomination and Compensation Committee	Corporate Social Responsibility Committee
	12 sessions FY20	6 meetings FY20	7 meetings FY20	2 meetings FY20
Yves Guillemot	**100%**	-	-	-
Claude Guillemot	**91%**	-	-	-
Michel Guillemot	**83%**	-	-	-
Gérard Guillemot	**83%**	-	-	**100%** (1)
Christian Guillemot	**83%**	-	-	-
Didier Crespel	**83%**	**83%**	-	-
Laurence Hubert-Moy	**100%**	**100%**	**100%** (1)	-
Florence Naviner	**75%**	**100%** (1)	-	-
Frédérique Dame	**67%**	-	-	-
Corinne Fernandez-Handelsman	**100%**	-	**100%** (2)	**100%**
Virginie Haas	**83%**	-	**100%**	-
Lionel Bouchet	**100%**	-	-	**100%**
TOTAL	**88%**	**94%**	**100%**	**100%**

(1) Committee Chairperson

(2) Corinne Fernandez-Handelsman has been a member of the Nomination and Compensation Committee since July 2, 2019

MAIN TOPICS ADDRESSED BY THE BOARD OF DIRECTORS DURING THE 2020 FINANCIAL YEAR

The agenda of meetings of the Board of directors is determined pursuant to applicable laws and regulations.

During the financial year, the main issues addressed by the Board of directors were the following:

Financial position, cash position and commitments of the Group	♦ reviewing the Chairwoman's reports on the Audit Committee's work (*see 4.1.3.4*) ♦ reviewing and approving the separate and consolidated financial statements for FY19 and the 1st half of FY20 ♦ financial information/financial reports ♦ establishing management forecasts ♦ implementing the share buyback program ♦ monitoring the work of the internal control team ♦ authorizing the Chief Executive Officer to provide deposits, endorsements and guarantees on behalf of the Company, and issue bonds ♦ approving external growth operations exceeding the powers of the Chairman and Chief Executive Officer
Major strategic policies and operations of the Ubisoft group	♦ considering the Ubisoft group's strategic issues ♦ approving the three-year business plan ♦ reviewing the CSR risk mapping and materiality matrix ♦ implementing the "financial" delegations of power and authorizations granted by the Shareholders' General Meeting (*see 7.2.3*) ♦ updating the financial objectives for FY21 (Profit Warning)
Corporate governance	♦ review of the reports on the work of the Nomination and Compensation Committee, Corporate Social Responsibility Committee, and Lead Director, and on the meetings of the independent directors and G5 ♦ annual review of the operation of the Board of directors and its committees (revision of the status of independent director, the training program for directors including the director representing employees, and reflection on the composition of the Board's committees) ♦ discussion on the aggregation or separation of the duties of Chairman and Chief Executive Officer in view of the renewal of his term of office as a director at the General Meeting 2020 ♦ independent third-party assessment of the functioning of the Board and its committees and of the individual contribution of each director (summary) ♦ reviewing the succession plans for corporate executive officers, the Executive Committee and the Lead Director ♦ updating the internal rules of the Board of directors and its committees

Compensation Employee stock ownership	♦ implementing the delegations of power and authorizations granted by the Shareholders' General Meeting in relation to "employee stock ownership" (setting up plans and validating the achievement of performance conditions)
	♦ compensation of corporate officers:
	  ♦ annual review and setting of the components of the compensation of the Chairman and Chief Executive Officer and/or Executive Vice Presidents
	  ♦ determining any financial and non-financial criteria to be applied (annual variable, LTI) (*see 4.2.1.3 and 4.2.1.4*)

Miscellaneous	♦ convening the annual Combined General Meeting, approving the resolutions and adopting the reports and draft resolutions ♦ annual review of agreements and commitments (article L. 225-40-1 of the French commercial code) ♦ "business" matters

The Board of directors has also received presentations on specific topics requested by its members.

Pursuant to article L. 823-17 of the French commercial code, the Statutory Auditors were invited to attend the Board meetings approving or examining the financial statements.

4.1.3.3 Lead Director

Pursuant to the internal rules of the Board and of its committees, a Lead Director, chosen from among the independent directors, may be appointed by the Board of directors, following a proposal of the Nomination and Compensation Committee, where the positions of Chairman and Chief Executive Officer are held by the same person.

The Lead Director is appointed for a period of two years, which must not exceed the term of his or her directorship. The Lead Director may be re-elected following a proposal from the Nomination and Compensation Committee.

Didier Crespel has held the position of Lead Director since March 3, 2016. His term of office as Lead Director will expire at the end of the annual General Meeting called to vote on the renewal of his directorship.

RESPONSIBILITIES

The main responsibility of the Lead Director is to oversee the proper functioning of the Company's management bodies. In this regard, he:

- chairs the meetings of the Board of directors in the event that the Chairman is unavailable and following a proposal from the latter in accordance with the provisions of the articles of association;
- temporarily assumes the chair of the Board of directors in the event that the Chairman is unavailable;
- chairs, convenes and organizes at least one meeting per year for the independent directors during which they can discuss topics of their choice outside of a plenary meeting of the Board of directors;

- maintains ongoing dialogue with the directors and, where required, acts as their spokesman with the Chairman of the Board of directors and in particular acts as a liaison if required between the independent directors and the Chairman of the Board of directors;
- ensures that all shareholder questions are answered, is available to communicate with shareholders at the request of the Chairman of the Board of directors and keeps the Board informed of these exchanges;
- oversees the evaluation of the Board of directors' operating procedures where required.

RESOURCES

While performing his duties, the Lead Director can:

- suggest that the Chairman add items to the agenda of Board meetings, where necessary;
- request that the Chairman convene or, if appropriate, himself convene an Extraordinary Board Meeting where justified by an urgent or crucial agenda;
- assume, in conjunction with legal and regulatory provisions, the duties of the Chairman of the Board of directors in the event that the latter is unavailable (temporarily chair meetings);
- meet with the independent directors at least once a year under terms and conditions and at the times that he may deem appropriate;
- attend and/or participate in any meetings with Company shareholders upon request of the Chairman of the Board of directors;
- make recommendations of any kind in relation to the evaluation of the Board.

The Lead Director ensures that the directors have the opportunity to meet and speak with the executive managers and the Statutory Auditors, in accordance with the provisions of the internal rules.

More generally, the Lead Director ensures that the directors are provided with the information required to perform their duties under optimum conditions, in accordance with the provisions of the internal rules.

The Lead Director is also in charge of relationships with shareholders, in particular concerning corporate governance issues.

The Lead Director may be the Chairman or a member of one or more of the committees of the Board of directors.

The Lead Director reports once a year to the Board of directors. During General Meetings, the Chairman may invite the Lead Director to report on his work.

WORK PERFORMED DURING THE 2019/2020 FINANCIAL YEAR

Since his appointment as Lead Director on March 3, 2016, Didier Crespel has been in frequent contact with the Company's shareholders in order to provide an overview of "Governance" activities and in particular the operating procedures and activities of the administrative and management bodies.

The Lead Director invited the independent directors to meetings on May 3, 2019 and on March 13, 2020.

The Lead Director prepared the governance roadshows, for which he was in regular contact with the Group staff with expertise in this area.

In accordance with the Board of directors' internal rules, the Lead Director reported on his activities of the past financial year at the Board meeting of April 9, 2020. These activities mainly consisted of the convening of two meetings with the independent directors (*see below*) and the preparation and presentation of the governance roadshow with the Investor Relations Department and the Human Resources Department.

ISSUES ADDRESSED AT THE INDEPENDENT DIRECTORS' MEETINGS HELD IN FY20

At the independent directors' meetings of May 3, 2019 and March 13, 2020, discussions focused on whether it was in the Company's interest to adopt a "raison d'être", along with the action plan to be implemented in this regard. Discussions also focused on whether to proceed with a dividend distribution. Moreover, the directors identified certain cross-committee issues in order to better define the priorities of each committee and possibly plan for inter-committee workshops.

4.1.3.4 Committees of the Board of directors

Under its internal rules, the Board of directors has the option of creating one or more committees to assist it:

- the Audit Committee;
- the Nomination and Compensation Committee;
- the Corporate Social Responsibility Committee.

COMMITTEES ROLES AND OPERATING PROCEDURES

The committees act in an advisory capacity. Their particular responsibilities include reviewing matters that the Board or its Chairman submits for their consideration and reporting their findings to the Board in the form of minutes, proposals or recommendations. Members chosen from among the directors are appointed by the Board of directors, which also designates each committee's Chairperson. The responsibilities and operating procedures of each committee were specified by the Board when they were established and were added to the internal rules.

The committees may not unilaterally decide to discuss issues beyond the scope of their mission. They have no decision-making power but only that of making recommendations to the Board of directors.

The committees meet at the behest of their Chairperson and may be called by any means. The committees may meet at any place and in any way, including by videoconferencing and teleconferencing. They may only meet if a quorum of at least half of their members are present – if committees only comprise two members, all members must participate in meetings. As members are personally appointed, they may not be represented by others. The frequency of committee meetings must be at least that laid down in each committee's internal rules.

The agenda of committee meetings is set by their Chairperson. The committees report on their work to the subsequent Board meeting in the form of oral statements, opinions, proposals, recommendations or written reports.

AUDIT COMMITTEE

AUDIT COMMITTEE

100% Independence ratio

67% % women

6 Number of meetings in FY20

94% Average attendance rate

COMPOSITION OF THE AUDIT COMMITTEE AT 05/14/2020

Florence NAVINER	Laurence HUBERT-MOY	Didier CRESPEL
Committee Chairwoman	Committee member	Committee member
Independent director	Independent director	Independent director
COMMITTEE MEMBERS' EXPERTISE		
Finance/Audit	Technology (risk mapping)	Finance/Audit

RESPONSIBILITIES OF THE AUDIT COMMITTEE

The internal rules of the Audit Committee, which are attached to the internal rules of the Board of directors, describe the Audit Committee's responsibilities and operating procedures.

The Audit Committee is responsible for monitoring the preparation of accounting and financial information, the effectiveness of internal control and risk management systems, statutory audits of the separate and consolidated financial statements by the Statutory Auditors and the independence of the latter. It prepares and facilitates the work of the Board of directors with regard to these matters. At the beginning of the year, the Committee lays down its work program.

Main responsibilities:

Accounting and financial information	♦ monitoring the preparation of the financial information and, where required, issuing recommendations to guarantee its integrity ♦ examining the pertinence of the accounting basis chosen, the sustainability of the accounting methods applied, the accounting policies used and the estimates made in order to process material transactions in the scope of consolidation ♦ examining certain accounting and financial information documents issued by the Company before they are made public
Internal control and risk management systems	♦ reviewing and monitoring the effectiveness of internal control and risk management systems and the security of information systems concerning procedures relative to the preparation and processing of accounting, financial and non-financial information, without infringing on its independence ♦ examining risks, including those relating to social and environmental issues, legal disputes and material off-statement of financial position commitments
Statutory Auditors	♦ making recommendations to the Board of directors, in accordance with the provisions of article 16 of Regulation (EU) no. 537/2014, on the appointment or reappointment of the Statutory Auditors and approval of the amount of the fees charged ♦ monitoring the Statutory Auditors' work, taking into account the findings and conclusions of the *Haut Conseil du Commissariat aux Comptes* (French auditing authority) following the checks made pursuant to articles L. 821-9 *et seq.* of the French commercial code ♦ approval of the provision by the Statutory Auditors or their network, of services other than the certification of the financial statements mentioned in article L. 822-11-2 of the French commercial code, pursuant to the Audit Committee Charter ♦ annual request, when the annual financial statements are approved, for details of the fees for auditing and non-auditing services paid by the Company and other Group companies to the firms and networks of the Company's Statutory Auditors

WORK OF THE AUDIT COMMITTEE IN FY20	
Accounting and financial information	♦ review of the separate and consolidated financial statements for the year ended March 31, 2019, the half-year consolidated financial statements as at September 30, 2019 and the financial reports ♦ review of the work of the Statutory Auditors as at March 31, 2019 and September 30, 2019
Risk management and internal control	♦ review of the internal control work of the registered office and subsidiaries and the internal control procedures within the Group ♦ review of the operational risks identified following the review of certain subsidiaries by the registered office's internal control team ♦ global risk mapping update; analysis and study of the 10 major risks ♦ reflection on the risk factors within the meaning of Regulation (EU) no. 2017/1129 of June 14, 2017, known as the "Prospectus Regulation 3": identifying risk categories and classifying risks ♦ review and monitoring of the set-up and roll-out of the program to ensure compliance with anti-corruption measures, the work carried out in this regard ("Sapin 2") and the fight against fraud ♦ overview, monitoring and reflection on the means to be implemented to promote employee adherence to the code of conduct and anti-corruption training ♦ presentation on cybersecurity within the Group ♦ review of the report on corporate governance, risk management and internal control
Statutory auditing	♦ study, analysis and recommendation concerning the re-appointment of KPMG Audit as Principle Statutory Auditor (General Meeting of July 2, 2019) ♦ review of the assignments of external auditors, including additional assignments ♦ review of the fee budget for external auditors
Other	♦ Audit Committee self-assessment (FY19) ♦ annual revision of the audit charter

4

NOMINATION AND COMPENSATION COMMITTEE

NOMINATION AND COMPENSATION COMMITTEE

100% Independence ratio

100% % women

7 Number of meetings in FY20

100% Average attendance rate

COMPOSITION OF THE NOMINATION AND COMPENSATION COMMITTEE AT 05/14/2020		
		
Laurence HUBERT-MOY **Committee Chairwoman** Independent director	Virginie HAAS Committee member Independent director	Corinne FERNANDEZ-HANDELSMAN Committee member Independent director
COMMITTEE MEMBERS' EXPERTISE		
International experience (recruitment and compensation of high-level managers)	International experience (recruitment and compensation)	Talent management

RESPONSIBILITIES OF THE NOMINATION AND COMPENSATION COMMITTEE

The Company has a single Committee for nominations and compensation. The Committee's internal rules, which are attached to the internal rules of the Board of directors, describe its responsibilities and operating procedures.

The Nomination and Compensation Committee is tasked with selecting the members of the Board of directors and General Management team, as well as the succession plans for the Lead Director, the Company's General Management and Executive Committee members, and the compensation policy applicable to all corporate officers. It prepares and facilitates the work of the Board of directors with regard to these matters. At the beginning of the year, the Committee lays down its work program.

No corporate executive officer sits on the Committee. The Chairman and Chief Executive Officer does not take part in the meetings but is kept informed of the Committee's work, except for the agenda items that relate to him.

Main responsibilities:

Nominations

- **composition and operation of the Board of directors and its committees**: periodically assessing the structure, size and composition of the Board of directors, making sure that it complies with the diversity policy (in terms of gender balance, nationalities, international expertise, business expertise, etc.) applicable to members of the Board of directors and its committees; assessing the renewal of current directorships; submitting recommendations concerning any modification to the Board; setting up a procedure for the selection of future directors; making proposals on the creation and composition of the committees of the Board of directors
- **composition of the G5**: setting up a procedure to ensure the presence of at least one person of each gender among candidates for the position of Executive Vice President
- **composition of the Executive Committee**: keeping informed on the methods used by the Company to strive to achieve a good gender balance within the Executive Committee and diversity in the top 10% of positions with the greatest responsibility
- **succession plans**: conducting an annual review of the succession plan(s) for corporate executive officers, the Executive Committee and the Lead Director in the event of an unforeseen vacancy, a change in responsibilities, retirement, etc.
- **equal pay and opportunities**: assessing the policies and actions implemented
- **independence of directors**: periodically reviewing the criteria applied by the Board to classify a director as independent and examining the position of each director on an annual basis with respect to those criteria
- **internal rules of the Board of directors and its committees**: regular review
- **training of directors**: offering courses to directors and catering to their needs in this respect; offering an on-boarding program for new directors
- **assessment of the Board of directors and its committees**: conducting a self-assessment two years out of three and proposing an independent third party for the formal assessment and management of the process once every three years

Compensation

- **compensation of corporate executive officers**:
  - examining and making recommendations to the Board of directors concerning both (i) the variable and fixed components of said compensation and (ii) any benefits in kind, share subscription or purchase options received from any Group company, provisions regarding their pensions and any other benefits of any kind,
  - proposing individual objectives (financial and non-financial) in coordination, if necessary, with the Corporate Social Responsibility Committee, in order to assess performance and calculate the variable component(s) of the annual or multi-annual compensation
  - analyzing the equity ratios between the compensation of the Company's corporate executive officers and the average and median compensation of employees
- **compensation of directors**:
  - examining and making recommendations to the Board of directors concerning overall and individual amounts as well as the allocation method used, taking into account the directors' attendance at Board and committee meetings in accordance with the Board's internal rules
- **executive teams:**
  - keeping informed and examining the Group's general compensation policy and making any relevant comment in this regard
  - finding out whether the fixed and variable compensation of the executive teams (including the Executive Committee) is in line with the Company's strategy

Compensation (continued)

- **employee stock ownership**:
  - providing an opinion to the Board of directors on the general policy concerning Group employee stock ownership, setting out the reasons behind its choices and defining in advance the frequency of allocations
  - making any suggestion as to the content of resolutions concerning employee stock ownership to be submitted to a vote of the General Meeting, including the defining of the performance criteria applicable to the final allocation, the vesting period and/or the retention period
- **communication**:
  - ensuring that the Company complies with its obligations in terms of transparency of compensation, in particular by reviewing the information provided to shareholders for the vote on the compensation of corporate officers (Say on Pay)

WORK OF THE NOMINATION AND COMPENSATION COMMITTEE IN FY20

Nomination

- **composition and operation of the Board of directors and its committees**: annual review (examining directorships and proposing renewals for the General Meeting 2020; proposing the appointment of a third independent director within the Nomination and Compensation Committee; providing information on the designation of candidates for the position of director representing employee shareholders, whose appointment shall be subject to a vote at the General Meeting 2020)
- **composition of the G5**: update on the renewal of the term of office of the Chief Executive Officer and Executive Vice Presidents (analysis and conclusion regarding the selection process referred to in article L. 225-23 of the French commercial code)
- **composition of the Executive Committee**: gender balance analysis
- **succession plans**: annual review of the plans regarding the Chairman and Chief Executive Officer, Executive Vice Presidents, Lead Director and Executive Committee
- **equal pay and opportunities**: assessment of the policies and actions implemented
- **independence of directors**: annual review
- **internal rules of the Board of directors and its committees**: review of amendments
- **training of directors**: analysis of training requests and proposals for all directors; on-boarding plan for new members
- **assessment of the Board of directors and its committees**: proposing an independent third party for the formal assessment and management of the process (FY20)

Compensation

- **compensation of corporate executive officers**:
  - reviewing the compensation policy applicable to corporate executive officers for FY20 and FY21 ("Ex Ante" vote)
  - reviewing and determining the criteria and weighting to be applied to the annual variable compensation of the Chairman and Chief Executive Officer and to the long-term variable compensation of the Chairman and Chief Executive Officer and Executive Vice Presidents (FY20); reflecting on whether to include one or more CSR performance criteria, as proposed by the Corporate Social Responsibility Committee; for each such criterion, setting a target, ceiling, and maximum/minimum amounts that can be allocated
  - assessing the fulfillment or non-fulfillment of the financial and/or non-financial criteria related to (i) the corporate executive officers' long-term incentive plans vesting in FY20 and (ii) the variable compensation of the Chairman and Chief Executive Officer (for FY19 – individual "Ex Post" vote at the 2019 General Meeting)
  - preparing resolutions relative to the FY19 compensation of the corporate executive officers and the FY20 compensation of the corporate executive officers and Directors ("Ex Post" vote)
  - validating the annual information on the corporate executive officers' compensation provided in the corporate governance report
- **compensation of directors**:
  - reviewing the FY21 compensation policy applicable to directors ("Ex Ante" vote)
- **executive teams**:
  - verifying whether the fixed and variable compensation of the executive teams (including the Executive Committee) is in line with the Company's strategy
- **employee stock ownership:**
  - definition of the general allocation policy (share purchase or subscription options and free shares) and proposal of performance criteria in relation to applicable resolutions
  - proposal for the implementation of employee stock ownership plans under applicable resolutions adopted at the 2019 General Meeting (free ordinary share allocation plans, share purchase and/or subscription option plans, capital increase(s) reserved for employees ("MMO Plan"))
  - analysis of the terms and conditions of the 2019 Ubisoft key people plan
  - draft resolutions relating to employee stock ownership to be submitted to the General Meeting 2020
  - ascertain whether the attendance and/or performance conditions for the long-term incentive plans for Group employees have been achieved

Other

- review of legal and/or regulatory changes concerning compensation and governance
- update on changes in Ubisoft's teams and their breakdown by business line for FY20
- annual internal self-assessment of the Committee's work (FY19)
- review of the outcome of the LTI plans

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

50% (1)
Independence ratio

50% (2)
% women

2
Number of meetings in FY20

100%
Average attendance rate

COMPOSITION OF THE AUDIT COMMITTEE AT 05/14/2020

Gérard GUILLEMOT
Committee Chairman
Director

Lionel BOUCHET
Committee member
Director representing employees

Corinne FERNANDEZ-HANDELSMAN
Committee member
Independent director

COMMITTEE MEMBERS' EXPERTISE

Gérard GUILLEMOT	Lionel BOUCHET	Corinne FERNANDEZ-HANDELSMAN
CSR	Ubisoft business lines	CSR

RESPONSIBILITIES OF THE CSR COMMITTEE

The CSR Committee is tasked with examining the strategy and action plan with respect to the Group's Corporate Social Responsibility and putting forward any recommendations it may have in this regard. It also examines the CSR reports submitted to the Board in accordance with applicable legal and regulatory requirements.
Without prejudice to the prerogatives of the Board or Executive Management, the Committee's tasks in respect of the Group's CSR strategy consist of:

- examining the Group's CSR policies and commitments, as well as the action plans of projects related to these policies and/or the monitoring of the roll-out of the Group's actions
- appraising the integration of the Group's CSR commitments in respect of issues which are specific to its business and objectives
- ensuring that the decision-making bodies take social and environmental criteria into consideration when making strategic decisions
- assessing the risks and identifying new opportunities in respect of the Group's CSR priorities
- taking the CSR impact into account in terms of capital expenditure, economic performance and image
- reviewing reporting, assessment and internal control procedures and systems to make it possible to produce stable and relevant non-financial information
- verifying the annual CSR report and, in general, any CSR information required under applicable laws
- carrying out an annual review of the overall non-financial ratings given to the Company and its subsidiaries by non-financial rating agencies
- keeping informed of the CSR-related complaints received within the framework of the employee whistleblowing procedure and examining those which come under its remit

WORK OF THE CSR COMMITTEE IN FY20

- examining, analyzing and proposing non-financial performance indicators relative to the CSR initiatives implemented (FY20) or to be rolled out (FY21) with respect to the annual variable compensation of the Chairman and Chief Executive Officer and the multi-annual variable compensation (employee stock ownership plans) of all corporate executive officers
- methodology to be adopted to produce a materiality matrix within the scope of the Statement of Non-Financial Performance
- monitoring of Group initiatives in terms of
  - player protection
  - employee well-being
  - impact on local communities
  - impact on the planet/climate (carbon footprint)

(1) The director representing employees is not taken into account in the calculation of this rate, pursuant to the AFEP-MEDEF Code

(2) The director representing employees is not taken into account in the calculation of this percentage, pursuant to article L. 225-27-1, II of the French commercial code

4.1.3.5 Assessment of the work of the Board of directors and the committees

The internal rules of the Board of directors provide that the Board must discuss its own operation at least once a year in order to improve the effectiveness of its work and to arrange for a formalized assessment of its operation to be conducted at least once every three years by an external firm (the "External Assessment").

The last External Assessment was conducted in March 2020 under the supervision of the Chairwoman of the Nomination and Compensation Committee. This External Assessment also focused on the individual contribution of the directors.

On that occasion, each director received an interview guide drawn up to enable them to conduct interviews under the best possible conditions.

A reminder of the areas for improvement brought to light by the previous assessments of the Board of directors and its committees is set out below:

Improvements adopted following the	assessments that identified these points
Formalization of succession plans for the corporate executive officers, the Executive Committee and the Lead Director	External assessment (2017)
Establishment of a Corporate Social Responsibility Committee Communication upstream for significant M&A transactions Increase the frequency of independent directors' meetings	Internal assessment (2018)
Regular training of directors on the changes in the Group's business Assessment of the individual contribution of each director	Internal assessment (2019)

The analysis of the responses to the 2020 External Assessment was summarized in an assessment report presented by the Nomination and Compensation Committee to the entire Board of directors.

The main conclusions of the External Assessment are as follows:

Overall assessment	**Highly satisfactory operating procedures with respect to governance** ♦ constant progress ♦ constant focus on applying best practices ♦ more "mature" Board, promoting free expression and high-quality debates ♦ Board Committees playing a major role in the quality of discussions ♦ Board oversight of the actions of the Chairman and Chief Executive Officer
Progress made since the last assessment	♦ assessment of the individual contribution of each director
Main areas for improvement	**Governance** ♦ continue to update succession plans ♦ entrust the governance aspect to the Nomination and Compensation Committee ♦ reassert the Board's steering role with regard to the committees' work ♦ increase the frequency of information reporting between the G5 and the Board of directors ♦ include the oversight and review of the duty of care plan on the Corporate Social Responsibility Committee's agenda **Organization and operation of the Board of directors** ♦ consider setting up a more efficient and user-friendly platform for the exchange of documents ♦ review the structuring of the agenda for Board meetings (produce a dashboard, etc.) **Composition of the Board** ♦ consider appointing an independent director with M&A experience **Strategy** ♦ increase the knowledge of the strategic framework surrounding the acquisition proposals submitted to the Board ♦ hold a second strategic Board meeting

4.1.4 OTHER INFORMATION

4.1.4.1 Additional information on corporate officers

DECLARATIONS RELATING TO THE CORPORATE OFFICERS

To the Company's knowledge, based on the information provided by the members of the Board of directors in response to the individual questionnaire sent to each director by the Nomination and Compensation Committee (the "Declaration"), no member of the Board of directors has, over the past five years:

- been convicted of fraud or received an official reprimand and/or charges from statutory or regulatory authorities;
- been involved as a director in a bankruptcy, receivership or liquidation;
- been disqualified by a court from serving as a member of an administrative, management or supervisory body of an issuer, or from participating in the management or conduct of the business of an issuer.

It is also evident from the Declaration completed by each director that:

- there are no arrangements or agreements with shareholders, customers, suppliers or other party whereby a member of the Board of directors was appointed on that basis;
- there are no service agreements between members of the Board of directors and the Company or any of its subsidiaries granting benefits under the terms of such agreement;
- regarding independent directors, no family ties between them and other members of the Board of directors.

CONFLICTS OF INTEREST

In accordance with the internal rules of the Board of directors, all Company directors must – whenever a conflict of interest exists or could potentially arise between the corporate interests of the Company and their direct or indirect personal interests, or the interests of the shareholder or group of shareholders they represent – abstain from voting on the corresponding resolution. In addition, to minimize the risk of conflicts of interest and to allow the Board of directors to provide shareholders and the markets with accurate information, each director is required to complete the above-mentioned Declaration, provided each year by the Nomination and Compensation Committee, and notify the Board of directors in the event of a change, as soon as they become aware of any situation in which they have a conflict of interest, potential or otherwise.

To the Company's knowledge, and based on the Declaration completed by each director, there is currently no conflict of interest between the duties of members of the Board of directors and their private interests or other obligations.

It should be recalled that the specific regulation on so-called "regulated agreements" (set out hereunder) is aimed at dealing with issues of conflicts of interest that may exist between the Company and its corporate officers (Chief Executive Officer, Executive Vice Presidents, directors, Chairman of a simplified joint-stock company (SAS), General Manager of a limited liability company (SARL), etc.) or between the Company and one of its shareholders with more than 10% of voting rights (or the company controlling such a shareholder), within the framework of (i) agreements between such parties and the Company or (ii) agreements for which said corporate officers or shareholders may have indirect interests or (iii) agreements between two companies that have corporate officers in common.

Consequently, since Yves, Michel, Claude, Gérard and Christian Guillemot serve on the General Management and/or the Board of directors of their respective companies, the potential conflicts of interest that could exist would essentially be those resulting from agreements between the Company or its subsidiaries with one of the companies of Michel, Claude, Gérard and Christian Guillemot or their subsidiaries. Entering into such agreements would therefore be subject, for each of the parties thereto, to the regulated agreements procedure required under articles L. 225-38 *et seq.* of the French commercial code, whenever such an agreement is concluded with the Company itself (or any other article of the French commercial code applicable to the form of the contracting company, for any company other than the Company itself).

INFORMATION ON AGREEMENTS

Regulated agreements within the meaning of article L. 225-37-4, 2°

In accordance with article L. 225-37-4, 2° of the French commercial code, the corporate governance report must mention, except for normal business transactions entered into at arm's length, agreements made directly or through an intermediary by, on the one hand, the Chief Executive Officer, an Executive Vice President, a director (the "Corporate Officers") or a shareholder with more than 10% of the Company's voting rights (a "Shareholder") and, on the other hand, a company controlled by the Company within the meaning of article L. 233-3 of the French commercial code.

The Company is not aware of the existence of any such agreements having been entered into during the financial year ended March 31, 2020, between the Corporate Officers or a Shareholder and any company controlled by the Company as referred to in article L. 225-37-4, 2° of the French commercial code.

Regulated agreements within the meaning of articles L. 225-38 *et seq.*

Concerning agreements and commitments subject to prior authorization pursuant to the provisions of articles L. 225-38 *et seq.* of the French commercial code, the Statutory Auditors, in the special report required under the provisions of article L. 225-40 of said Code, state that the Statutory Auditors were not informed of any agreement or commitment (i) authorized and entered into during the past year to be submitted to the approval of the General Meeting or (ii) authorized and entered into during previous financial years and which was still in force in the financial year ended March 31, 2020.

Routine agreements

In accordance with the provisions of article L. 225-37-4, 10° of the French commercial code, the Company's corporate governance report must include a description of the procedure put in place by the Company to regularly assess whether the agreements concerning routine operations entered into at arm's length actually meet those conditions, as well as a description of the implementation of this procedure. To this effect, the Board of directors' internal rules were amended on October 30, 2019 to take account of the following principles and procedure:

- the routine nature of the operations and their arm's length nature are cumulative criteria:
  - routine operations usually concern operations performed as part of the Company's business, particularly in connection with its corporate purpose – while taking into account the usual practices of companies in a similar situation,
  - the conditions are considered normal if they are similar to those usually encountered in operations of the same type or if they consist of the usual conditions applied the Company in its dealings with third parties;
- these criteria are appraised on a case-by-case basis by the Administration Department, with the support of the Ubisoft group's Legal Department if necessary;
- at least once a year, and at the latest during the first Board meeting after the close of the financial year, the Board assesses whether the agreements classified as routine operations entered into under arm's length conditions (the "Non-Regulated Agreements") still meet those criteria;
- this classification is re-examined by the Board of directors upon any modification, renewal, extension or termination of a Non-Regulated Agreement.

The procedure described above was first implemented at the Board meeting of April 9, 2020.

LOANS AND GUARANTEES GRANTED TO MEMBERS OF THE BOARD OF DIRECTORS

The Company has not granted any loans or guarantees to any member of the Board of directors.

4.1.4.2 Other information

FINANCIAL AUTHORIZATIONS

A table summarizing the current valid delegations granted by the Shareholders' General Meeting to the Board of directors in the area of capital increases and showing how these delegations were used during the financial year ended March 31, 2020 is set out in section 7.2.3 of this Universal Registration Document.

RULES RELATING TO SHAREHOLDERS' ATTENDANCE AT GENERAL MEETINGS

All shareholders have the right to attend General Meetings under legally prescribed conditions. Information on the access to, and attendance and voting at, General Meetings appears in articles 7 and 13 of the Company's articles of association. Details can be found in section 7.1.2 of this Universal Registration Document. This information is provided again in the notice of meeting and the convening notice published by the Company before any General Meeting.

INFORMATION REFERRED TO IN ARTICLE L. 225-37-5 OF THE FRENCH COMMERCIAL CODE

Information concerning the factors likely to have an impact in the event of a public tender offer or public exchange offer are included, if applicable, in section 7.1.3 of this Universal Registration Document.

PREVENTION OF BREACHES AND INSIDER TRADING

The internal rules of the Board of directors, the Group's code of conduct and the dedicated training materials (e-learning, intranet) define the rules applicable to trading in the Company's securities, in accordance with European and French regulations on breaches and insider trading and abstention obligations (in particular the Market Abuse Regulation, the French monetary and financial code and the AMF's General Regulation).

Permanent insiders (directors and persons discharging managerial responsibilities, treated as corporate executive officers, and any person having permanent access to any inside information of the Company and designated as such by the Chairman and Chief Executive Officer) are subject **to obligations of confidentiality and abstention** from carrying out transactions on Company securities when they hold inside information and during blackout periods:

- for the announcement of half-year (consolidated financial statements) and annual (consolidated financial statements) results: during a period of thirty calendar days before publication;
- for the announcement of quarterly results (non-consolidated financial statements): for a period of 15 calendar days prior to the publication of the results.

The provisional schedule of periods of abstention is sent to all permanent insiders for every current financial year.

The Company keeps an updated list of permanent insiders. It sends everyone a code of ethics regarding trading, informing them of their status, their registration on the list of permanent insiders and their confidentiality and abstention obligations under the applicable regulations. Each permanent insider is required to sign this code of ethics and to comply with it.

Furthermore, **occasional insiders** who have one-off access to inside information of the Company are subject to the **same obligations of confidentiality and abstention** from carrying out transactions on Company securities when they have inside information. To that effect, the Company creates a list of occasional insiders specifically for the inside information concerned and keeps that list up-to-date. It sends everyone a code of ethics regarding trading, informing them of their status, their registration on the list of occasional insiders and their confidentiality and abstention obligations under the applicable regulations. Each occasional insider is required to sign this code of ethics and to comply with it, until he/she no longer has the status of occasional insider.

In addition to the obligations of confidentiality and abstention described above, the **corporate officers** of the Company (more specifically, the directors and the persons discharging managerial responsibilities, treated as corporate executive officers) and persons closely related to them, are required to **declare their transactions** to the Company and to the AMF in accordance with applicable regulations using the strict procedures set out in the code of trading ethics intended for permanent insiders and provided to them by the Company.

More generally, to ensure the proper implementation of the policy on the prevention of insider trading and misconduct, the Company has set up internal procedures for the identification and management of inside information. In particular, the Company has set up a **Disclosure Committee** responsible for identifying and publishing such information in accordance with applicable regulations. The Company has also appointed **ethics officers for trading** (“ethics officers”) whose duties include making employees aware of trading rules and training them in the concept of inside information and the prevention of insider misconduct (in particular the precautions and obligations pertaining to possession of inside information and the abstention periods during which insiders must comply with the rules of confidentiality and abstention). Training sessions (online and *in situ*) suited to the Company’s business have been put in place. Furthermore, the Company has adopted a **code of trading ethics** detailing the principles of trading ethics and the rules that apply to trading in the Company’s securities.

TRANSACTIONS INVOLVING SECURITIES AND/OR FINANCIAL INSTRUMENTS BY CORPORATE OFFICERS, SENIOR EXECUTIVE MANAGERS AND RELATED PERSONS

Surname, first name, position on the date of the transaction	Type of transaction	Date of transaction	Number of shares	Type	Unit price	Amount of transaction
SECURITIES TRANSACTIONS BY CORPORATE OFFICER						
Yves Guillemot Chairman and Chief Executive Officer of Ubisoft Entertainment SA	Acquisition	12/16/19	394	Preference shares	€0.0000	€0.00
Claude Guillemot Executive Vice President of Ubisoft Entertainment SA	Financial year	03/10/20	12,500	Options	€26.8500	€335,625.00
Michel Guillemot Executive Vice President of Ubisoft Entertainment SA	Acquisition	11/19/19	5,000	Shares	€49.9100	€249,550.00
		11/20/19	1,000	Shares	€49.8700	€49,870.00
		11/21/19	4,000	Shares	€52.0700	€208,280.00
		11/22/19	5,000	Shares	€52.5800	€262,900.00
		11/25/19	8,000	Shares	€53.6100	€428,880.00
		11/26/19	10,000	Shares	€54.3100	€543,100.00
		11/27/19	17,000	Shares	€55.2300	€938,910.00
		11/28/19	19,000	Shares	€54.7400	€1,040,060.00
		11/29/19	15,000	Shares	€55.4800	€832,200.00
		12/03/19	16,000	Shares	€55.1900	€883,040.00
	Financial year	12/17/19	12,500	Options	€26.8500	€335,625.00
Lionel Bouchet Director representing employees	Acquisition	09/23/19	600	Shares	€67.9600	€40,776.00
	Conversion	09/23/19	570	Shares (1)	€67.9600	€38,737.20
	Disposal	12/16/19	570	Shares	€61.2600	€34,918.20
		12/16/19	600	Shares	€61.1600	€36,696.00
SECURITIES TRANSACTIONS BY RELATED PERSONS						
Guillemot Brothers Limited legal entity related to Christian Guillemot, Executive Vice President of Ubisoft Entertainment SA	Disposal	05/21/19	70,000	Shares	€70.7023	€4,949,161.00
		05/22/19	70,000	Shares	€71.4769	€5,003,383.00
		05/23/19	43,358	Shares	€70.9646	€3,076,883.13
		05/24/19	16,642	Shares	€71.3866	€1,188,015.80
		05/28/19	60,000	Shares	€71.3964	€4,283,784.00
		05/29/19	50,000	Shares	€71.0968	€3,554,840.00
		05/30/19	70,000	Shares	€72.5577	€5,079,039.00
		05/31/19	20,000	Shares	€72.6925	€1,453,850.00
		06/03/19	60,000	Shares	€73.4236	€4,405,416.00
		06/04/19	20,000	Shares	€71.0519	€1,421,038.00
		06/05/19	14,367	Shares	€71.2510	€1,023,663.12
		06/06/19	55,000	Shares	€70.7969	€3,893,829.50
		06/07/19	55,633	Shares	€72.7015	€4,044,602.55
		06/10/19	25,000	Shares	€73.2450	€1,831,125.00
		06/11/19	50,000	Shares	€71.6481	€3,582,405.00
		07/25/19	50,000	Shares	€76.3213	€3,816,065.00
		07/26/19	55,000	Shares	€75.2986	€4,141,423.00
		07/29/19	39,087	Shares	€75.4043	€2,947,327.87
		07/30/19	46,296	Shares	€75.1240	€3,477,940.70
Victoria Guillemot natural person related to Claude Guillemot, Executive Vice President of Ubisoft Entertainment SA	Acquisition	11/08/19	20	Shares	€49.4800	€989.60

(1) Conversion of preference shares into ordinary shares (see 4.2.3.5)

4.2 Compensation of corporate officers

This section, prepared with the help of the Nomination and Compensation Committee, presents:

The compensation policy applicable to corporate officers (Chairman and Chief Executive Officer, Executive Vice Presidents and directors), in respect of their corporate office, pursuant to article L. 225-37-2 of the French commercial code (*see 4.2.1*).

The Annual General Meeting of July 2, 2020 (the "**General Meeting 2020**") will be asked to approve the compensation policy for corporate officers (the "**Ex Ante**" vote). For this purpose, three resolutions will be presented for the Chairman and Chief Executive Officer, the Executive Vice Presidents and the directors respectively. It should be noted that resolutions of this type are submitted for approval to the Shareholders' General Meeting every year under the conditions provided by law.

The report on the compensation paid during the past financial year or allocated in respect of this same financial year required under article L.225-100, II and III and L. 225-37-3, I (the "**Ex Post**" vote) and specifically including:

- the information indicated in I of article L. 225-37-3 of the French commercial code (*see 4.2.2.1*) concerning each corporate officer, as well as the ratios between the compensation of each of the corporate executive officers (Chairman and Chief Executive Officer and Executive Vice Presidents) and the compensation of employees within the Group and its change over five financial years in view of the Group's performance, will be subject to a resolution submitted for approval by the General Meeting 2020 pursuant to article L. 225-100, II of the French commercial code (the "**Overall Ex Post**" vote); and
- the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during or allocated in respect of the same financial year to the corporate executive officers, by separate resolutions for the Chairman and Chief Executive Officer and for each Executive Vice President (*see 4.2.2.2*) (the "**Individual Ex Post**" vote).

The standardized tables summarizing the information to be included in the Universal Registration Document on the compensation paid or allocated to the corporate officers by the Company and all companies included in the consolidation scope pursuant to article L. 233-16 of the French commercial code, in accordance with the AFEP-MEDEF Code and the AMF recommendations on this subject (the "**AMF Table(s)**") (*see 4.2.2.1.4*).

The reports required by articles L. 225-184 and L. 225-197-4 of the French commercial code on the allocations of options and free shares (*see 4.2.3*).

4.2.1 COMPENSATION POLICY ("EX ANTE" VOTE)

11th, 12th and 13th Resolutions of the General Meeting 2020

4.2.1.1 Governance

In compliance with the principles defining the compensation policy, the Nomination and Compensation Committee, exclusively comprising independent directors, follows a rigorous process for preparing the compensation policy for corporate officers in order to enable the Board of directors to rule in compliance with the legal and regulatory provisions and the best governance and market practices.

To this end, it analyses and proposes the principles and indicators for determining, revising and implementing the compensation policy for corporate officers, as well as the general policy for the allocation of share subscription and/or purchase options or performance shares.

Its remits, functioning modalities and details of its work during the previous financial year are described in 4.1.3.4. The Nomination and Compensation Committee also draws on the Corporate Social Responsibility Committee to determine the most relevant performance indicators and targets to be achieved in terms of social and environmental responsibility in view of the Group's activity and strategy as well as to assess the rate of achievement of these targets, if applicable.

The Nomination and Compensation Committee, as well as the Lead Director, ensure that the expectations expressed by the shareholders that are not represented within the Board are, as far as possible, taken into consideration, and inform the Board. To this end, it is recalled that the resolutions on the compensation of corporate executive officers were approved with an average score of over 98%, during the Annual General Meeting of July 2, 2019.

GOVERNANCE

N&C COMMITTEE (1) AND CSR COMMITTEE (2) PROCESSES AND BOARD OF DIRECTORS' DECISIONS

Analysis of the positioning of the corporate officers' compensation: of the positioning of corporate officers compared to the market as well as of corporate executive officers compared to the Group's performance.

Definition of the components and indicators for the compensation of corporate executive officers: definition of the compensation structure, the nature and weighting of each performance indicator in line with the Group's strategy and shareholders' and stakeholders' interests.

Assessment of the rate of achievement of the performance indicators.

SHAREHOLDER DIALOG

The Investor Relations Department and the Lead Director, assisted by the Human Resources Department, communicate with the Group's shareholders and proxy advisers.

Constant efforts are made to improve communications about the different compensation principles and to facilitate shareholder information.

Shareholder and voting agency expectations are taken into consideration, as far as possible, by the N&C Committee in its proposals to the Board of directors.

VOTE BY SHAREHOLDERS

Approval of the compensation policy by Shareholders' General Meeting

(1) Nomination and Compensation Committee
(2) Corporate, Social and Responsibility Committee

The table below details the votes by resolution ("Ex Post" and "Ex Ante" votes) in the version subsequent to Law no. 2016-1691 of December 9, 2016 (known as the "Sapin 2 Law") and prior to ruling no. 2019-1234 of November 27, 2019 pursuant to Law no. 2019-486 of May 22, 2019 (known as the "Pacte Law").

			Compensation "Ex Post" (FY18) General Meeting 2018	Compensation "Ex Post" (FY19) General Meeting 2019		Compensation policy "Ex Ante" (FY19) General Meeting 2018	Compensation policy "Ex Ante" (FY20) General Meeting 2019
			For	For		For	For
	Yves GUILLEMOT, Chairman & CEO	5th resolution	99.70%	97.55%	10th resolution	99.54%	98.60%
	Claude GUILLEMOT, Executive Vice President	6th resolution	99.79%	99.30%	11th resolution	99.54%	99.15%
	Michel GUILLEMOT, Executive Vice President	7th resolution	99.41%	99.30%			
	Gérard GUILLEMOT, Executive Vice President	8th resolution	99.79%	99.30%			
	Christian GUILLEMOT, Executive Vice President	9th resolution	99.80%	99.30%			

In accordance with the provisions of the internal rules of the Board of directors (*see section 4.1.4.1*), the directors work to preserve their independence of judgment, decision and action under all circumstances, and endeavor to avoid all conflicts of interest that may exist between their moral and material interests and those of the Company. To minimize the risk of conflicts of interest, each independent director is required to complete a questionnaire sent each year by the Nomination and Compensation Committee and to notify the Board of directors in the event of a change, as soon as they become aware of any situation in which they have or may have a conflict of interest.

The provisions relating to the management of conflicts of interest and regulated agreements are presented in the Corporate Governance report (*see section 4.1.4.1*).

4.2.1.2 Principles

General principles

The Board of directors refers to the principles of the AFEP-MEDEF Code to determine the compensation of corporate executive officers and to the provisions of the French commercial code for the directors. It bases its discussions on studies by external experts that inform the Board of directors and Nomination and Compensation Committee of the best market practices.

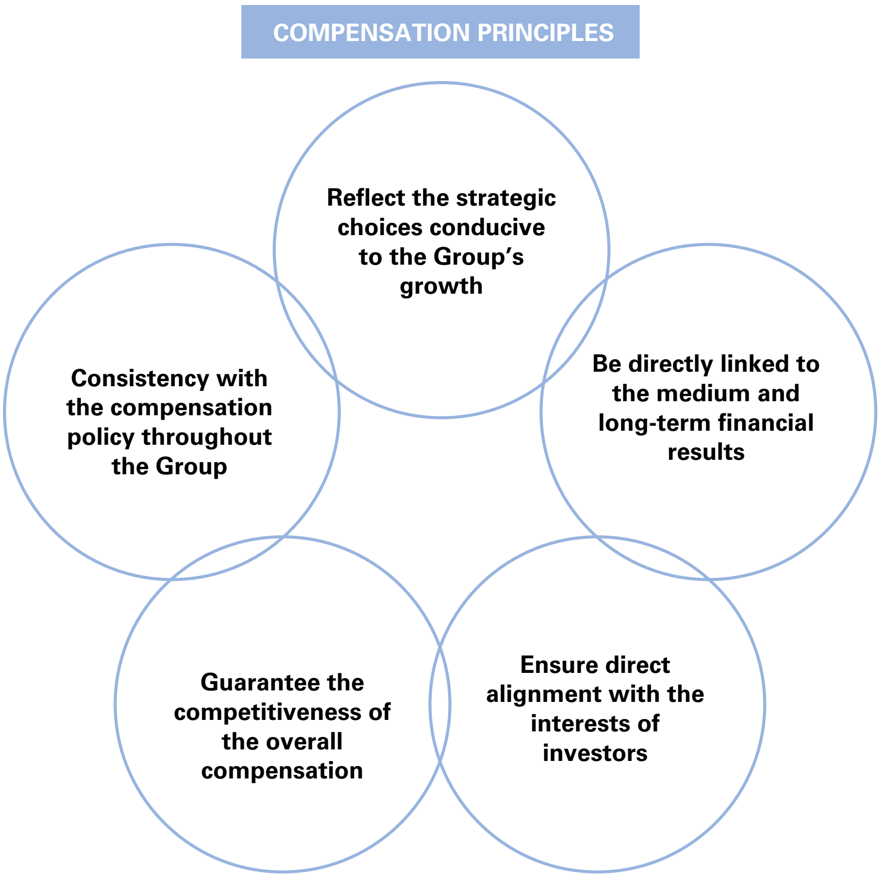
The Board of directors ensures that the compensation policy of corporate executive officers is aligned with the corporate interests of the Group and the interests of its shareholders and stakeholders.

The performance conditions selected when setting the variable (annual and long term) compensation are aligned with the Group's strategy based on measurable, clear and operational targets that ensure sustainable and solid value creation.

Upon the proposal of the Nomination and Compensation Committee, the Board of directors also decides the breakdown of the annual amount allocated to directors by the Company's Shareholders' General Meeting in respect of their corporate office, according to their effective attendance at Board of directors' meetings, and at the meetings of the specialized committees, if applicable.

Principles for the compensation of corporate executive officers

The compensation policy proposed by the Nomination and Compensation Committee and approved by the Board of directors is based on the following pillars:



a. ***Reflect the strategic choices conducive to the Group's growth***

The Nomination and Compensation Committee ensures that there is a correlation between the structure of the compensation of the corporate executive officers and the Group's strategy. Thus, the major challenges to come are reflected in the performance conditions of the variable compensation, for which the targets to achieve are aligned with the Group's value creation objectives.

b. ***Be directly linked to the medium and long-term financial results***

The structure of the total compensation for the corporate executive officers is mainly based on the annual and/or long term variable components. The payment of the variable components is subject to achievement of precise, coherent and demanding performance conditions, in line with the Group's strategy and focused on long-term profitable growth by acting in a responsible way towards all stakeholders.

c. ***Ensure direct alignment with the interests of investors***

In order to align the compensation of the corporate executive officers with investors' interests, part of the total compensation is linked to the Ubisoft Entertainment SA share price on Euronext Paris (the "Ubisoft Share"), either via an allocation of shares in the form of performance shares (1) or share purchase/ subscription options (2), or via multi-annual compensation indexed to the Ubisoft Share price.

d. ***Guarantee the competitiveness of the total compensation*** compared to practices in companies with comparable performance to Ubisoft group, whilst respecting a principle of reasonableness.

The Nomination and Compensation Committee ensures that the total compensation of corporate executive officers is competitive. To assess this competitiveness, compensation studies are regularly carried out based on a stable and coherent panel.

e. ***Consistency with the compensation policy within the Group***

The Nomination and Compensation Committee ensures that the compensation policy for corporate executive officers is assessed in a consistent way with the compensation components for Group employees. In this respect, the Nomination and Compensation Committee is responsible, on the one hand, for providing information on the general compensation policy for the executive management teams - including the Executive Committee - and, on the other hand, analyzing the equity ratios given the level of compensation of the Company's corporate executive officers compared to the average and median compensation of employees.

Thus, the structure and philosophy for the teams' long-term compensation plans, the ratio of compensation for men and women and the change in the equity ratios presented in 4.2.1.3 are, for example, subject to in-depth discussions.

The Board of directors decided to provide for the option of derogating "in exceptional circumstances, [...], from the application of the compensation policy if this derogation is temporary, in accordance with corporate interest and necessary to guarantee the Company's sustainability or viability", in accordance with the provisions of article L. 225-37-2, III. paragraph 2 of the French commercial code. The Board of directors decided to include this possibility in the compensation policy if these exceptional circumstances:

- appear to result from external events that are outside of the Company's control and/or decision;
- may have an impact on the performance indicators predefined prior to such circumstances; and
- if the Company has made every effort to reduce the impacts on the said performance indicators, if applicable.

It is understood that if such a derogation is used by the Board of directors, the modifications will be made public after the Board of directors' meeting that approved them and these modifications must preserve the alignment of shareholder interests with those of the corporate executive officers.

Principles for directors' compensation

Directors receive compensation in respect of their corporate office (formerly called directors' fees). The maximum amount of the compensation budget to be broken down between the directors is voted on by the Shareholders' General Meeting upon the proposal of the Board of directors, in view of the recommendations of the Nomination and Compensation Committee, taking the corporate interest into account.

Every year, the Nomination and Compensation Committee assesses whether the amount of this budget is appropriate to the number and duration of meetings of the Board of directors and its committees, as well as to the number of directors.

The maximum annual amount of the compensation budget allocated to directors remains unchanged until a new decision is taken by the Shareholders' General Meeting.

The maximum annual amount of directors' compensation that may be allocated was set at €750,000 by the Shareholders' General Meeting of September 22, 2017 and has not changed since that date. Details of the amount paid in respect of the financial year ended March 31, 2020 can be found in 4.2.2.1.2.

The total compensation allocated to each director is capped whatever the number of Board or committee meetings. Directors do not receive any other compensation in respect of their duties.

Directors representing employees and/or directors representing employee shareholders receive compensation in respect of their corporate office under the same conditions as the other members of the Board of directors.

The Board of directors, upon proposal by the Nomination and Compensation Committee, decides on the breakdown of the annual budget approved by the Shareholders' General Meeting to the members of the Board of directors and the committees.

(1) Pursuant to the provisions of articles L. 225-197-1 *et seq.* of the French commercial code and subject to approval by the Shareholders' General Meeting

(2) Pursuant to the provisions of articles L. 225-177 *et seq.* of the French commercial code and subject to approval by the Shareholders' General Meeting

The compensation allocated to directors is broken down as follows:

- a fixed component (annual lump sum) and for directors that are members of a committee, a fixed component in respect of their duties as Chairman of a committee; and
- a variable component that takes into account directors' attendance at Board of directors' meetings, and for directors that are members of a committee, attendance at meetings of the said committee(s) based on a predefined amount per meeting and capped at a maximum set number of meetings.

Moreover, a director appointed during the financial year receives the fixed component and variable component due as director or Chairman of a committee, according to his/her date of appointment.

The compensation policy applicable to directors does not provide for individual performance indicators. In order to comply with the recommendations of the AFEP-MEDEF Code, the modalities for allocating directors' compensation were defined by the Board of directors during its meeting of October 19, 2015 so that the variable component, related to the directors' attendance and participation in committees, is the main component.

The Lead Director receives an additional flat-rate compensation in respect of his/her duties.

The Board of directors may allocate exceptional compensation for assignments or tasks entrusted to its members. In such a case, these compensation amounts are recorded as operating expenses and subject to approval from the Ordinary General Meeting.

It is specified for information that no exceptional assignments were carried out in respect of the current financial year.

The rules for the breakdown of compensation to directors applicable to date are recalled below:

Board of directors	
Fixed	Variable according to attendance (A)
Maximum per year and per director: €40 thousand	
40% (€16 thousand/year)	60% (€24 thousand/year)
50% in September (€8 thousand) *Compensation for the period April 1 to September 30* 50% in March (€8 thousand) *Compensation for the period October 1 to March 31*	If A < 50% - €0 If A ≥ 50% and < 75% - €12 thousand If A ≥ 75% - €24 thousand

Audit Committee		Nomination and Compensation Committee		Corporate Social Responsibility Committee		Lead Director
Fixed Chairman	Variable Members	Fixed Chairman	Variable Members	Fixed Chairman	Variable Members	Lump-sum
€15,000	€2,500 per meeting (capped at 4 meetings per financial year)	€5,000	€2,500 per meeting (capped at 4 meetings per financial year)	€5,000	€1,500 per meeting (capped at 4 meetings per financial year)	€15,000 per financial year

On April 9, 2020, the Board of directors decided that the fixed component of compensation allocated to directors and the flat-rate compensation allocated to the Lead Director would no longer be paid in advance in order to meet the requirements of the second paragraph of article L. 225-100, II of the French commercial code, amended by the Pacte Law.

4.2.1.3 Compensation structure for corporate executive officers

Annual fixed compensation

The amount of annual fixed compensation applicable to a corporate executive officer is set by the Board of directors when the person is appointed and is regularly reassessed to ensure that the positioning takes into account changes in the market based on compensation studies and the Group's results.

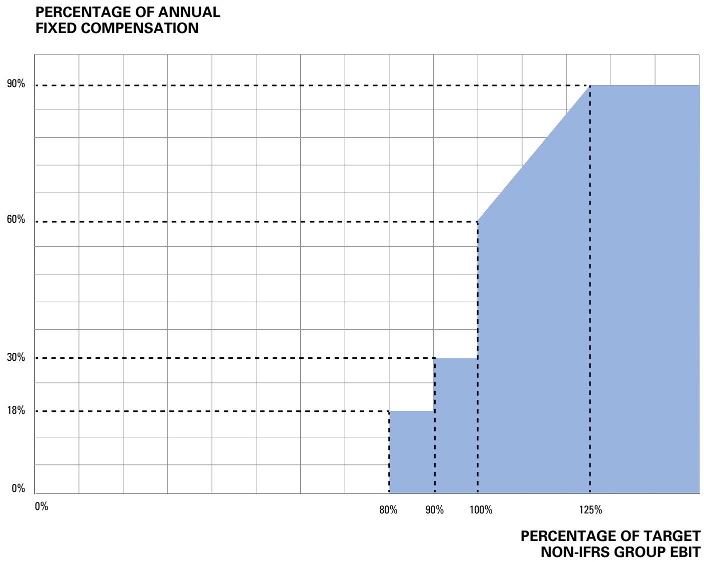
Annual variable compensation

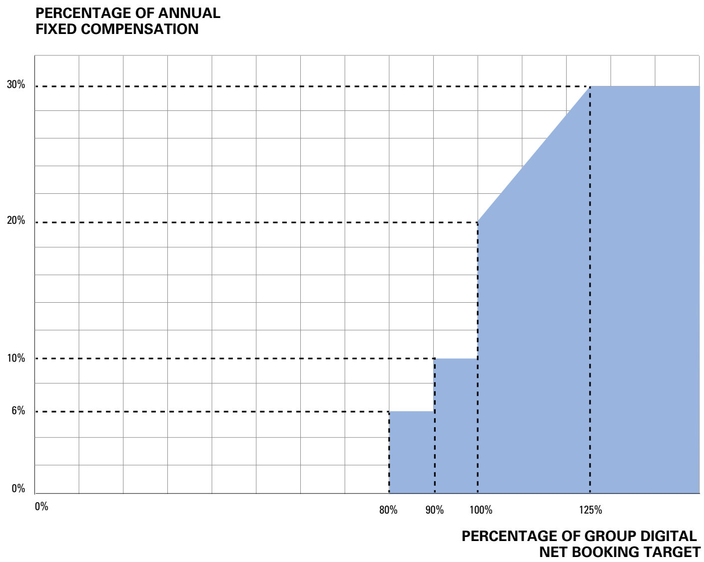
The annual variable compensation allocated to the Chairman and Chief Executive Officer is set in accordance with the general principles presented in 4.2.1.2 and is expressed as a percentage of the share of fixed compensation. For all of the performance indicators (the "**Indicators**"), the target objectives are demanding and in line with the Group's value creation objectives.

Annual variable compensation is aligned with the Group's performance. The Financial Indicators selected are designed to reflect the achievement of the Business Plan each year. The Non-Financial Indicators enrich this view and enable the achievement of the strategic choices required for the growth of Ubisoft group to be taken into account.

This annual variable compensation policy applies solely to the Chairman and Chief Executive Officer, who, through his actions, guarantees the proper execution of the Business Plan in its short-term aspect.

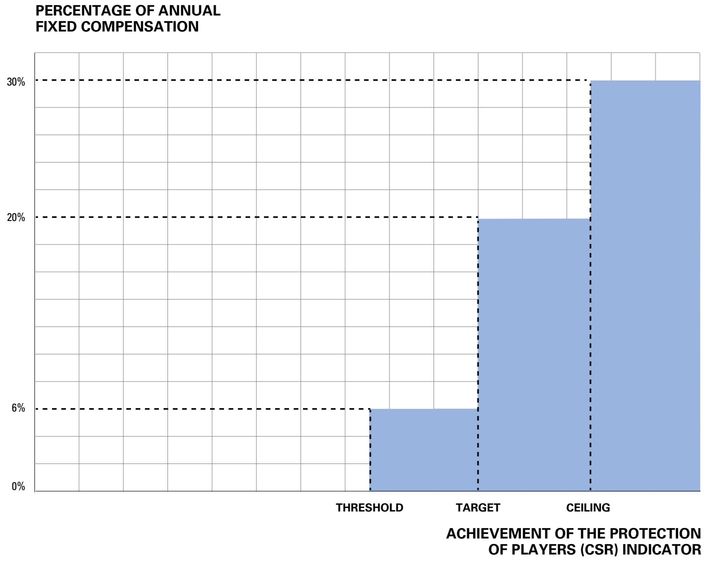
Annual variable component	Indicator *Sub-indicator*	Target as a percentage of the annual fixed compensation	Explanation of the relevance of the indicators and implementation methods
Economic and financial performance indicators (financial indicators)	Non-IFRS Group EBIT *(in € millions)*	60%	These two indicators provide an additional indication of the quality of the Group's economic and financial management. Non-IFRS Group EBIT is the benchmark indicator for measuring the Group's financial performance. The "Net Booking Digital" measures the change in the share of revenue that creates the most value for the Group. The method consists of comparing the level of each of these indicators, observed at March 31 of the financial year just ended, compared to the annual target announced to the market (the target) at the start of the financial year. Payment is by fixed tier up to the target, then increases proportionally up to the maximum ceiling, according to the following models:
	Group Net Booking Digital *(in € millions)*	20%	





4

Annual variable component	Indicator *Sub-indicator*	Target as a percentage of the annual fixed compensation	Explanation of the relevance of the indicators and implementation methods
Non-financial performance indicator	Player protection ("CSR") *Protection of young players on PC* *Protection of young players on Mobile*	20%	Protection of players is a major issue for Ubisoft, confirmed by the expectations of the main stakeholders presented in the materiality matrix conducted in December 2019 *(see section 5.2.1)*. During the financial year ended March 31, 2020, the indicator on player protection had already amplified the impulsion given and accelerated the actions undertaken on player protection. With a portfolio including more general public games that can be played by younger players, the issue of protecting young players has become essential and is reflected in the "Player Protection" indicator comprising two sub-indicators for the financial year ended March 31, 2021. These sub-indicators consist of measuring the implementation of protection programs for young players [(1)], on the one hand on PC for free games with ratings lower than ESRB M/PEGI 16, and on the other hand on mobiles for new games targeting youth audiences [(2)]. Payment is by fixed tier measured by the implementation of precise protection programs for a given scope up to the threshold, the target, or the maximum ceiling, according to the following model:



(1) Young players correspond to children under the meaning of local regulations on personal data

(2) For mobile games, children under the meaning of local regulations on personal data and depending on the type of content

Long-term variable compensation

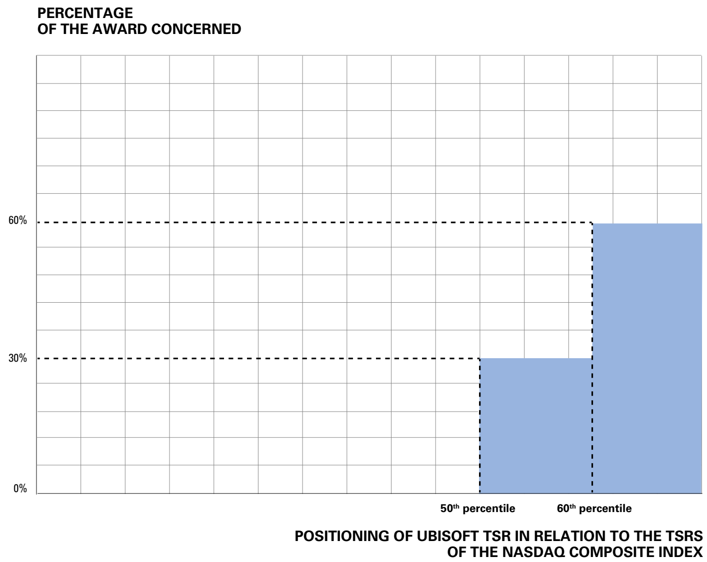
Long-term variable compensation, applicable both to the Chairman and Chief Executive Officer and to Executive Vice Presidents, ensures sustained and solid value creation. It is directly aligned with the interests of shareholders and the achievement of performance conditions in line with the Group's strategic plan.

The long-term variable compensation may consist, where recommended by the Nomination and Compensation Committee, in the grant of instruments such as performance shares or share purchase and/or subscription options ("**Share Plans**") or a payment in cash as part of multi-annual variable compensation plans ("**Multi-annual Compensation**"). Irrespective of the mechanism (Share Plan or Multi-annual Compensation), it is linked to stringent performance conditions to be met over a period of several consecutive financial years or calendar years, it being understood that the Multi-annual Compensation is only intended to be put in place in the event that Share Plans cannot be granted.

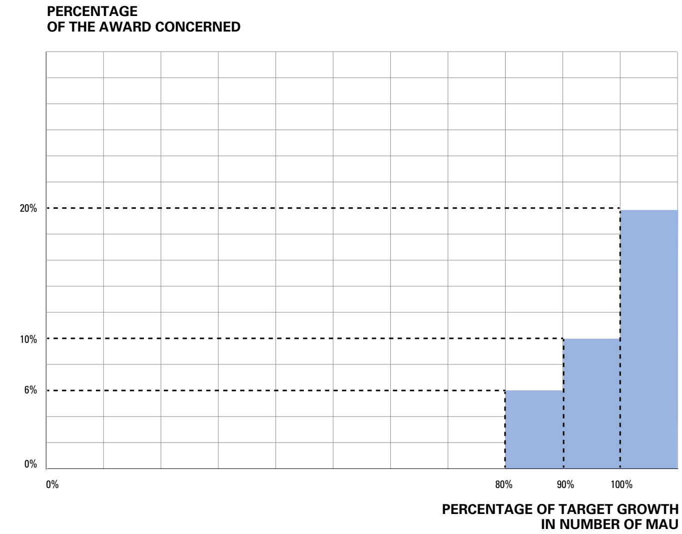
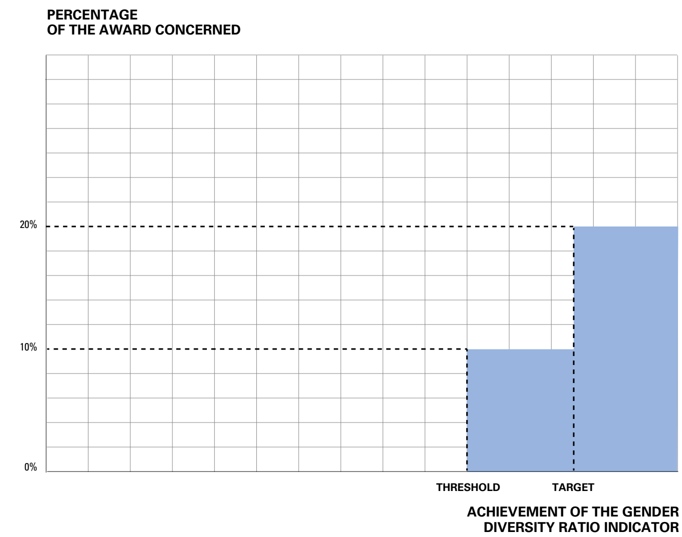
Achievement of these indicators is assessed over a minimum period of three consecutive financial years or calendar years conditioning the acquisition/payment of long-term variable compensation. The Share Plans are definitively vested after a minimum vesting period of four years [(1)]. The acquisition/payment is also conditional upon remaining in office as a corporate executive officer.

The performance conditions over three consecutive financial or calendar years allows the dilution connected to the acquisition of the performance shares and of the share subscription or purchase options to be aligned directly with value creation for the shareholder.

Long-term variable component	Indicator	Percentage of the award in question	Explanation of the relevance of the indicators and implementation methods
Economic and financial performance indicator (financial indicator)	Positioning of Ubisoft TSR compared to the TSR of the NASDAQ Composite Index	60%	This external financial indicator ensures the correlation between the value of long-term compensation and total shareholder return (TSR) of the Ubisoft share compared to a panel of comparable companies. Achievement of this indicator is assessed based on the positioning of the Ubisoft TSR compared to the TSR of the NASDAQ Composite Index assessed over three years. The payment of the associated compensation is by tier according to the following model:



(1) For performance shares, the vesting date corresponds to the date of delivery of the shares and for share subscription or purchase options, to the date on which the exercise rights are opened

Long-term variable component	Indicator	Percentage of the award in question	Explanation of the relevance of the indicators and implementation methods
Non-financial performance indicators	Growth in the number of Monthly Active Users (MAU)	20%	The change in the Monthly Active Users (MAU) is a benchmark measurement for the video games industry that notably assesses the ability to increase the audience and involve players within our experiences, ultimately reflected in economic and financial performance. This indicator takes into account the MAU on Consoles and PC for which the increase is one of Ubisoft's main strategic priorities. Achievement of this indicator is assessed over a period of three consecutive financial years.The change in the number of MAU is measured using the average annual growth rate between the average MAU during the financial year prior to the award and the average MAU during the financial year prior to the acquisition/payment of the long-term compensation. The payment of the associated compensation is by tier according to the following model: 
	Increase in the gender diversity of teams ("CSR")	20%	Ubisoft is a company of talents whose success is notably based on the well-being of its teams. As a responsible employer, Ubisoft places diversity at the heart of its concerns, and is also convinced that it enriches the creative process in order to offer original, memorable experiences to players. As the only form of diversity that is measurable worldwide, the gender diversity indicator for teams was selected to measure, in a quantitative and objective way, the progress accomplished in this major issue, confirmed by the expectations of the main stakeholders presented in the materiality matrix conducted in December 2019 (*see section 5.2.1*). Achievement of this indicator is assessed over a period of three consecutive financial years. Growth is measured by calculating the change in the gender diversity ratio for teams across all Ubisoft subsidiaries on a global level based on the permanent employees present on March 31 of the financial year prior to the award and the same ratio on March 31 of the financial year prior to the acquisition/payment of the long-term compensation. The payment of the associated compensation is by tier according to the following model: 

Pursuant to articles L. 225-185 and L. 225-197-1 of the French commercial code, and in accordance with the provisions of the AFEP-MEDEF Code, the Board of directors sets the number of shares stemming from the exercise of options or the number of performance shares that the corporate executive officers are required to hold in registered form until the expiry of their term of office in the Group.

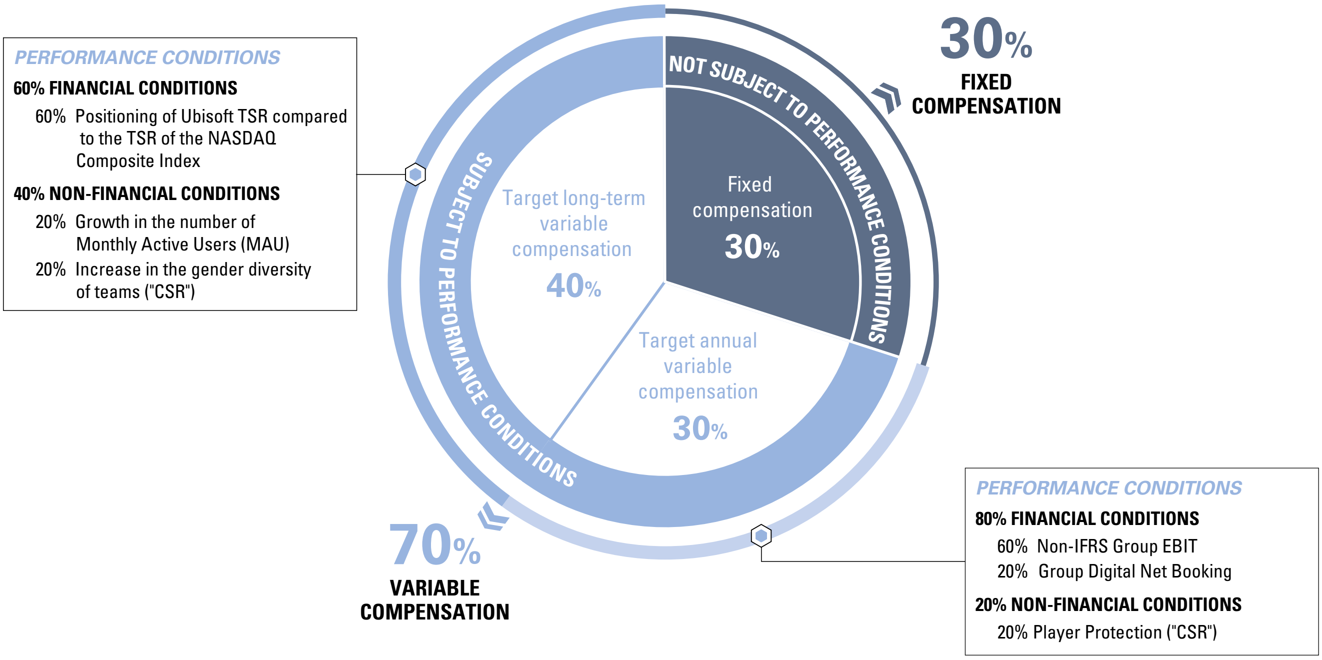
The corporate executive officers do not use hedging instruments for Share Plans.

Compensation that may be granted in respect of the office as director

The Chairman and Chief Executive Officer and the Executive Vice Presidents may also be allocated compensation in respect of their terms as directors and/or members of a Committee, comprising a fixed portion (40%) and a variable portion related to attendance (60%) (*see 4.2.1.2*).

4.2.1.4 Compensation policy applicable to the Chairman and Chief Executive Officer

TOTAL COMPENSATION STRUCTURE OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



COMPONENTS OF THE COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

✔
- Annual fixed compensation
- Annual variable compensation
- Long-term variable compensation
- Compensation granted in respect of the term as director

✘
- Supplementary pension scheme
- Severance payment
- Non-compete indemnity
- Exceptional compensation

In line with the five compensation pillars above in 4.2.1.2, and the Group's entrepreneurial culture, mission and ambition to develop its leadership position in its market, the structure of total compensation of the Chairman and Chief Executive Officer is based on a significant proportion of variable components, whilst maintaining a coherent and competitive level of total compensation.

Target positioning and change in total compensation

The Nomination and Compensation Committee ensures that the total compensation of the Chairman and Chief Executive Officer is competitive. To assess this competitiveness, compensation studies are regularly carried out based on a stable and coherent panel.

This panel comprises European (mainly French) companies, operating in sectors or industries where the economic, technological and competitive challenges are similar to those of the Group, as set out below:

ALTEN	COMPUTACENTER	DASSAULT SYSTEMES	EDENRED
ILIAD	INFORMA	INGENICO	IPSOS
JCDECAUX	LOGITECH	MERLIN ENTERTAINMENT	METROPOLETV - M6
OCADO GROUP PLC	FLUTTER ENTERTAINMENT PLC	SAGE GROUP	SCHIBSTED ASA-CL A
TECHNICOLOR	TF1	UNITED INTERNET	WORLDLINE

The Nomination and Compensation Committee, supported by an external partner, thus selected leisure, media and high-tech industry companies.

The panel constituted has the following characteristics:

- median sales (€2,300 million for the study carried out in 2019);
- median stock market capitalization (€5,400 million for the study carried out in 2019);
- median headcount (11,200 employees for the study carried out in 2019).

The comparison panel which serves as a benchmark to establish the first quartile and the median of the market (respectively the "First Quartile of the Market" and the "Market Median") is reassessed during each new compensation study in order to take into account any changes in the structure and businesses of the companies in it, and the change in the Group's indicators.

Total compensation aims to be positioned at the Market Median if the performance conditions set for the annual and long-term variable compensation are met, with the portion of fixed compensation remaining below the Market Median. This positioning for total compensation at the Market Median and in particular with long-term compensation being the larger element, is justified by the growth and transformation of the Group over the last few years that has placed Ubisoft among the industry's leaders.

During the financial year ended March 31, 2020, the Nomination and Compensation Committee noted the existence of a negative 8-point gap between the level of total compensation of the Chairman and Chief Executive Officer and the Market Median. The Nomination and Compensation Committee, whilst reaffirming the principle that aims to guarantee the competitiveness of total compensation presented in 4.2.1.2, wanted to take into account the context related to the revision of the Group's financial targets. As a result, on the one hand, of the significant downward revision of the revenue anticipated from *Ghost Recon Breakpoint* and, to a lesser extent, from *The Division 2*; and on the other hand, the decision to extend the development period for *Gods & Monsters*, *Rainbow Six Quarantine* and *Watch Dogs Legion*, it was decided that the total target compensation for the Chairman and Chief Executive Officer would remain unchanged for the financial year ending March 31, 2021.

The Nomination and Compensation Committee has recommended that the Board of directors maintain the total compensation structure of the Chairman and Chief Executive Officer, as well as the weighting of the indicators inherent in annual variable compensation and long-term variable compensation, issued pursuant to the financial year ending on March 31, 2021 for the three subsequent financial years (March 31, 2022, 2023, and 2024), excluding any derogations expressly stipulated in the compensation policy covered on page 89, in accordance with article L. 225-37-2, III. subparagraph 2 of the French commercial code). It should also be recalled that the total compensation is based mainly on variable components and only aims to reach the Market Median if the demanding performance conditions measuring the achievement of the Business Plan (financial objectives officially communicated to the market at the start of the financial year) are met.

Annual fixed compensation

The Nomination and Compensation Committee takes into account the components of the compensation study and the Group's results and ensures that the fixed compensation is positioned between the First Quartile and the Market Median. The Nomination and Compensation Committee, whilst mindful of ensuring that the competitiveness of the total compensation is guaranteed over the long term, proposed to maintain the fixed compensation of the Chairman and Chief Executive Officer in respect of the financial year ending March 31, 2021 at the level of that approved for the financial year ended March 31, 2020, i.e.: €584,824.

Annual variable compensation

The target value for annual variable compensation corresponds to around 30% of the total compensation for the Chairman and Chief Executive Officer, i.e. 100% of fixed compensation with a maximum of 150% of the fixed compensation. For each indicator, if the achievement of the performance conditions is less than 80%, or not achieved at the minimum threshold, if applicable, no annual variable compensation will be paid. The annual variable compensation follows a tiered increase up to the target, and then increases proportionally between the target and the maximum, with the exception of the CSR indicator, for which payment is by tier whatever the level of achievement of the performance condition. The level of targets defined for each indicator is consistent with the Group's objectives.

Annual variable compensation also includes financial and non-financial indicators.

The indicators selected for the financial year ending March 31, 2021 are as follows:

- non-IFRS Group EBIT in value, for 60%;
- Group Net Booking Digital [1], for 20%;
- player protection (CSR) for 20%.

(1) Net Booking Digital corresponds to historical digital sales

Upon the proposal by the Nomination and Compensation Committee, the indicator that previously measured the change in the number of players in certain strategic regions was replaced by a more comprehensive indicator (growth in the number of monthly active users) now applied to long-term variable compensation. This change enables a better measurement of the audience over the long term, and the weight of the indicator on player protection to be increased (going from 10% to 20% of annual variable compensation).

An indicator of the Group's corporate social responsibility was added in respect of the financial year ended March 31, 2020. Defined by the Corporate Social Responsibility Committee, this indicator reflects a major focus of the Group's CSR strategy on player protection. Upon the recommendations of said Committee, the Nomination and Compensation Committee changed the underlying sub-indicators to more precisely focus the indicator on the protection of young players for the financial year ending March 31, 2021. Using material, ambitious and measurable targets, this change reflects the changing portfolio including certain titles that will be designed for younger players.

The overall achievement level of the "player protection" indicator is calculated based on the achievement of each sub-indicator according to the following matrix:

Level of achievement of the first sub-indicator	Level of achievement of the second sub-indicator	Overall level of achievement of the "player protection" indicator
<Threshold	≤Threshold	<Threshold
<Threshold	≥Target	Threshold
Threshold	≥Threshold and < Maximum	
Threshold	Maximum	Target
Target	≥Target	
Maximum	Maximum	Maximum

The Group undertakes to communicate the full details of the objectives, the underlying sub-indicators, the definition of the targets and thresholds as well as their levels of achievement every year as part of the Ex Post vote.

For each indicator, the payment of the annual variable compensation follows the following framework:

	Performance conditions				
	< 1st Threshold	1st Threshold	2nd Threshold	Target	Maximum
FINANCIAL INDICATORS (80%)					
Non-IFRS Group EBIT *(in € millions)*	<TBD	≥TBD - < TBD	≥TBD - < TBD	TBD (1)	TBD
As % of target for this indicator	*< 80%*	*≥ 80% < 90%*	*≥ 90% < 100%*	*100%*	*125%*
Annual variable compensation as a% of fixed compensation	0%	18%	30%	60%	90%
	Percentage of payment defined by tier			Percentage of payment defined proportionally	
Group Net Booking Digital *(in € millions)*	<TBD	≥TBD - < TBD	≥TBD - < TBD	TBD (2)	TBD
As % of target for this indicator	*< 80%*	*≥ 80% < 90%*	*≥ 90% < 100%*	*100%*	*125%*
Annual variable compensation as a% of fixed compensation	0%	6%	10%	20%	30%
	Percentage of payment defined by tier			Percentage of payment defined proportionally	
NON-FINANCIAL INDICATOR (20%)					
Player protection ("CSR") (3)	<Threshold	Threshold		*Target not communicated* (3)	Maximum
Annual variable compensation as a% of fixed compensation	0%	6%	6%	20%	30%
	Percentage of payment defined by tier				
TOTAL					
Annual variable compensation as a% of fixed compensation	0%	30%	46%	100%	150%

(1) "To be determined": the target corresponds to the objectives announced by the Group in its annual press release issued at the beginning of each financial year (details below)

(2) "To be determined": the target will be greater than 69% of Group Net Booking (details below)

(3) The details of the expected, set and precisely predefined level of achievement cannot be disclosed without revealing confidential information about the Group's strategy. The Group undertakes to communicate the full details of the objectives, the underlying sub-indicators, the definition of the targets and thresholds, as well as their levels of achievement every year as part of the «Ex Post» vote

For the financial year ending March 31, 2021, the Group confirmed on May 14, 2020 its capacity to reach the non-IFRS operating profit of €600 million announced previously with the launch of five AAA games (*Assassin's Creed Valhalla, Watch Dogs Legion, Gods & Monsters, Rainbow Six Quarantine*, and one unannounced franchise). However, in the context of the Covid-19 crisis and in order to take into account the potential impact of external uncertainties, Ubisoft has announced financial objectives within the ranges stated below. The lower estimates take into account the possible deferral of a AAA game to the next financial year if this was to ensure maximum long-term potential for Ubisoft's line-up.

Thus, at this stage of the year, Ubisoft's financial objectives are:

- between €400 million and €600 million for non-IFRS Group EBIT;
- between €2,350 million and €2,650 million for Group Net Booking.

In view of the exceptional circumstances and with respect to the stated ranges, the Board of directors will define the precise targets for non-IFRS Group EBIT and Group Digital Net Booking relating to the annual variable compensation of the Chairman and Chief Executive Officer by the end of October 2020 for the financial year ending March 31, 2021. This period is designed to ensure that the targets set are relevant, allowing the Group firstly to obtain greater visibility regarding the impact of the Covid-19 crisis on its operations and on changes in consumer spending, and, secondly, to ensure that these objectives are suitably demanding, releases of AAA games being scheduled for the second half of the financial year.

It is to be noted that, pursuant to article L. 225-100, III of the French commercial code, the payment of the variable compensation components in cash will be subject to the result of the "Individual Ex Post" vote at the General Meeting called to approve the financial statements for the financial year ending March 31, 2021.

Long-term variable compensation

The objective is to grant long-term variable compensation for each financial year that, in the event of achievement of the performance conditions set, would align the overall compensation package with the Market Median.

Following the proposal by the Nomination and Compensation Committee, the value of the annual grant of long-term variable compensation, estimated at the allocation date (accounting valuation), in the form of Share Plans or Multi-annual Compensation, represents around 40% of the total compensation of the Chairman and Chief Executive Officer, i.e. 133% of the fixed compensation.

The long-term variable compensation is set by the Board of directors based on the proposal of the Nomination and Compensation Committee as part of and, for the Share Plans, subject to the resolutions adopted by the Shareholders' General Meeting.

Therefore, during the next General Meeting called to approve the financial statements for the financial year ended March 31, 2020, shareholders will be asked to authorize the Board of directors to carry out allocations of share subscription and/or purchase options for the benefit of corporate executive officers. The following indicators will be planned in respect of this resolution:

(i) for 60%, based on the total shareholder return on Ubisoft Share (the "Ubisoft TSR") (1) compared to the TSR of the NASDAQ Composite Index (1);

(ii) for 20% based on the Growth in the number of Monthly Active Users (MAU);

(iii) for 20% based on a "CSR" performance condition (Gender diversity of the teams);

(1) Ubisoft TSR and the TSR of the NASDAQ Composite Index calculated between the grant date and the day before the third anniversary of the earliest allocation

For each indicator, the acquisition of long-term variable compensation will be by tier according to the following framework:

FUNCTIONING OF THE INDICATOR "POSITIONING OF UBISOFT TSR COMPARED TO THE TSR OF THE COMPANIES OF THE NASDAQ COMPOSITE INDEX"

	< 50th percentile	≥50th and ≤ 60th percentile	> 60th percentile
Positioning of Ubisoft TSR compared to the TSR of the NASDAQ Composite Index (60%)	**0%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

FUNCTIONING OF THE INDICATOR "GROWTH IN THE NUMBER OF MONTHLY ACTIVE USERS (MAU)"

	< 80% of the target	≥ 80% and < 90% of the target	≥ 90% and < 100% of the target	Target not communicated (3)
Growth (1) in the number of Monthly Active Users (MAU) (2) (20%)	**0%** of the allocation for this indicator	**30%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

(1) Growth is measured using the annual average growth rate between the average MAU during the financial year prior to the award and the average MAU during the financial year prior to the acquisition/payment of the long-term compensation

(2) MAU: the number of single players that over a month have had a minimum of one gaming activity on any type of game edited by Ubisoft on any platform (PC, console) with the exception of Mobile

(3) The details of the expected, set and precisely predefined level of achievement cannot be disclosed without revealing confidential information about the Group's strategy. It is recalled that the target objective is demanding and in line with the Group's value creation objectives

FUNCTIONING OF THE INDICATOR "INCREASE IN THE GENDER DIVERSITY OF TEAMS"

	< 23% women in the teams	≥ 23% and < 24% women in the teams	≥ 24% of women in the teams (1)
Increase in the gender diversity of teams (20%)	**0%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

(1) At March 31, 2020, the Group comprised 22.0% women. In a context where the pool of women from higher education trained in Ubisoft's businesses is limited and where competition for talents is very high, every additional point represents a real challenge

Achievement of these indicators is assessed over a minimum period of three consecutive financial years or calendar years conditioning the acquisition/payment of the long-term compensation.

The Share Plans are definitively vested after a minimum vesting period of four years. The acquisition/payment is also conditional upon remaining in office as a corporate executive officer.

The cumulative assessment of the performance conditions over three consecutive financial years or calendar years for the subscription and/or share purchase options, allows the adaptation of the dilution against the value creation recorded by the shareholder. This assessment will also be applicable to the performance shares that may be granted to corporate executive officers if a resolution for this purpose is approved by the Shareholders' General Meeting.

Upon the proposal by the Nomination and Compensation Committee, the indicator that previously measured average Group non-IFRS EBIT, which is still present for annual variable compensation, was removed and replaced by the indicators of growth in the number of monthly active users and increase in the gender diversity of teams. These changes enable, on the one hand, setting of a long-term perspective for the challenges of player commitment and the acquisition of new players, and on the other hand, a significant weighting to be given to societal challenges at the heart of the Group's long-term strategy in the total compensation of the Chairman and Chief Executive Officer.

It is to be noted that, pursuant to article L. 225-100, III of the French commercial code, in the event of Multi-annual Compensation (in cash), payment will be subject to the result of the "Individual Ex Post" vote by the General Meeting called to approve the financial statements for the financial year ending March 31 following the acquisition date.

The percentage of ordinary shares resulting from the exercise of subscription options, the conversion of free performance shares and/or the free allocation of ordinary shares that each corporate executive officer is currently required to hold in registered form until the expiry of their term of office was set at 5% by the Board of directors on the recommendation of the Nomination and Compensation Committee.

Compensation granted in respect of the term as director

The Chairman and Chief Executive Officer receives, for his term of office as director of Ubisoft Entertainment SA, compensation made up of a fixed component (40%) and a variable component (60%) determined on the basis of attendance at Board of directors' meetings. For the financial year ending March 31, 2021, the amount of this compensation could reach €40,000 if the attendance rate at Board of directors' meetings is achieved (*see 4.2.1.2*).

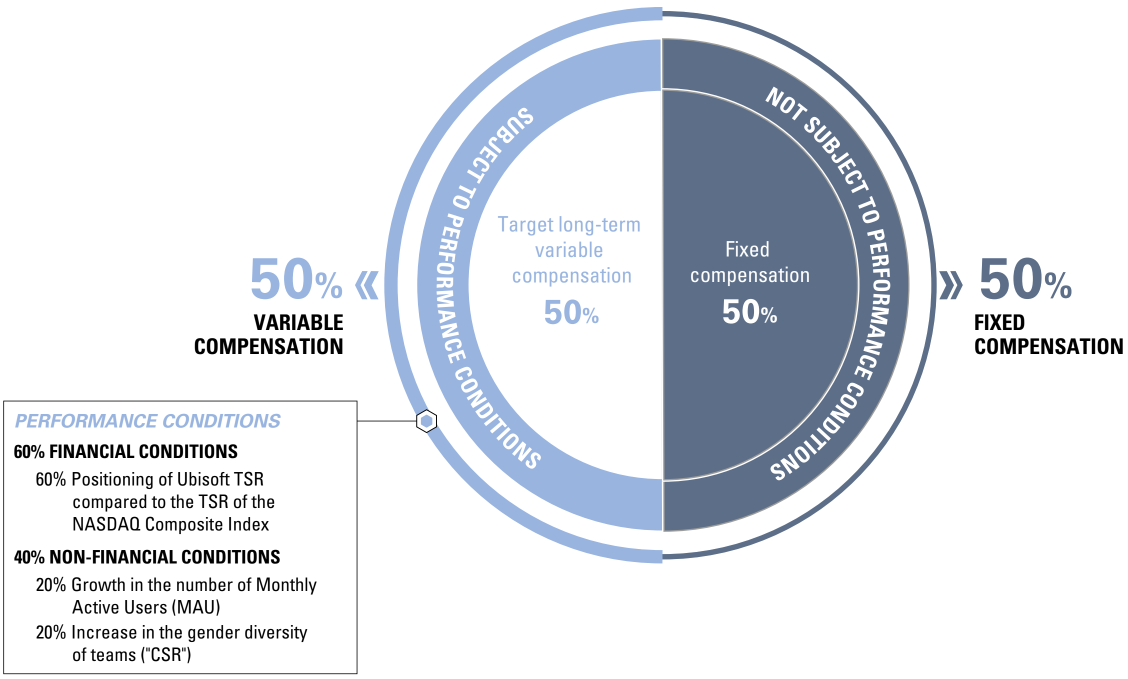
Other components of compensation

The Chairman and Chief Executive Officer does not benefit from any other components of compensation in respect of his duties:

- supplementary pension scheme;
- severance payment;
- non-compete indemnity;
- exceptional compensation.

4.2.1.5 Compensation policy applicable to the Executive Vice Presidents

TOTAL COMPENSATION STRUCTURE OF THE EXECUTIVE VICE PRESIDENTS



COMPONENTS OF THE COMPENSATION OF THE EXECUTIVE VICE PRESIDENTS

✔	✘
Annual fixed compensation	Supplementary pension scheme
Long-term variable compensation	Severance payment
Compensation granted in respect of the term as director	Non-compete indemnity
	Annual variable compensation
	Exceptional compensation

In line with the five compensation pillars indicated in section 4.2.1.2 and the objectives of the compensation policy, the Board, upon the proposal of the Nomination and Compensation Committee, defined the structure of compensation for Executive Vice Presidents, notably ensuring the consistency of this policy with the principles listed in the AFEP-MEDEF Code and the coherence of the total compensation with that of the Chairman and Chief Executive Officer and the Group's top management.

The Nomination and Compensation Committee ensures that the total compensation of the Executive Vice Presidents is competitive. To assess this competitiveness, compensation studies are regularly carried out based on a stable and coherent panel.

Annual fixed compensation

The fixed compensation of Executive Vice Presidents is determined taking into account their responsibilities and experience in the role and in the Company's area of business, as well as their years of service in the Group.

The Nomination and Compensation Committee, in view of the context related to the updating of the financial objectives (*see section 4.2.1.4*), and mindful of ensuring that the competitiveness of the total compensation is guaranteed over the long term, proposed to maintain the fixed compensation of the Executive Vice Presidents in respect of the financial year ending March 31, 2021 at the level of that approved for the financial year ended March 31, 2020, i.e.: €65,621.

Long-term variable compensation

Following the proposal by the Nomination and Compensation Committee, the value of the annual grant of long-term variable compensation, estimated at the allocation date (accounting valuation), in the form of Share Plans or Multi-annual Compensation, represents around 50% of the total compensation of the Executive Vice Presidents, i.e. 100% of the fixed compensation.

The long-term variable compensation policy applies under the same terms and conditions as that applicable to the Chairman and Chief Executive Officer indicated above (*see section 4.2.1.4*), it being specified that in the case of Share Plans, a single resolution is submitted for approval by the Shareholders' General Meeting for all corporate executive officers.

Compensation granted in respect of the term as director

The Executive Vice Presidents receive, for their terms of office as directors of Ubisoft Entertainment SA, compensation made up of a fixed component (40%) and a variable component (60%) determined on the basis of attendance at Board of directors' meetings. For the financial year ending March 31, 2021, the amount of this compensation could reach €40,000 if the attendance rate at Board of directors' meetings is achieved (*see section 4.2.1.2*).

The Executive Vice Presidents may also receive compensation in respect of their duties as Chairman and/or member of the Board of directors' committees, as presented in section 4.2.1.2.

Other components of compensation

The Executive Vice Presidents do not benefit from any other components of compensation in respect of their duties:

- supplementary pension scheme;
- severance payment;
- non-compete indemnity;
- annual variable compensation;
- exceptional compensation.

4.2.2 COMPONENTS OF COMPENSATION PAID DURING THE FINANCIAL YEAR ENDED MARCH 31, 2020 OR ALLOCATED IN RESPECT OF THE SAME FINANCIAL YEAR TO CORPORATE OFFICERS ("EX POST" VOTE)

5th, 6th, 7th, 8th, 9th and 10th Resolutions of the General Meeting 2020

4.2.2.1 "Ex Post" report ("overall Ex Post" vote)

5th Resolution of the General Meeting 2020

4.2.2.1.1 TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID OR ALLOCATED IN RESPECT OF THE TERM AS CORPORATE EXECUTIVE OFFICER (FY20)

Upon the recommendation of the Nomination and Compensation Committee, the Board of directors did not make any substantial changes to the compensation policy for corporate executive officers as approved by the General Meeting of July 2, 2019 pursuant to the provisions of article L. 225-37-2 applicable prior to the Pacte Law.

All of the components of compensation paid or allocated in respect of the office as corporate executive officer are presented in the AMF Tables in 4.2.2.1.4.

After examination, the Board of directors determined the rates of achievement of the indicators for the annual variable compensation of the Chairman and Chief Executive Officer and the long-term variable compensation for the corporate executive officers (Chairman and Chief Executive Officer and Executive Vice Presidents) as follows:

Annual variable compensation allocated in respect of the financial year ended March 31, 2020

The Board of directors of May 14, 2020 noted the achievement of the performance criteria opening the right to the payment of the target annual variable compensation allocated in respect of the financial year ended March 31, 2020 to the Chairman and Chief Executive Officer subject to the Individual Ex Post vote by the General Meeting of July 2, 2020,

ACHIEVEMENT OF PERFORMANCE CRITERIA FOR THE ANNUAL VARIABLE COMPENSATION ALLOCATED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN RESPECT OF THE FINANCIAL YEAR ENDED MARCH 31, 2020

	Performance conditions					Achievement of objectives
	< 1st Threshold	1st Threshold	2nd Threshold	Target	Maximum	
FINANCIAL CRITERIA (80%)						
Non-IFRS Group EBIT *(in € millions)*	< 384	≥ 384 – < 432	≥ 432 – < 480	480 (1)	600	34
As % of target for this criterion	*< 80%*	*≥ 80% < 90%*	*≥ 90% < 100%*	*100%*	*125%*	*7%*
Annual variable compensation as a% of fixed compensation	0%	18%	30%	60%	90%	0%
Group Net Booking Digital *(in € millions)*	< 1,224	≥ 1,224 – < 1,377	≥ 1,377 – < 1,530	1,530 (1)	1,912.5	1,261
As % of target for this criterion	*< 80%*	*≥ 80% < 90%*	*≥ 90% < 100%*	*100%*	*125%*	*82%*
Annual variable compensation as a% of fixed compensation	0%	6%	10%	20%	30%	6%
QUALITATIVE CRITERIA (20%)						
Change in the number of players in certain strategic territories	< 28%	≥ 28% – < 31.5%	≥ 31.5% – < 35%	35%	45.5%	23%
As % of target for this criterion	*< 80%*	*≥ 80% < 90%*	*≥ 90% – < 100%*	*100%*	*130%*	*66%*
Annual variable compensation as a % of fixed compensation	0%	3%	5%	10%	15%	0%
Player protection ("CSR")	< minimum threshold (2)	≥ minimum threshold < target (2)		Target (2)	Maximum (2)	≥ minimum threshold < target
Annual variable compensation as a % of fixed compensation	0%	3%	3%	10%	15%	3%
TOTAL						
Annual variable compensation as a % of fixed compensation	0%	30%	48%	100%	150%	9%

(1) The target corresponds to the objectives announced by the Group in its press release issued at the beginning of each financial year

(2) Details on the expected, established and precisely predefined level of achievement is provided below

Personal data is at the heart of Ubisoft's player protection policy, with the aim of offering the best player experience. Moreover, the fight against toxic behavior in online communities is a critical issue for the entire video games industry. These behaviors spoil gaming pleasure and constitute a risk of loss of players. Through its mission to enrich players' lives, Ubisoft is committed to offering a protected gaming environment for a positive, memorable experience.

These two major issues have been taken into account within the "player protection" indicators in the form of two sub-indicators described as follows:

DESCRIPTION OF THE SUB-INDICATORS OF THE "PLAYER PROTECTION" INDICATOR

	Definition	Minimum threshold	Target	Maximum	Level of achievement
Sub-indicator Personal data protection	Ensuring the protection of players' personal data by reinforcing the means **of control offered** to players over the use of their data beyond the scope of application of GDPR (1)	Means of control set up on the Uplay account in all regions in which the games are distributed	Achievement minimum threshold + Means of control set up on console games that do not require Uplay to play	Achievement target + Means of control set up on mobile games	Target
Sub-indicator Reducing online toxicity	Setting up the **reputation-sanction service** to limit online toxicity for games with an "online game" component	At least two-thirds of AAA games launched during the financial year ending March 31, 2021 (2) with the service	100% of AAA games launched during the financial year ending March 31, 2021 (2) with the service	Achievement target + 100% of AAA games launched during Q3 and Q4 of the financial year ended March 31, 2020 with the service	Minimum threshold

(1) General Data Protection Regulations

(2) The implementation of the reputation-sanction service is provided for upstream during game development; the process to assess the implementation of this service is stipulated below

The **means of control** offered to players to ensure the protection of their personal data are defined according to a precise, measurable list including the following components:

- provision of the list of personal data held by Ubisoft;
- choice mechanisms offered to players (opt in/opt out) on whether they accept to receive targeted/customized advertising;
- option to obtain a copy of the personal data held by Ubisoft.

The level of achievement of this sub-indicator is measured using a technical demonstration to the Corporate Social Responsibility Committee, which notes the means of control implemented on each of the game media, then transmits its conclusions to the Nomination and Compensation Committee and to the Board of directors.

As at March 31, 2020, the functionality enabling compliance with the GDPR have been put in place worldwide, going beyond the European application for PC and console games. The achievement of the target was therefore acknowledged by the Board of directors for the sub-indicator "protection of players' personal data".

The **reputation-sanction service** is an internal tool, designed for Ubisoft's experts who coordinate and manage the player communities. Via tools or manual actions, it aggregates the undesirable behavior of our players (toxic attitude, cheating, etc.) in order to reduce online toxicity. This tool enables the automatic triggering of appropriate sanctions.

The level of achievement of this sub-indicator is measured using a technical demonstration to the Corporate Social Responsibility Committee, which notes the implementation of the reputation-sanction service in each game concerned by the indicator, then transmits its conclusions to the Nomination and Compensation Committee and to the Board of directors.

If the game is not at a sufficiently advanced development stage to allow this verification, the Board of directors ensures that the service is integrated into the "online requirements" that describe the functionalities that must imperatively be implemented before the game marketing is authorized. The verification of the implementation of this service is ensured by a quality control process (independent team from the game development team) and conditions the game launch.

As at March 31, 2020, the reputation-sanction service has been integrated in two thirds of the games due to launch during the financial year ending March 31, 2021, and is currently in the process of impelmentation in the final third. The achievement of the minimum target was therefore acknowledged by the Board of directors for the sub-indicator "reducing online toxicity".

The overall level of achievement of the "player protection" indicator is established by the level of achievement of each sub-indicator according to the matrix in 4.2.1.4. Accordingly, the Board of directors recorded overall achievement of "≥ minimum threshold and < target," giving entitlement to 30% of the bonus for this criterion, i.e. 3% of fixed compensation.

Moreover, it is notable that the context in which the Group's financial objectives have been updated, i.e. the significant downward revision of the revenue anticipated from *Ghost Recon Breakpoint* and, to a lesser extent, from *The Division 2*, and, on the other hand, the decision to extend the development period for *Gods & Monsters, Rainbow Six Quarantine* and *Watch Dogs Legion*, has had a significant impact on achievement of the targets set at the beginning of the financial year ending March 31, 2020.

The result for each of these objectives is as follows:

- non-IFRS Group EBIT not achieved;
- Group Net Digital Booking 82% achieved, giving entitlement to 30% of the bonus for this criterion, i.e. 6% of fixed compensation;
- increase in the number of players in certain strategic territories not achieved.

Accordingly, the achievement of these objectives gives entitlement to annual variable compensation equal to 9% of annual fixed compensation, i.e. a gross amount of €52,634.

Long-term variable compensation allocated in respect of the financial year ended March 31, 2020

In accordance with the principles and criteria for the determination, distribution and award of the components of compensation submitted for a shareholder vote at the General Meeting of July 2, 2019, the Board of directors carried out, at the proposal of the Nomination and Compensation Committee, an allocation of share subscription options to the Chairman and Chief Executive Officer and to the Executive Vice Presidents under the 19th resolution of the General Meeting of June 27, 2018. Details of this allocation are presented in AMF Table no. 4 in 4.2.2.1.4.

The vesting of the share subscription options is conditional:

(i) for 50% on average Group EBIT in value (not a strictly accounting-based indicator) calculated using the non-IFRS Group EBIT figures for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022; and

(ii) for 50%, on the positioning of the total shareholder return on Ubisoft Shares (the "Ubisoft TSR") compared to the TSR of companies in the NASDAQ Composite Index, with both TSRs being calculated from December 12, 2019 to December 11, 2022.

For each indicator, the vesting of the share subscription options is based on the following framework:

	< 80% average Group EBIT target	≥ 80% and < 90% average Group EBIT target	≥ 90% and < 100% average Group EBIT target	≥ 100% average Group EBIT target
Average non-IFRS Group EBIT (50%)	**0%** of the allocation for this indicator	**30%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

The long-term variable compensation conditional upon the attainment of average Group EBIT is acquired by tier. The target level defined for average Group EBIT is consistent with the objectives announced by the Group in its press release issued at the beginning of each financial year.

The details of the performance conditions and the expected levels of achievement, set and precisely predefined, cannot be disclosed without revealing confidential information about the Group's strategy over the coming three financial years.

	< 50th percentile	≥ 50th and ≤ 60th percentile	> 60th percentile
Positioning of Ubisoft TSR compared to the TSR of the NASDAQ Composite Index (50%)	**0%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

The long-term variable compensation conditional upon the Ubisoft TSR compared to the NASDAQ Composite Index is acquired by tier.

Achievement of these indicators is assessed over a period of three consecutive financial years or calendar years conditioning the acquisition of the long-term compensation. The share subscription option plan will be definitively vested after a vesting period of four years [1]. Vesting will also be conditional upon remaining in office as a corporate executive officer. The Group undertakes to communicate the level of achievement of the performance conditions in the Universal Registration Document published in respect of the financial year in which the date of vesting of the rights occurs.

Long-term variable compensation (Share Plan) definitively vested during the financial year ended March 31, 2020

Upon the proposal of the Nomination and Compensation Committee, the Board of directors at its meeting of May 15, 2019 noted the achievement of the performance condition relating to achievement of an average Group EBIT assessed over three financial years (March 31, 2017, 2018 and 2019: free preference share allocation plan of December 14, 2016 for the Chairman and Chief Executive Officer) and four financial years (March 31, 2016, 2017, 2018 and 2019: Share subscription option plan of December 16, 2015 for Claude, Michel and Gérard Guillemot, Executive Vice Presidents), according to predefined tiers, having opened the right to vesting on December 16, 2019 of 100% of the preference shares and opened the exercise period of 100% of the share subscription options.

(1) The vesting date corresponds to the date on which the exercise rights are opened

ACHIEVEMENT OF PERFORMANCE CRITERIA FOR THE LONG-TERM VARIABLE COMPENSATION ACQUIRED BY THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER DURING THE FINANCIAL YEAR ENDED MARCH 31, 2020

	<Threshold	Threshold	Target	Level of achievement
Non-IFRS Group EBIT *(in € millions)*	< 210	≥ 210 – < 300	≥ 300	328 (1)
Long-term variable compensation as a% of the definitive allocation	0%	70% (2)	100%	100%

(1) Non-IFRS average Group EBIT assessed over three financial years (March 31, 2017, 2018 and 2019)

(2) The final percentage allocation with reference to the threshold and the target objective is proportional to the percentage achievement of the Target objective

It is recalled that the preference shares thus granted give the right after a 2-year retention period to 30 ordinary Company shares for 1 preference share subject to achievement of stock market conditions assessed over five years, i.e. if the share price has increased by 50% or more compared to the floor price (average of the twenty trading days prior to the allocating Board of directors' meeting). If the increase is lower than 50% over this five-year period, each percentage increase noted gives the right to 0.6 ordinary shares. For example, if the share price increases by 25%, each preference share opens the right to 15 ordinary Company shares.

ACHIEVEMENT OF PERFORMANCE CRITERIA FOR THE LONG-TERM VARIABLE COMPENSATION ACQUIRED BY THE EXECUTIVE VICE-PRESIDENTS (CLAUDE GUILLEMOT, GÉRARD GUILLEMOT AND MICHEL GUILLEMOT) DURING THE FINANCIAL YEAR ENDED MARCH 31, 2020

	<Threshold 1	Threshold 1	Threshold 2	Target	Level of achievement
Non-IFRS Group EBIT *(in € millions)*	< 112	≥ 112 – < 126	≥ 126 – < 140	≥ 140	288 (1)
Long-term variable compensation as a % of the definitive allocation	0%	50%	70%	100%	100%

(1) Non-IFRS average Group EBIT assessed over four financial years (March 31, 2016, 2017, 2018 and 2019)

The exercise of share subscription options by corporate executive officers as well as the performance shares for which the allocation is definitively vested in respect of the financial year ended March 31, 2020 are presented in the AMF Tables no. 5 and no. 7 in 4.2.2.1.4. A history of the Share Plans for corporate executive officers is presented in section 4.2.3.3.

4.2.2.1.2 TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID OR ALLOCATED IN RESPECT OF THE TERM AS DIRECTORS (FY20)

The compensation (formerly directors' fees) allocated to directors for their participation in the work of the Board and its committees in respect of the financial year just ended is summarized in the table below:

	Board of directors		Audit Committee (1)		N&C Committee (2)		CSR Committee (3)		Lead Director	
	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable	Lump-sum (4)	Total
Yves Guillemot	€16,000	€24,000	-	-	-	-	-	-	-	€40,000
Claude Guillemot	€16,000	€24,000	-	-	-	-	-	-	-	€40,000
Michel Guillemot	€16,000	€24,000	-	-	-	-	-	-	-	€40,000
Gérard Guillemot	€16,000	€24,000	-	-	-	-	€5,000	€3,000	-	€48,000
Christian Guillemot	€16,000	€24,000	-	-	-	-	-	-	-	€40,000
Didier Crespel	€16,000	€24,000	-	€10,000	-	-	-	-	€15,000	€65,000
Laurence Hubert-Moy	€16,000	€24,000	-	€10,000	€5,000	€10,000	-	-	-	€65,000
Florence Naviner	€16,000	€24,000	€15,000	€10,000	-	-	-	-	-	€65,000
Frédérique Dame	€16,000	€12,000	-	-	-	-	-	-	-	€28,000
Corinne Fernandez-Handelsman	€16,000	€24,000	-	-	-	€10,000	-	€3,000	-	€53,000
Virginie Haas	€16,000	€24,000	-	-	-	€10,000	-	-	-	€50,000
Lionel Bouchet	€16,000	€24,000	-	-	-	-	-	€3,000	-	€43,000
										€577,000

(1) Audit Committee: 6 meetings in FY20

(2) Nomination and Compensation Committee: 7 meetings in FY20

(3) Corporate Social Responsibility Committee: 2 meetings in FY20

(4) Flat rate for the financial year

4.2.2.1.3 INTERNAL COMPARISON COMPONENTS/ EQUITY RATIO

Pursuant to article L. 225-37-3, 6 and 7 of the French commercial code, as amended by Order 2019-1234 of November 27, 2019 on compensation of corporate officers of listed companies, and although the Company does not have any employees, the Board of directors decided to refer to the guidelines on equity ratios established by the AFEP-MEDEF to determine the ratios between the level of compensation of each of its corporate executive officers on the one hand, and the average and median compensation on an equivalent full-time basis of employees other than the corporate executive officers on the other, notwithstanding any legal obligations incumbent on it.

In order to prepare a stable, consistent model, which does not depend on changes in the workforce in countries where levels of compensation are not comparable, the selected scope targets all employees that work and benefit from an employment contract with one of the Group's subsidiaries in France. This representative scope includes over 3,000 employees whose functions cover the Group's entire value chain. In accordance with the AFEP-MEDEF recommendations, only employees in the scope that are continuously present over two financial years are retained for the calculation, which reinforces the consistency and comparability of the scope over time.

In the numerator and denominator are found the compensation and benefits of any kind paid or allocated during the financial year, according to the information that appears to be the most relevant for the Company.

Compensation is taken into account on a gross full-time equivalent basis and includes the companies included in the consolidation scope within the meaning of article L. 233-16 of the French commercial code according to the following list:

- the fixed component;
- the variable component paid during financial year N;
- the exceptional compensation paid during financial year N;
- the compensation (formerly directors' fees) paid during the financial year N in respect of the term as director;
- the long-term variable component: share subscription and/or purchase options, performance shares, other long-term variable compensation instruments and multi-annual variable compensation allocated during financial year N, the components allocated being valued at their IFRS fair value;
- the benefits in kind received during financial year N.

Equity ratios in respect of the financial year ended March 31, 2020

RATIO BETWEEN THE LEVEL OF TOTAL COMPENSATION OF CORPORATE EXECUTIVE OFFICERS AND THE AVERAGE COMPENSATION OF EMPLOYEES ON A FULL-TIME EQUIVALENT BASIS

	2019-2020
Yves Guillemot, Chairman and CEO	27
Claude Guillemot, Executive Vice President	2
Michel Guillemot, Executive Vice President	2
Gérard Guillemot, Executive Vice President	11
Christian Guillemot, Executive Vice President	2

RATIO BETWEEN THE LEVEL OF TOTAL COMPENSATION OF CORPORATE EXECUTIVE OFFICERS AND THE MEDIAN COMPENSATION OF EMPLOYEES ON A FULL-TIME EQUIVALENT BASIS

	2019-2020
Yves Guillemot, Chairman and CEO	35
Claude Guillemot, Executive Vice President	3
Michel Guillemot, Executive Vice President	3
Gérard Guillemot, Executive Vice President	14
Christian Guillemot, Executive Vice President	3

Comparative change over the last five financial years

ANNUAL CHANGE IN UBISOFT'S PERFORMANCE, TOTAL COMPENSATION OF CORPORATE EXECUTIVE OFFICERS AND AVERAGE COMPENSATION OF EMPLOYEES ON A FULL-TIME EQUIVALENT BASIS

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
UBISOFT'S PERFORMANCE (IN € MILLIONS)					
Non-IFRS Net Bookings	-5%	+5%	+19%	+17%	-38%
Non-IFRS EBIT	-1%	+41%	+26%	+49%	-92%
EMPLOYEE COMPENSATION (1)					
Average compensation	+12%	+5%	-10%	+13%	-3%
TOTAL COMPENSATION FOR CORPORATE EXECUTIVE OFFICERS (1)					
Yves Guillemot – Chairman and Chief Executive Officer	+114% (2)	-20%	+77%	+21%	+1%
Claude Guillemot – Executive Vice President	+106% (2)	-28%	+8%	+4%	0%
Michel Guillemot – Executive Vice President	+171% (2)	-34%	+45%	+4%	0%
Gérard Guillemot – Executive Vice President	+116% (2)	+225% (3)	-1%	0%	+6%
Christian Guillemot – Executive Vice President	+76% (2)	-15%	+8%	+4%	0%

(1) It should be noted that in certain years, the Group did not have the opportunity of allocating long-term variable compensation to the teams and/or corporate executive officers , which accounts for a large portion of the variations noted. To a lesser extent, the growth in the scope through increased recruitment of young talents over the last few years has also had an impact on these variations

(2) No long-term variable compensation was allocated to the corporate executive officers during the previous financial year

(3) During the financial year ended March 31, 2017, Gérard Guillemot was appointed CEO of Ubisoft Motion Pictures

You are reminded that since the financial year ended March 31, 2017, in line with the compensation principles indicated in 4.2.1.2 and in view of the growth and transformation of the Group in recent years, the Group made adjustments to the total target compensation of the Chairman and Chief Executive Officer in order to position it at the Market Median, particularly through higher long-term variable compensation. It is also stipulated that the total target compensation of the Chairman and Chief Executive Officer remained stable between the financial year ended March 31, 2010 and the financial year ended March 31, 2015.

ANNUAL CHANGE IN THE RATIOS BETWEEN THE TOTAL COMPENSATION OF CORPORATE EXECUTIVE OFFICERS AND AVERAGE AND MEDIAN COMPENSATION OF EMPLOYEES ON A FULL-TIME EQUIVALENT BASIS

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Yves Guillemot - Chairman and Chief Executive Officer					
Ratio compared to average employee compensation	16	12	24	26	27
Ratio compared to median employee compensation	22	17	30	35	35
Claude Guillemot - Executive Vice President					
Ratio compared to average employee compensation	3	2	2	2	2
Ratio compared to median employee compensation	4	3	3	3	3
Michel Guillemot – Executive Vice President					
Ratio compared to average employee compensation	2	2	2	2	2
Ratio compared to median employee compensation	3	2	3	3	3
Gérard Guillemot – Executive Vice President					
Ratio compared to average employee compensation	3	10	11	10	11
Ratio compared to median employee compensation	4	14	14	14	14
Christian Guillemot – Executive Vice President					
Ratio compared to average employee compensation	3	2	2	2	2
Ratio compared to median employee compensation	3	3	3	3	3

4.2.2.1.4 STANDARDIZED TABLES SUMMARIZING THE COMPENSATION PAID OR ALLOCATED TO CORPORATE OFFICERS BY THE COMPANY AND BY ALL COMPANIES INCLUDED IN THE CONSOLIDATION SCOPE WITHIN THE MEANING OF ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE

As an introduction, it is specified that:

- AMF Tables no. 8 and no. 10 concerning Share Plans still valid as at March 31, 2020 (for all beneficiaries) are presented in sections 4.2.3.5 and 4.2.3.6;
- it was decided not to communicate the compensation received by the director representing employees in respect of his employment contract within Ubisoft group as it is not related to the exercise of his duties as director and he does not exercise any executive functions within the Company.

Corporate executive officers

TABLE 1: SUMMARY OF COMPENSATION, STOCK OPTIONS AND/OR SHARES GRANTED

	03/31/20		03/31/19	
Yves Guillemot, Chairman and Chief Executive Officer	Ubisoft	Other companies	Ubisoft	Other companies
Compensation due for the financial year (1)	€677,458	-	€1,191,624	-
Valuation of multi-annual variable compensation awarded in the financial year (2)	-	-	-	-
Valuation of options granted during the financial year (2)	€779,758	-	€754,543	-
Valuation of performance shares granted during the financial year (2)	-	-	-	-
TOTAL	**€1,457,216**	-	**€1,946,167**	-

(1) Details given in Table 2 below, "Summary of compensation"
(2) IFRS fair value at the award date

	03/31/20		03/31/19	
Claude Guillemot, Executive Vice President	Ubisoft	Other companies	Ubisoft	Other companies
Compensation due for the financial year (1)	€105,621	-	€105,621	-
Change in multi-annual variable compensation allocated during the financial year (2)	-	-	-	-
Valuation of options granted during the financial year (2)	€65,617	-	€65,395	-
Valuation of performance shares granted during the financial year (2)	-	-	-	-
TOTAL	**€171,238**	**-**	**€171,016**	**-**

(1) Details given in Table 2 below, "Summary of compensation"
(2) IFRS fair value at the award date

	03/31/20		03/31/19	
Michel Guillemot, Executive Vice President	Ubisoft	Other companies	Ubisoft	Other companies
Compensation due for the financial year (1)	€105,621	-	€105,621	-
Valuation of multi-annual variable compensation awarded in the financial year (2)	-	-	-	-
Valuation of options granted during the financial year (2)	€65,617	-	€65,395	-
Valuation of performance shares granted during the financial year (2)	-	-	-	-
TOTAL	**€171,238**	**-**	**€171,016**	**-**

(1) Details given in Table 2 below, "Summary of compensation"
(2) IFRS fair value at the award date

	03/31/20		03/31/19	
Gérard Guillemot, Executive Vice President	Ubisoft	Other companies	Ubisoft	Other companies
Compensation due for the financial year (1)	€113,621	€627,290 (3)	€99,121	€599,293 (3)
Change in multi-annual variable compensation allocated during the financial year (2)	-	-	-	-
Valuation of options granted during the financial year (2)	€65,617	-	€65,395	-
Valuation of performance shares granted during the financial year (2)	-	-	-	-
TOTAL	**€179,238**	**€627,290**	**€164,516**	**€599,293**

(1) Details given in Table 2 below, "Summary of compensation"
(2) IFRS fair value at the award date
(3) For his duties as CEO of the cinema business (amounts subject to exchange rates)

	03/31/20		03/31/19	
Christian Guillemot, Executive Vice President	Ubisoft	Other companies	Ubisoft	Other companies
Compensation due for the financial year (1)	€105,621	-	€105,621	-
Change in multi-annual variable compensation allocated during the financial year (2)	-	-	-	-
Valuation of options granted during the financial year (2)	€65,617	-	€65,395	-
Valuation of performance shares granted during the financial year (2)	-	-	-	-
TOTAL	**€171,238**	**-**	**€171,016**	**-**

(1) Details given in Table 2 below, "Summary of compensation"
(2) IFRS fair value at the award date

TABLE 2: SUMMARY OF COMPENSATION PAID OR ALLOCATED BY THE ISSUER AND BY ALL COMPANIES (ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE)

		03/31/20		03/31/19	
Yves Guillemot Chairman and Chief Executive Officer		Amounts paid *(in euros)* (1)	Amounts allocated *(in euros)* (2)	Amounts paid *(in euros)* (1)	Amounts allocated *(in euros)* (2)
Gross fixed compensation before tax		584,824	584,824	567,790	567,790
Annual variable compensation		583,834	52,634	611,492	583,834
Multi-annual variable compensation		-	-	-	-
Exceptional compensation		-	-	-	-
Compensation allocated in respect of the office as director	Fixed component (3)	16,000	16,000	16,000	16,000
	Variable component (3)	24,000	24,000	24,000	24,000
Benefits in kind		-	-	-	-
TOTAL		**1,208,658**	**677,458**	**1,219,282**	**1,191,624**

(1) All compensation paid to the corporate executive officer for his duties during the financial year
(2) Compensation awarded to the corporate executive officer for his duties during the financial year, irrespective of the date of payment
(3) 40% fixed and 60% variable

		03/31/20		03/31/19	
Claude Guillemot Executive Vice President		Amounts paid *(in euros)* (1)	Amounts allocated *(in euros)* (2)	Amounts paid *(in euros)* (1)	Amounts allocated *(in euros)* (2)
Gross fixed compensation before tax		65,621	65,621	65,621	65,621
Annual variable compensation		-	-	-	-
Multi-annual variable compensation		-	-	-	-
Exceptional compensation		-	-	-	-
Compensation allocated in respect of the office as director	Fixed component (3)	16,000	16,000	16,000	16,000
	Variable component (3)	24,000	24,000	24,000	24,000
Benefits in kind		-	-	-	-
TOTAL		**105,621**	**105,621**	**105,621**	**105,621**

(1) All compensation paid to the corporate executive officer for his duties over the financial year
(2) Compensation awarded to the corporate executive officer for his duties during the financial year, irrespective of the date of payment
(3) 40% fixed and 60% variable

		03/31/20		03/31/19	
Michel Guillemot Executive Vice President		Amounts paid *(in euros)* (1)	Amounts allocated *(in euros)* (2)	Amounts paid *(in euros)* (1)	Amounts allocated *(in euros)* (2)
Gross fixed compensation before tax		65,621	65,621	65,621	65,621
Annual variable compensation		-	-	-	-
Multi-annual variable compensation		-	-	-	-
Exceptional compensation		-	-	-	-
Compensation allocated in respect of the office as director	Fixed component (3)	16,000	16,000	16,000	16,000
	Variable component (3)	24,000	24,000	24,000	24,000
Benefits in kind		-	-	-	-
TOTAL		**105,621**	**105,621**	**105,621**	**105,621**

(1) All compensation paid to the corporate executive officer for his duties over the financial year
(2) Compensation awarded to the corporate executive officer for his duties during the financial year, irrespective of the date of payment
(3) 40% fixed and 60% variable

Gérard Guillemot Executive Vice President		03/31/20 Amounts paid *(in euros)* (1)	03/31/20 Amounts allocated *(in euros)* (2)	03/31/19 Amounts paid *(in euros)* (1)	03/31/19 Amounts allocated *(in euros)* (2)
Gross fixed compensation before tax		692,911 (3)	692,911 (3)	664,914 (5)	664,914 (5)
Annual variable compensation		-	-	-	-
Multi-annual variable compensation		-	-	-	-
Exceptional compensation		-	-	-	-
Compensation allocated in respect of the duties as director and Chairman/member of a committee	Fixed component	21,000 (4)	21,000 (4)	18,500 (5)	18,500 (5)
	Variable component	27,000 (4)	27,000 (4)	15,000 (5)	15,000 (5)
Benefits in kind		-	-	-	-
TOTAL		**740,911**	**740,911**	**698,414**	**698,414**

(1) All compensation paid to the corporate executive officer for his duties during the financial year

(2) Compensation awarded to the corporate executive officer for his duties during the financial year, irrespective of the date of payment

(3) Including €627,290 (FY20) and €599,293 (FY19) for his duties as CEO of the cinema business (amounts subject to exchange rates)

(4) Including 40% fixed and 60% variable components for his term of office as director and a fixed and variable component as Chairman/member of the Corporate Social Responsibility Committee

(5) Including 40% fixed and 60% variable components for his term of office as director as well as a fixed component on a prorata basis and a variable component as Chairman/member of the Corporate Social Responsibility Committee established on September 12, 2018

Christian Guillemot Executive Vice President		03/31/20 Amounts paid *(in euros)* (1)	03/31/20 Amounts allocated *(in euros)* (2)	03/31/19 Amounts paid *(in euros)* (1)	03/31/19 Amounts allocated *(in euros)* (2)
Gross fixed compensation before tax		65,621	65,621	65,621	65,621
Annual variable compensation		-	-	-	-
Multi-annual variable compensation		-	-	-	-
Exceptional compensation		-	-	-	-
Compensation allocated in respect of the office as director	Fixed component (3)	16,000	16,000	16,000	16,000
	Variable component (3)	24,000	24,000	24,000	24,000
Benefits in kind		-	-	-	-
TOTAL		**105,621**	**105,621**	**105,621**	**105,621**

(1) All compensation paid to the corporate executive officer for his duties over the financial year

(2) Compensation awarded to the corporate executive officer for his duties during the financial year, irrespective of the date of payment

(3) 40% fixed and 60% variable

TABLE 4: SHARE SUBSCRIPTION OR PURCHASE OPTIONS ALLOCATED DURING THE FINANCIAL YEAR TO EACH CORPORATE EXECUTIVE OFFICER BY THE ISSUER AND BY ALL GROUP COMPANIES

Options granted between April 1, 2019 and March 31, 2020					
Identity of the corporate executive officer	Type of options (purchase or subscription)	Valuation of the options according to the method selected for the consolidated financial statements	Number of options allocated	Exercise price	Plan no. Plan date – Exercise period
Yves Guillemot	Share subscription options	€779,758	50,683 (1)	€54.30	no. 43 12/12/19 From 12/12/23 to 12/11/24 inclusive (2)
Claude Guillemot		€65,617	4,265 (1)	€54.30	no. 43 12/12/19 From 12/12/23 to 12/11/24 inclusive (2)
Michel Guillemot		€65,617	4,265 (1)	€54.30	no. 43 12/12/19 From 12/12/23 to 12/11/24 inclusive (2)
Gérard Guillemot		€65,617	4,265 (1)	€54.30	no. 43 12/12/19 From 12/12/23 to 12/11/24 inclusive (2)
Christian Guillemot		€65,617	4,265 (1)	€54.30	no. 43 12/12/19 From 12/12/23 to 12/11/24 inclusive (2)

(1) 5% to be held in registered form until the expiry/termination of duties

(2) Subject to the achievement of performance conditions (see 4.2.2.1.1)

TABLE 5: SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH CORPORATE EXECUTIVE OFFICER

Options exercised during the financial year between April 1, 2019 and March 31, 2020			
Identity of the corporate executive officer	Number of options exercised	Exercise price	Plan no. Plan date – Expiry date
Yves Guillemot	-	-	-
Claude Guillemot	12,500 (1)	€26.85	No. 31 12/16/15 – 12/15/20
Michel Guillemot	12,500 (1)	€26.85	No. 31 12/16/15 – 12/15/20
Gérard Guillemot	-	-	-
Christian Guillemot	-	-	-

(1) 5% to be held in registered form until the expiry/termination of duties

The history of the share subscription option and/or purchase plans for the Company's corporate executive officers is presented in 4.2.3.3.

TABLE 6: PERFORMANCE SHARES ALLOCATED DURING THE FINANCIAL YEAR TO EACH CORPORATE EXECUTIVE OFFICER BY THE ISSUER AND BY ALL GROUP COMPANIES

No performance shares were allocated to the corporate executive officers between April 1, 2019 and March 31, 2020.

TABLE 7: PERFORMANCE SHARES THAT BECAME AVAILABLE DURING THE FINANCIAL YEAR FOR EACH CORPORATE EXECUTIVE OFFICER

Preference shares (AGAP) vested during April 1, 2019 and March 31, 2020		
Identity of the corporate executive officer	Number of preference shares vested	Plan date - Expiry date
Yves Guillemot	394 (1)	12/14/16 - 12/16/21 (2)
Claude Guillemot	-	-
Michel Guillemot	-	-
Gérard Guillemot	-	-
Christian Guillemot	-	-

(1) 1 AGAP could entitle the holder to 30 ordinary shares, subject to achieving the share market price conditions, with the application, where appropriate, of a proportional and linear sliding scale

(2) Waiver of the conversion period in favor of automatic conversion by an amendment to the plan regulations on 09/18/19

The history of the performance share plans for the Company's corporate executive officers is presented in section 4.2.3.3.

TABLE 11: SUMMARY TABLE OF COMPENSATION AND BENEFITS OWED AS A RESULT OF CORPORATE EXECUTIVE OFFICERS LEAVING OFFICE

	Combination of the term of office with an employment contract with the Company		Supplementary pension scheme		Indemnities or benefits payable or that may be payable due to termination or change in responsibilities		Compensation relating to a non-compete clause	
Name	Yes	No	Yes	No	Yes	No	Yes	No
Yves Guillemot Chairman and Chief Executive Officer		✓		✓		✓		✓
Claude Guillemot Executive Vice President		✓		✓		✓		✓
Michel Guillemot Executive Vice President		✓		✓		✓		✓
Gérard Guillemot Executive Vice President		✓		✓		✓		✓
Christian Guillemot Executive Vice President		✓		✓		✓		✓

Corporate non-executive officers

TABLE 3: TABLE ON THE COMPENSATION RECEIVED BY THE CORPORATE NON-EXECUTIVE OFFICERS

Identity of the corporate non-executive officers		03/31/20 Amounts paid *(in euros)* [1]	03/31/20 Amounts allocated *(in euros)* [2]	03/31/19 Amounts paid *(in euros)* [1]	03/31/19 Amounts allocated *(in euros)* [2]
Didier Crespel					
Compensations	Fixed component	€31,000 [3]	€31,000 [3]	€33,500 [3] [4] [6]	€33,500 [3] [4]
	Variable component	€34,000 [5]	€34,000 [5]	€34,000 [5]	€34,000 [5]
Other compensation		-	-	-	-
TOTAL		**€65,000**	**€65,000**	**€67,500**	**€67,500**
Laurence Hubert-Moy					
Compensations	Fixed component	€21,000 [4]	€21,000 [4]	€21,000 [4]	€21,000 [4]
	Variable component	€44,000 [5]	€44,000 [5]	€44,000 [5]	€44,000 [5]
Other compensation		-	-	-	-
TOTAL		**€65,000**	**€65,000**	**€65,000**	**€65,000**
Florence Naviner					
Compensations	Fixed component	€31,000 [4]	€31,000 [4]	€28,500 [4]	€28,500 [4]
	Variable component	€34,000 [5]	€34,000 [5]	€34,000 [5]	€34,000 [5]
Other compensation		-	-	-	-
TOTAL		**€65,000**	**€65,000**	**€62,500**	**€62,500**
Frédérique Dame					
Compensations	Fixed component	€16,000	€16,000	€16,000	€16,000
	Variable component	€12,000	€12,000	€24,000	€24,000
Other compensation		-	-	-	-
TOTAL		**€28,000**	**€28,000**	**€40,000**	**€40,000**
Corinne Fernandez-Handelsman					
Compensations	Fixed component	€16,000	€16,000	€16,000	€16,000
	Variable component	€37,000 [5]	€37,000 [5]	€27,000 [5]	€27,000 [5]
Other compensation		-	-	-	-
TOTAL		**€53,000**	**€53,000**	**€43,000**	**€43,000**
Virginie Haas					
Compensations	Fixed component	€16,000	€16,000	€16,000	€16,000
	Variable component	€34,000 [5]	€34,000 [5]	€34,000 [5]	€34,000 [5]
Other compensation		-	-	-	-
TOTAL		**€50,000**	**€50,000**	**€50,000**	**€50,000**
Lionel Bouchet					
Compensations	Fixed component	€16,000	€16,000	€16,000	€16,000
	Variable component	€27,000 [5]	€27,000 [5]	€27,000 [5]	€27,000 [5]
Other compensation		[7]	[7]	[7]	[7]
TOTAL		**€43,000**	**€43,000**	**€43,000**	**€43,000**

(1) All compensation paid to corporate non-executive officers for their duties over the financial year
(2) Compensation awarded to corporate non-executive officers for their duties over the financial year, irrespective of the date of payment
(3) Including flat-rate fee as Lead Director
(4) Including the fixed component as Chairperson of a Committee (see 4.2.1.2)
(5) Including the variable component as member of a Committee (see 4.2.1.2)
(6) Fixed component as Chairperson of the Audit Committee (prorata temporis FY19)
(7) Lionel Bouchet, director representing employees, holding an employment contract within Ubisoft group, receives compensation which is not related to his duties as director. As a result, this information has not been communicated

4.2.2.2 Individual compensation ("Individual Ex Post" Vote)

6th, 7th, 8th, 9th and 10th Resolutions of the General Meeting 2020

Pursuant to article L. 225-100, III of the French commercial code, a breakdown of the total compensation and benefits of any kind, paid during or granted in respect of the financial year to the Chairman and Chief Executive Officer and to each Executive Vice President submitted for a shareholder vote, is set out here below.

6TH RESOLUTION OF THE COMBINED GENERAL MEETING OF JULY 2, 2020

Yves Guillemot, Chairman and Chief Executive Officer			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	
Annual fixed gross compensation	**€584,824**	**€584,824**	**Compensation in force since April 1, 2019** At April 1, 2019, the fixed compensation of Yves Guillemot was set at €584,824 i.e. an increase of 3%. This increase was proposed by the Nomination and Compensation Committee as part of the catch-up initiated during the financial year ended March 31, 2017. It ensures the competitiveness of Yves Guillemot's fixed compensation compared to the fixed compensation of the Chairman and Chief Executive Officers of the companies comprising the comparison panel and in accordance with the structure presented previously.
Annual variable compensation	**€583,834** In respect of FY19 Approved by the General Meeting of July 2, 2019 (5th resolution)	**€52,634** In respect of FY20 Payment conditional on approval by the General Meeting of July 2, 2020 (6th resolution)	The target value for annual variable compensation is 100% of the fixed compensation and the maximum is set at 150% of the fixed compensation. For each indicator, if the achievement of the performance conditions is less than 80%, or not achieved at the minimum threshold, if applicable, no annual variable compensation will be paid. The annual variable compensation follows a tiered increase up to the target, and then increases proportionally between the target and the maximum, with the exception of the CSR indicator, for which payment is by tier whatever the level of achievement of the performance condition.

	Performance conditions					
	< 1st Threshold	1st Threshold	2nd Threshold	Target	Maximum	Achievement of objectives
FINANCIAL CRITERIA (80%)						
Non-IFRS Group EBIT *(in € millions)*	< 384	≥ 384 – < 432	≥ 432 – < 480	480 (1)	600	34
As % of target for this criterion	*< 80%*	*≥ 80% – < 90%*	*≥ 90% – < 100%*	*100%*	*125%*	*7%*
Annual variable compensation as a % of fixed compensation	0%	18%	30%	60%	90%	0%
Group Net Booking Digital *(in € millions)*	< 1,224	≥ 1,224 – < 1,377	≥ 1,377 – < 1,530	1,530 (1)	1,912.5	1,261
As % of target for this criterion	*< 80%*	*≥ 80% – < 90%*	*≥ 90% – < 100%*	*100%*	*125%*	*82%*
Annual variable compensation as a % of fixed compensation	0%	6%	10%	20%	30%	6%
QUALITATIVE CRITERIA (20%)						
Change in the number of players in certain strategic territories	< 28%	≥ 28% – < 31.5%	≥ 31.5% – < 35%	35%	45.5%	23%
As % of target for this criterion	*< 80%*	*≥ 80% – < 90%*	*≥ 90% – < 100%*	*100%*	*130%*	*66%*
Annual variable compensation as a % of fixed compensation	0%	3%	5%	10%	15%	0%
Player protection ("CSR")	< minimum threshold (2)	≥ minimum threshold < target (2)		Target (2)	Maximum (2)	≥ minimum threshold < target
Annual variable compensation as a % of fixed compensation	0%	3%	3%	10%	15%	3%
TOTAL						
Annual variable compensation as a % of fixed compensation	0%	30%	48%	100%	150%	9%

(1) The target corresponds to the objectives announced by the Group in its press release issued at the beginning of each financial year

(2) Details on the expected, established and precisely predefined level of achievement is provided below

Yves Guillemot, Chairman and Chief Executive Officer			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	

Level of achievement of the sub-indicators of the **"player protection"** criterion:

	Definition	Minimum threshold	Target	Maximum	Level of achievement
Sub-indicator Personal data protection	Ensuring the protection of players' personal data by reinforcing the **means of control** offered to players over the use of their data beyond the scope of application of GDPR regulations	Means of control set up on the Uplay account in all regions in which the games are distributed	Achievement minimum threshold + Means of control set up on console games that do not require Uplay to play	Achievement target + Means of control set up on mobile games	Target
Sub-indicator Reducing online toxicity	Setting up the **reputation-sanction service** to limit online toxicity for games with an "online game" component	At least two-thirds of AAA games launched during the financial year ending March 31, 2021 with the service	100% of AAA games launched during the financial year ending March 31, 2021 with the service	Achievement target +100% of AAA games launched during Q3 and Q4 of the financial year ended March 31, 2020 with the service	Minimum threshold

The overall achievement level of the "**player protection**" criterion is calculated based on the achievement of each sub-indicator according to the following matrix:

Level of achievement of the first sub-indicator	Level of achievement of the second sub-indicator	Overall level of achievement of the "player protection" indicator
< Minimum threshold	≤ Minimum threshold	< minimum threshold
< Minimum threshold	≥Target	≥ minimum threshold < target
Minimum threshold	≥ Minimum threshold and < Maximum	
Minimum threshold	Maximum	Target
Target	≥Target	
Maximum	Maximum	Maximum

Accordingly, the Board of directors recorded overall achievement of "≥ minimum threshold and < target," giving entitlement to 30% of the bonus for this criterion, i.e. 3% of fixed compensation. Moreover, it is notable that the context in which the Group's financial objectives have been updated, i.e. the significant downward revision of the revenue anticipated from *Ghost Recon Breakpoint* and, to a lesser extent, from *The Division 2*, and, on the other hand, the decision to extend the development period for *Gods & Monsters*, *Rainbow Six Quarantine* and *Watch Dogs Legion*, has had a significant impact on achievement of the targets set at the beginning of the financial year ending March 31, 2020. The result for each of these objectives is as follows:

- non-IFRS Group EBIT not achieved;
- Group Net Digital Booking 82% achieved, giving entitlement to 30% of the bonus for this criterion, i.e. 6% of fixed compensation;
- increase in the number of players in certain strategic territories not achieved.

Accordingly, the level of achievement of objectives gives entitlement to annual variable compensation equal to 9% of annual fixed compensation, a gross amount of €52,634.

Yves Guillemot, Chairman and Chief Executive Officer			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	
Deferred variable compensation	N/A	N/A	The principle of a deferred variable compensation is not envisaged
Multi-annual variable compensation	N/A	N/A	No allocation of multi-annual variable compensation during the financial year
Annual exceptional compensation	N/A	N/A	The principle of exceptional compensation is not planned for the financial year
Stock options	N/A	**€779,758** (accounting valuation)	The long-term variable compensation consists of an award of 50,683 share subscription options with the exercise price set at €54.30 [1]. The vesting of the share subscription options is conditional: (i) for 50% on average Group EBIT in value (not a strictly accounting-based indicator) calculated using the non-IFRS Group EBIT figures for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022; and (ii) for 50%, on the positioning of the total shareholder return on Ubisoft Shares (the "Ubisoft TSR") compared to the TSR of companies in the NASDAQ Composite Index, with both TSRs being calculated from December 12, 2019 to December 11, 2022. For each indicator, the vesting of the share subscription options is based on the following framework:

	< 80% average Group EBIT target	≥ 80% and < 90% average Group EBIT target	≥ 90% and < 100% average Group EBIT target	≥ 100% average Group EBIT target
Average non-IFRS Group EBIT (50%)	**0%** of the allocation for this indicator	**30%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

The long-term variable compensation conditional upon the attainment of average Group EBIT is acquired by tier. The target level defined for average Group EBIT is consistent with the objectives announced by the Group in its press release issued at the beginning of each financial year.
The details of the performance conditions and the expected levels of achievement, set and precisely predefined, cannot be disclosed without revealing confidential information about the Group's strategy over the coming three financial years.

	< 50th percentile	≥ 50th and ≤ 60th percentile	> 60th percentile
Positioning of Ubisoft TSR compared to the TSR of companies in the NASDAQ Composite Index (50%)	**0%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

The long-term variable compensation conditional upon the Ubisoft TSR compared to the NASDAQ Composite Index is acquired by tier.
Achievement of these indicators is assessed over a period of three consecutive financial years or calendar years conditioning the acquisition of the long-term compensation. The share subscription option plan will be definitively vested following a vesting period of four years [2]. Vesting will also be conditional upon remaining in office as a corporate executive officer. The Group undertakes to communicate the level of achievement of the performance conditions in the Universal Registration Document published in respect of the financial year in which the date of vesting of the rights occurs.

Yves Guillemot, Chairman and Chief Executive Officer			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	
Performance shares	N/A	N/A	No performance shares were allocated during the financial year
Other long-term compensation components (redeemable equity warrants, equity warrants, etc.)	N/A	N/A	No allocation of long-term compensation components was carried out during the financial year
Compensation granted in respect of the term as director (gross)	**€40,000**	**€40,000**	€40 thousand maximum in total **Fixed:** 40% is paid in two equal installments in April (for the period from April 1 to September 30) and in October (for the period from October 1 to March 31). **Variable** [(3)]**:** 60% paid in March prorated in accordance with the Board members' attendance at Board meetings held during the financial year within the following proportions: ♦ < 50% attendance at Board meetings: no payment of the variable component; ♦ ≥ 50% and < 75% attendance at Board meetings: half of the variable component paid; ♦ ≥ 75% attendance at Board meetings: all of the variable component is paid.
Benefits of any kind	N/A	N/A	No benefits in kind
Severance payment	N/A	N/A	No commitment of this type exists
Non-compete indemnity	N/A	N/A	There is no non-compete clause applicable
Supplementary pension scheme	N/A	N/A	Not eligible for a supplementary pension

(1) €54.30 corresponding to the average opening price of the Ubisoft Share on Euronext Paris for the twenty trading days prior to the Board of directors' meeting deciding the allocation

(2) For share subscription options, the vesting date corresponds to the date on which the exercise rights are opened

(3) Attendance rate at Board of directors' meetings for the financial year ended 03/31/20 indicated in section 4.1.3.2

7TH TO 10TH RESOLUTIONS OF THE COMBINED GENERAL MEETING OF JULY 2, 2020

Claude Guillemot, Executive Vice President			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	
Annual fixed gross compensation	**€65,621**	**€65,621**	**Compensation in force since April 1, 2018** The fixed compensation of Executive Vice Presidents is determined taking into account their responsibilities and experience in the role and in the Company's area of business, as well as their years of service in the Group.
Annual variable compensation	N/A	N/A	The principle of an annual variable compensation is not envisaged
Deferred variable compensation	N/A	N/A	The principle of a deferred variable compensation is not envisaged
Multi-annual variable compensation	N/A	N/A	No allocation of multi-annual variable compensation during the financial year
Annual exceptional compensation	N/A	N/A	The principle of exceptional compensation is not planned for the financial year
Stock options	N/A	**€65,617** (accounting valuation)	The long-term variable compensation consists of an award of 4,265 share subscription options with the exercise price set at €54.30 [1]. The vesting of the share subscription options is conditional: (i) for 50% on average Group EBIT in value (not a strictly accounting-based indicator) calculated using the non-IFRS Group EBIT figures for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022; and (ii) for 50%, on the positioning of the total shareholder return on Ubisoft Shares (the "Ubisoft TSR") compared to the TSR of companies in the NASDAQ Composite Index, with both TSRs being calculated from December 12, 2019 to December 11, 2022. For each indicator, the vesting of the share subscription options is based on the following framework:

	< 80% average Group EBIT target	≥ 80% and < 90% average Group EBIT target	≥ 90% and < 100% average Group EBIT target	≥ 100% average Group EBIT target
Average non-IFRS Group EBIT (50%)	**0%** of the allocation for this indicator	**30%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

The long-term variable compensation conditional upon the attainment of average Group EBIT is acquired by tier. The target level defined for average Group EBIT is consistent with the objectives announced by the Group in its press release issued at the beginning of each financial year.

The details of the performance conditions and the expected levels of achievement, set and precisely predefined, cannot be disclosed without revealing confidential information about the Group's strategy over the coming three financial years.

	< 50th percentile	≥ 50th and ≤ 60th percentile	> 60th percentile
Positioning of Ubisoft TSR compared to the TSR of companies in the NASDAQ Composite Index (50%)	**0%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

The long-term variable compensation conditional upon the Ubisoft TSR compared to the NASDAQ Composite Index is acquired by tier.

Achievement of these indicators is assessed over a period of three consecutive financial years or calendar years conditioning the acquisition of the long-term compensation. The share subscription option plan will be definitively vested following a vesting period of four years [2]. Vesting will also be conditional upon remaining in office as a corporate executive officer. The Group undertakes to communicate the level of achievement of the performance conditions in the Universal Registration Document published in respect of the financial year in which the date of vesting of the rights occurs.

Claude Guillemot, Executive Vice President			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	
Performance shares	N/A	N/A	No performance shares were allocated during the financial year
Other long-term compensation components (redeemable equity warrants, equity warrants, etc.)	N/A	N/A	No allocation of long-term compensation components was carried out during the financial year
Compensation granted in respect of the term as director (gross)	**€40,000**	**€40,000**	€40 thousand maximum in total **Fixed**: 40% is paid in two equal installments in April (for the period from April 1 to September 30) and in October (for the period from October 1 to March 31). **Variable** [3]: 60% paid in March prorated in accordance with the Board members' attendance at Board meetings held during the financial year within the following proportions: ♦ < 50% attendance at Board meetings: no payment of the variable component; ♦ ≥ 50% and < 75% attendance at Board meetings: half of the variable component paid; ♦ ≥ 75% attendance at Board meetings: all of the variable component is paid.
Benefits of any kind	N/A	N/A	No benefits in kind
Severance payment	N/A	N/A	No commitment of this type exists
Non-compete indemnity	N/A	N/A	There is no non-compete clause applicable
Supplementary pension scheme	N/A	N/A	Not eligible for a supplementary pension

(1) €54.30 corresponding to the average opening price of the Ubisoft Share on Euronext Paris for the twenty trading days prior to the Board of directors' meeting deciding the allocation
(2) For share subscription options, the vesting date corresponds to the date on which the exercise rights are opened
(3) Attendance rate at Board of directors' meetings for the financial year ended 03/31/20 indicated in section 4.1.3.2

Michel Guillemot, Executive Vice President			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	
Annual fixed gross compensation	**€65,621**	**€65,621**	**Compensation in force since April 1, 2018** The fixed compensation of Executive Vice Presidents is determined taking into account their responsibilities and experience in the role and in the Company's area of business, as well as their years of service in the Group.
Annual variable compensation	N/A	N/A	The principle of an annual variable compensation is not envisaged
Deferred variable compensation	N/A	N/A	The principle of a deferred variable compensation is not envisaged
Multi-annual variable compensation	N/A	N/A	No allocation of multi-annual variable compensation during the financial year
Annual exceptional compensation	N/A	N/A	The principle of exceptional compensation is not planned for the financial year
Stock options	N/A	**€65,617** (accounting valuation)	The long-term variable compensation consists of an award of 4,265 share subscription options with the exercise price set at €54.30 [(1)]. The vesting of the share subscription options is conditional: (i) for 50% on average Group EBIT in value (not a strictly accounting-based indicator) calculated using the non-IFRS Group EBIT figures for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022; and (ii) for 50%, on the positioning of the total shareholder return on Ubisoft Shares (the "Ubisoft TSR") compared to the TSR of companies in the NASDAQ Composite Index, with both TSRs being calculated from December 12, 2019 to December 11, 2022. For each indicator, the vesting of the share subscription options is based on the following framework:

	< 80% average Group EBIT target	≥ 80% and < 90% average Group EBIT target	≥ 90% and < 100% average Group EBIT target	≥ 100% average Group EBIT target
Average non-IFRS Group EBIT (50%)	**0%** of the allocation for this indicator	**30%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

The long-term variable compensation conditional upon the attainment of average Group EBIT is acquired by tier. The target level defined for average Group EBIT is consistent with the objectives announced by the Group in its press release issued at the beginning of each financial year.

The details of the performance conditions and the expected levels of achievement, set and precisely predefined, cannot be disclosed without revealing confidential information about the Group's strategy over the coming three financial years.

	< 50th percentile	≥ 50th and ≤ 60th percentile	> 60th percentile
Positioning of Ubisoft TSR compared to the TSR of the NASDAQ Composite Index (50%)	**0%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

The long-term variable compensation conditional upon the Ubisoft TSR compared to the NASDAQ Composite Index is acquired by tier.

Achievement of these indicators is assessed over a period of three consecutive financial years or calendar years conditioning the acquisition of the long-term compensation. The share subscription option plan will be definitively vested following a vesting period of four years [(2)]. Vesting will also be conditional upon remaining in office as a corporate executive officer. The Group undertakes to communicate the level of achievement of the performance conditions in the Universal Registration Document published in respect of the financial year in which the date of vesting of the rights occurs.

Michel Guillemot, Executive Vice President			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	
Performance shares	N/A	N/A	No performance shares were allocated during the financial year
Other long-term compensation components (redeemable equity warrants, equity warrants, etc.)	N/A	N/A	No allocation of long-term compensation components was carried out during the financial year
Compensation granted in respect of the term as director (gross)	**€40,000**	**€40,000**	€40 thousand maximum in total **Fixed**: 40% is paid in two equal installments in April (for the period from April 1 to September 30) and in October (for the period from October 1 to March 31). **Variable** (3): 60% paid in March prorated in accordance with the Board members' attendance at Board meetings held during the financial year within the following proportions: ♦ < 50% attendance at Board meetings: no payment of the variable component; ♦ ≥ 50% and < 75% attendance at Board meetings: half of the variable component paid; ♦ ≥ 75% attendance at Board meetings: all of the variable component is paid.
Benefits of any kind	N/A	N/A	No benefits in kind
Severance payment	N/A	N/A	No commitment of this type exists
Non-compete indemnity	N/A	N/A	There is no non-compete clause applicable
Supplementary pension scheme	N/A	N/A	Not eligible for a supplementary pension

(1) €54.30 corresponding to the average opening price of the Ubisoft Share on Euronext Paris for the twenty trading days prior to the Board of directors' meeting deciding the allocation
(2) For share subscription options, the vesting date corresponds to the date on which the exercise rights are opened
(3) Attendance rate at Board of directors' meetings for the financial year ended 03/31/20 indicated in section 4.1.3.2

<table>
<tr><th colspan="4">Gérard Guillemot, Executive Vice President</th></tr>
<tr><th rowspan="2">Components of compensation paid or allocated during FY20</th><th colspan="2">Amount or accounting valuation</th><th rowspan="2">Presentation</th></tr>
<tr><th>Amounts paid during FY20</th><th>Amount allocated in respect of FY20</th></tr>
<tr><td>Annual fixed gross compensation</td><td>€65,621 (1)</td><td>€65,621 (1)</td><td>Compensation in force since April 1, 2018
The fixed compensation of Executive Vice Presidents is determined taking into account their responsibilities and experience in the role and in the Company's area of business, as well as their years of service in the Group.</td></tr>
<tr><td>Annual variable compensation</td><td>N/A</td><td>N/A</td><td>The principle of an annual variable compensation is not envisaged</td></tr>
<tr><td>Deferred variable compensation</td><td>N/A</td><td>N/A</td><td>The principle of a deferred variable compensation is not envisaged</td></tr>
<tr><td>Multi-annual variable compensation</td><td>N/A</td><td>N/A</td><td>No allocation of multi-annual variable compensation during the financial year</td></tr>
<tr><td>Annual exceptional compensation</td><td>N/A</td><td>N/A</td><td>The principle of exceptional compensation is not planned for the financial year</td></tr>
<tr><td>Stock options</td><td>N/A</td><td>€65,617 (accounting valuation)</td><td>The long-term variable compensation consists of an award of 4,265 share subscription options with the exercise price set at €54.30 (2).
The vesting of the share subscription options is conditional:
(i) for 50% on average Group EBIT in value (not a strictly accounting-based indicator) calculated using the non-IFRS Group EBIT figures for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022; and
(ii) for 50%, on the positioning of the total shareholder return on Ubisoft Shares (the "Ubisoft TSR") compared to the TSR of companies in the NASDAQ Composite Index, with both TSRs being calculated from December 12, 2019 to December 11, 2022.
For each indicator, the vesting of the share subscription options is based on the following framework:
<table>
<tr><th></th><th>< 80% average Group EBIT target</th><th>≥ 80% and < 90% average Group EBIT target</th><th>≥ 90% and < 100% average Group EBIT target</th><th>≥ 100% average Group EBIT target</th></tr>
<tr><td>Average non-IFRS Group EBIT (50%)</td><td>0% of the allocation for this indicator</td><td>30% of the allocation for this indicator</td><td>50% of the allocation for this indicator</td><td>100% of the allocation for this indicator</td></tr>
</table>
The long-term variable compensation conditional upon the attainment of average Group EBIT is acquired by tier. The target level defined for average Group EBIT is consistent with the objectives announced by the Group in its press release issued at the beginning of each financial year.
The details of the performance conditions and the expected levels of achievement, set and precisely predefined, cannot be disclosed without revealing confidential information about the Group's strategy over the coming three financial years.
<table>
<tr><th></th><th>< 50th percentile</th><th>≥ 50th and ≤ 60th percentile</th><th>> 60th percentile</th></tr>
<tr><td>Positioning of Ubisoft TSR compared to the TSR of the NASDAQ Composite Index (50%)</td><td>0% of the allocation for this indicator</td><td>50% of the allocation for this indicator</td><td>100% of the allocation for this indicator</td></tr>
</table>
The long-term variable compensation conditional upon the Ubisoft TSR compared to the NASDAQ Composite Index is acquired by tier.
Achievement of these indicators is assessed over a period of three consecutive financial years or calendar years conditioning the acquisition of the long-term compensation. The share subscription option plan will be definitively vested after a vesting period of four years (3). Vesting will also be conditional upon remaining in office as a corporate executive officer. The Group undertakes to communicate the level of achievement of the performance conditions in the Universal Registration Document published in respect of the financial year in which the date of vesting of the rights occurs.</td></tr>
</table>

Gérard Guillemot, Executive Vice President			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	
Performance shares	N/A	N/A	No performance shares were allocated during the financial year
Other long-term compensation components (redeemable equity warrants, equity warrants, etc.)	N/A	N/A	No allocation of long-term compensation components was carried out during the financial year
Compensation allocated in respect of the duties as director and Chairman/ member of a Committee (gross)	**€48,000**	**€48,000**	**Board of directors**: €40 thousand maximum in total **Fixed**: 40% is paid in two equal installments in April (for the period from April 1 to September 30) and in October (for the period from October 1 to March 31). **Variable** (4): 60% paid in March prorated in accordance with the Board members' attendance at Board meetings held during the financial year within the following proportions: ♦ < 50% attendance at Board meetings: no payment of the variable component; ♦ ≥ 50% and < 75% attendance at Board meetings: half of the variable component paid; ♦ ≥ 75% attendance at Board meetings: all of the variable component is paid. **Corporate Social Responsibility Committee:** **Fixed** (Chairman): €5,000 maximum in total. **Variable** (4) (member): €1,500 per meeting (maximum 4 meetings per financial year).
Benefits of any kind	N/A	N/A	No benefits in kind
Severance payment	N/A	N/A	No commitment of this type exists
Non-compete indemnity	N/A	N/A	There is no non-compete clause applicable
Supplementary pension scheme	N/A	N/A	Not eligible for a supplementary pension

(1) For his duties as CEO of the cinema business, in respect of the financial year ended March 31, 2020, Gérard Guillemot received gross annual compensation of €627,290 (subject to exchange rates)

(2) €54.30 corresponding to the average opening price of the Ubisoft Share on Euronext Paris for the twenty trading days prior to the Board of directors' meeting deciding the allocation

(3) For share subscription options, the vesting date corresponds to the date on which the exercise rights are opened

(4) Attendance rate at Board of directors' and Corporate Social Responsibility Committee meetings in respect of the financial year ended 03/31/20 indicated in 4.1.3.2

Christian Guillemot, Executive Vice President			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	
Annual fixed gross compensation	**€65,621**	**€65,621**	**Compensation in force since April 1, 2018** The fixed compensation of Executive Vice Presidents is determined taking into account their responsibilities and experience in the role and in the Company's area of business, as well as their years of service in the Group.
Annual variable compensation	N/A	N/A	The principle of an annual variable compensation is not envisaged
Deferred variable compensation	N/A	N/A	The principle of a deferred variable compensation is not envisaged
Multi-annual variable compensation	N/A	N/A	No allocation of multi-annual variable compensation during the financial year
Annual exceptional compensation	N/A	N/A	The principle of exceptional compensation is not planned for the financial year
Stock options	N/A	**€65,617** (accounting valuation)	The long-term variable compensation consists of an award of 4,265 share subscription options with the exercise price set at €54.30 [1]. The vesting of the share subscription options is conditional: (iii) for 50% on average Group EBIT in value (not a strictly accounting-based indicator) calculated using the non-IFRS Group EBIT figures for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022; and (iv) for 50%, on the positioning of the total shareholder return on Ubisoft Shares (the "Ubisoft TSR") compared to the TSR of companies in the NASDAQ Composite Index, with both TSRs being calculated from December 12, 2019 to December 11, 2022. For each indicator, the vesting of the share subscription options is based on the following framework:

	< 80% average Group EBIT target	≥ 80% and < 90% average Group EBIT target	≥ 90% and < 100% average Group EBIT target	≥ 100% average Group EBIT target
Average non-IFRS Group EBIT (50%)	**0%** of the allocation for this indicator	**30%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

The long-term variable compensation conditional upon the attainment of average Group EBIT is acquired by tier. The target level defined for average Group EBIT is consistent with the objectives announced by the Group in its press release issued at the beginning of each financial year.

The details of the performance conditions and the expected levels of achievement, set and precisely predefined, cannot be disclosed without revealing confidential information about the Group's strategy over the coming three financial years.

	< 50th percentile	≥ 50th and ≤ 60th percentile	> 60th percentile
Positioning of Ubisoft TSR compared to the TSR of the NASDAQ Composite Index (50%)	**0%** of the allocation for this indicator	**50%** of the allocation for this indicator	**100%** of the allocation for this indicator

The long-term variable compensation conditional upon the Ubisoft TSR compared to the NASDAQ Composite Index is acquired by tier.

Achievement of these indicators is assessed over a period of three consecutive financial years or calendar years conditioning the acquisition of the long-term compensation. The share subscription option plan will be definitively vested following a vesting period of four years [2]. Vesting will also be conditional upon remaining in office as a corporate executive officer. The Group undertakes to communicate the level of achievement of the performance conditions in the Universal Registration Document published in respect of the financial year in which the date of vesting of the rights occurs.

Christian Guillemot, Executive Vice President			
Components of compensation paid or allocated during FY20	Amount or accounting valuation		Presentation
	Amounts paid during FY20	Amount allocated in respect of FY20	
Performance shares	N/A	N/A	No performance shares were allocated during the financial year
Other long-term compensation components (redeemable equity warrants, equity warrants, etc.)	N/A	N/A	No allocation of long-term compensation components was carried out during the financial year
Compensation granted in respect of the term as director (gross)	**€40,000**	**€40,000**	€40 thousand maximum in total **Fixed**: 40% is paid in two equal installments in April (for the period from April 1 to September 30) and in October (for the period from October 1 to March 31). **Variable** (3): 60% paid in March prorated in accordance with the Board members' attendance at Board meetings held during the financial year within the following proportions: ♦ < 50% attendance at Board meetings: no payment of the variable component; ♦ ≥ 50% and < 75% attendance at Board meetings: half of the variable component paid; ♦ ≥ 75% attendance at Board meetings: all of the variable component is paid.
Benefits of any kind	N/A	N/A	No benefits in kind
Severance payment	N/A	N/A	No commitment of this type exists
Non-compete indemnity	N/A	N/A	There is no non-compete clause applicable
Supplementary pension scheme	N/A	N/A	Not eligible for a supplementary pension

(1) €54.30 corresponding to the average opening price of the Ubisoft Share on Euronext Paris for the twenty trading days prior to the Board of directors' meeting deciding the allocation
(2) For share subscription options, the vesting date corresponds to the date on which the exercise rights are opened
(3) Attendance rate at Board of directors' meetings for the financial year ended 03/31/20 indicated in section 4.1.3.2

4.2.3 REPORTS REQUIRED BY ARTICLES L. 225-184 AND L. 225-197-4 OF THE FRENCH COMMERCIAL CODE

4.2.3.1 Principles and rules used for the allocation of share subscription and/or purchase options or free shares

Long-term incentive plans are a fundamental component of the Ubisoft business culture and its compensation policy.

They effectively help to:

- foster entrepreneurial spirit, which has always been one of the fundamental reasons for Ubisoft's performance;
- retain, incentivize, reward and promote the medium and long-term commitment of the Group's executives, key managers and talent through their involvement in the Group's development and their contribution to its growth;
- boost the competitiveness of the Group's employee compensation.

4.2.3.2 Allocations during the financial year ended March 31, 2020

During the past financial year, the Board of directors, following authorization from the General Meeting, granted the share subscription options (SOP) and free ordinary share allocations as indicated in 4.2.3.5 and 4.2.3.6.

The authorizations in force at March 31, 2020 granted by the General Meeting to the Board of directors in order to carry out the grant of share subscription and/or purchase options or the allocation of free shares to employees, members of Ubisoft group's Executive Committee and/or corporate executive officers of the Company are set out below:

Authorization in force at 03/31/20		Minimum budget (K = capital)	AGM / Resolution no.	Expiry date / Duration
Subscription and/or share purchase options	Employees/Executive Committee	1% of capital at the allocation date (1)	06/27/2018 / 18th	08/26/21 / 38 months
	Corporate executive officers	0.2% of capital at the allocation date (1)	06/27/2018 / 19th	08/26/21 / 38 months
Free share grants	Employees/Executive Committee	2% of capital at the allocation date	07/02/2019 / 27th	09/01/22 / 38 months
	Corporate executive officers	N/A	N/A	N/A

(1) Shared ceiling of 18th and 19th resolutions of the General Meeting of June 27, 2018

Note that plans are automatically canceled in the event of termination of employment or corporate office (except in the event of disability, death, departure or retirement). Furthermore, in the event of a change in control of the company Ubisoft Entertainment SA within the meaning of article L. 233-3 of the French commercial code, the share purchase and/or subscription option plans (the "Option") and the free share plans (the "Share"), with the exception of those relating to corporate executive officers, immediately cease to be contingent upon a) the beneficiaries being, on the date of exercise of the Option or change in ownership of the Shares, employees or corporate officers of the Group and b) the achievement of the performance conditions, where applicable.

4.2.3.3 Allocations during the financial year ended March 31, 2020 to corporate executive officers

The allocations of subscription options and/or performance shares to corporate executive officers in respect of the financial year just ended are summarized in the AMF Tables no. 4 and no. 6 in 4.2.2.1.4.

The exercise of subscription options by corporate executive officers in respect of the financial year just ended as well as the performance shares that became available in respect of the said financial year are presented in the AMF Tables no. 5 and no. 7 in 4.2.2.1.4

The history of the share subscription option and/or purchase plans and the performance share plans for corporate executive officers of the Company, including the allocations in respect of the financial year just ended are recalled below.

HISTORY OF THE SHARE SUBSCRIPTION AND/OR PURCHASE OPTIONS ALLOCATED TO EACH CORPORATE EXECUTIVE OFFICER BY THE ISSUER AND BY ALL GROUP COMPANIES

General Meeting	09/25/06	07/04/07	09/22/08	07/10/09
Board of directors Plan no.	04/26/07 (no. 14)	06/27/08 (no. 17)	05/12/09 (no. 19)	04/29/10 (no. 22) (3)
Price	€17.45 (1) (2)	€27.35 (1) (2)	€14.75 (2)	€9.91 (2)
Number of corporate executive officers	5	5	5	5
Initially granted	151,680 (2)	139,648 (2)	125,392 (2)	120,336 (2)
Yves Guillemot, Chairman & CEO	101,120 (2)	91,108 (2)	80,896 (2)	75,840 (2)
Claude Guillemot, Executive Vice President	12,640 (2)	12,135 (2)	11,124 (2)	11,124 (2)
Michel Guillemot, Executive Vice President	12,640 (2)	12,135 (2)	11,124 (2)	11,124 (2)
Gérard Guillemot, Executive Vice President	12,640 (2)	12,135 (2)	11,124 (2)	11,124 (2)
Christian Guillemot, Executive Vice President	12,640 (2)	12,135 (2)	11,124 (2)	11,124 (2)
Exercised	0	0	0	0
Balance (at 03/31/20)	0	0	0	0
Performance conditions	N/A	N/A	N/A	100% Internal conditions (cumulative): sales and profitability (3)

(1) Two-for-one stock split effective on November 14, 2008

(2) Subscription price and number adjusted following the issuance of share subscription warrants on April 10, 2012 (articles L. 225-181 and L. 288-99 of the French commercial code)

(3) This plan expired early on May 15, 2014, the date of the Compensation Committee's assessment that the cumulative sales and profitability performance conditions had not been met

(4) Board of directors of March 9, 2012: change in the designation of 417,000 options from subscription options to purchase options

(5) 25% of the allocation to the Chairman and Chief Executive Officer subject to collective performance conditions: the Compensation Committee determined on June 26, 2014 that the collective performance condition had not been met and subsequently canceled 25% of the grant made to the Chairman and Chief Executive Officer

(6) Acquisition contingent upon the achievement of average non-IFRS Group EBIT assessed on the cumulative basis of 4 financial years:

- *if average non-IFRS Group EBIT < 70% of the target average non-IFRS Group EBIT: acquisition of SOP canceled*
- *if average non-IFRS Group EBIT ≥ 70% and < 100% of the target average non-IFRS Group EBIT: acquisition of SOP proportional to the % achieved*
- *if average non-IFRS Group EBIT ≥ 100% of the average non-IFRS target Group EBIT: acquisition of 100% of SOP validated*

07/02/10	09/24/12	09/23/15	09/23/15	06/27/18	06/27/18
04/27/11 (no. 24)	03/17/14 (no. 27)	12/16/15 (no. 31)	12/14/16 (no. 33)	12/17/18 (no. 41)	12/12/19 (no. 43)
€6.77 (2)	€11.92	€26.85	€31.955	€68.59	€54.30
5	5	3	4	5	5
111,232 (2) (4)	100,000	37,500	19,344	56,031	67,743
70,784 (2) (4)	60,000 (5)	0	0	41,607	50,683
10,112 (2) (4)	10,000	12,500	4,836	3,606	4,265
10,112 (2) (4)	10,000	12,500	4,836	3,606	4,265
10,112 (2) (4)	10,000	12,500	4,836	3,606	4,265
10,112 (2) (4)	10,000	0	4,836	3,606	4,265
111,232	85,000 (5)	25,000	0	0	0
0	0	12,500	19,344	56,031	67,743
100% Internal conditions (cumulative): sales and profitability	100%: Internal condition (Average EBIT over 4 financial years/% based on tiers) of which 25%: collective performance condition	100%: Internal condition (Average EBIT over 4 financial years/% based on tiers)	100%: Internal condition (Average EBIT over 4 financial years/ proportional grant (6))	50%: Internal condition (non-IFRS average Group EBIT over 3 financial years/ acquisition by tier (7)) 50%: External condition (TSR over 3 years/acquisition by tier (8))	50%: Internal condition (non-IFRS average Group EBIT over 3 financial years/ acquisition by tier (7)) 50%: External condition (TSR over 3 years/acquisition by tier (8))

(7) 50% of the acquisition contingent upon the achievement of average non-IFRS Group EBIT assessed over 3 financial years, with an acquisition by tier as follows:

- *< 80% average Group EBIT → 0% of the award based on this criterion*
- *≥ 80% and < 90% average Group EBIT → 30% of the award based on this criterion*
- *≥ 90% and < 100% average Group EBIT → 50% of the award based on this criterion*
- *≥ 100% → 100% of the award based on this criterion*

(8) 50% of the acquisition contingent on achievement of a Ubisoft TSR compared to the TSR of the NASDAQ Composite Index assessed over 3 years, with an acquisition by tier as follows:

- *< 50th percentile → 0% of the award based on this criterion*
- *≥ 50th and ≤ 60th percentile → 50% of the award based on this criterion*
- *> 60th percentile → 100% of the award based on this criterion*

HISTORY OF THE PERFORMANCE SHARES ALLOCATED TO EACH CORPORATE EXECUTIVE OFFICER BY THE ISSUER AND BY ALL GROUP COMPANIES

Free preference share allocation plans

Date of General Meeting	09/23/15	09/23/15
Date of Board meeting	12/16/15	12/14/16
5-year stock market conditions	if increase ≥ 50% of the Stock Market Floor price [(1)]: 1 preference share entitles the holder to 30 ordinary shares if increase but < 50% of the Stock Market Floor price [(1)]: each% increase entitles the holder to 0.6 ordinary shares	
Performance conditions (assessed over the vesting period)	Internal performance condition: 100% contingent upon achieving predefined levels of average Group EBIT [(2)] (over 3 financial years)	Internal performance condition: 100% contingent upon achieving an average Group EBIT [(2)] (over 3 financial years measured proportionally based on a target used as a reference base for calculating proportionality and a floor below which the grant is void)
Number of corporate executive officers	2 ♦ Yves Guillemot, Chairman & CEO ♦ Christian Guillemot, Executive Vice President	1 ♦ Yves Guillemot, Chairman & CEO
Parity	1 AGAP could entitle the holder to 30 ordinary shares, subject to achieving the share market price conditions, with the application, where appropriate, of a proportional and linear sliding scale	
Vesting period	3 years	3 years
Vesting date	12/17/18	12/16/19
Retention period	2 years	2 years
End date of the retention period	12/16/20	12/15/21
Conversion period	N/A [(3)]	N/A [(3)]
Automatic conversion	12/17/20	12/16/21
Total number of shares granted initially	1,500 AGAP (45,000 ordinary shares maximum) ♦ Yves Guillemot, Chairman and Chief Executive Officer: 1,333 AGAP ♦ Christian Guillemot, Executive Vice President: 167 AGAP	394 AGAP (11,820 ordinary shares maximum)
Cumulative number of shares canceled	0 AGAP	0 AGAP
Cumulative number of shares vested	1,500 AGAP	394 AGAP
Balance at 03/31/20	0 AGAP	0 AGAP

(1) Average price over the 20 trading days preceding the Board of directors' meeting granting the shares

(2) Non-IFRS

(3) Waiver of the conversion period in favor of automatic conversion by an amendment to the plan regulations on 09/18/19

4.2.3.4 AMF Table no. 9: Stock options granted to and exercised by the ten employee grantees other than corporate executive officers who received or exercised the largest number of options

Options granted between April 1, 2019 and March 31, 2020			
	Options granted during the financial year ended 03/31/20 to the ten employees other than corporate executive officers who received the largest number of options so granted	Average weighted price	Plan no. Expiry date
Complete information for all Group companies combined	148,902	€69.65	no. 42 07/01/24

Options exercised between April 1, 2019 and March 31, 2020			
	Options exercised during the financial year ended 03/31/20 to the ten employees other than corporate executive officers who received the largest number of options so granted	Average weighted price	Plan no. Expiry date
Complete information for all Group companies combined	206,537	€18.84	no. 28 no. 29 no. 30 no. 32 no. 34 no. 35 09/23/19 12/15/19 09/22/20 06/22/21 03/29/22 06/26/22

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4.2.3.5 AMF Table no.10: Summary of free share plans valid as at March 31, 2020

Free ordinary share allocation plans					
Date of General Meeting	09/23/15	09/23/15	09/23/15	06/27/18	06/27/18
Date of Board meeting	04/19/16	06/23/16	12/14/16	06/27/18	09/12/18
Performance conditions	(1)	(1)	(1)	(1) (2)	(1)
Number of beneficiaries	94	1,743	2	2,085	13
Corporate executive officers					
Yves Guillemot	N/A	N/A	N/A	N/A	N/A
Claude Guillemot	N/A	N/A	N/A	N/A	N/A
Michel Guillemot	N/A	N/A	N/A	N/A	N/A
Gérard Guillemot	N/A	N/A	N/A	N/A	N/A
Christian Guillemot	N/A	N/A	N/A	N/A	N/A
Type of shares	ordinary	ordinary	ordinary	ordinary	ordinary
Vesting period + retention period	4+0	4+0	4+0	4+0	4+0
Vesting date of the shares	04/20/20	06/23/20	12/14/20	06/27/22	09/12/22
End date of the retention period	04/20/20	06/23/20	12/14/20	06/27/22	09/12/22
End date of the conversion period	N/A	N/A	N/A	N/A	N/A
Total number of shares granted initially	384,300	962,410	10,300	606,869	8,631
Cumulative number of shares canceled	81,800	137,535	0	43,227	679
Balance at 03/31/20	302,500	824,875	10,300	563,642	7,952

(1) 100% subject to individual performance objectives linked to the beneficiary's position

(2) For the members of the Executive Committee (Plan of 06/27/18: 4 beneficiaries/Plan of 07/02/19: 3 beneficiaries): Internal performance condition: 1/3 subject to achievement of an average non-IFRS Group EBIT (with acquisition by tier) assessed over 3 financial years/External performance condition: 1/3 subject to achievement of a Ubisoft TSR compared to the TSR of companies in the Nasdaq Composite Index (with acquisition by tier) assessed over 3 years/Individual performance condition: 1/3 (see (1))

(3) Early delivery of 123 ordinary shares to the heirs of a beneficiary pursuant to the provisions of article L. 225-197-3 of the French commercial code

06/27/18	06/27/18	06/27/18	06/27/18	06/27/18	07/02/19	07/02/19	07/02/19
10/30/18	12/17/18	02/01/19	05/15/19	07/02/19	09/18/19	12/12/19	02/13/20
(1)	(1)	(1)	(1)	(1) (2)	(1)	(1)	(1)
7	94	34	28	2,288	8	4	35
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ordinary	ordinary	ordinary	ordinary	ordinary	ordinary	ordinary	ordinary
4+0	4+0	4+0	4+0	4+0	4+0	4+0	4+0
10/31/22	12/19/22	02/01/23	05/15/23	07/03/23	09/18/23	12/12/23	02/13/24
10/31/22	12/19/22	02/01/23	05/15/23	07/03/23	09/18/23	12/12/23	02/13/24
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3,708	77,151	31,791	41,097	876,828	5,901	2,954	32,275
0	7,190	720	393	28,391	0	0	568
3,708	69,961	31,071	40,704	848,314 (3)	5,901	2,954	31,707

Free preference share allocation plans ("AGAP")

Date of General Meeting	07/01/14	
Date of Board meeting	09/24/14	
Performance conditions	(1)	
Number of beneficiaries	308	20
Corporate executive officers	0	
Yves Guillemot, Chairman & CEO	N/A	
Christian Guillemot, Executive Vice President	N/A	
Type of shares	preference (5)	
Vesting period + retention period of the AGAP	3+2	5+0 (6)
Vesting date of the AGAP	09/25/17 (7)	09/24/19 (7)
End date of the retention period of the AGAP	09/24/19	N/A (6)
Date of automatic conversion (8) of the AGAP into ordinary shares (OS) (5)	09/25/19	
Total number of AGAP granted initially	12,446	649
that may give the right to a maximum number of ordinary shares (OS) (5)	373,380	19,470
Cumulative number of AGAP cancelled before the vesting date	972	0
Number of AGAP created	11,474	649
Number of AGAP cancelled at the conversion date	11,474	649
Balance of AGAP to be created at 03/31/20		
that may give the right to a maximum number of ordinary shares (OS) (5)	0 (9)	

(1) 100% subject to individual performance objectives linked to the beneficiary's contribution: plan of 09/23/15: not applicable to 1 beneficiary subject to internal performance conditions (see (2))/plan of 06/23/16: not applicable to 3 beneficiaries subject to internal performance conditions (see (4))

(2) Internal performance conditions: 60% contingent upon achieving predefined levels of average non-IFRS Group EBIT over 3 financial years and 40% contingent upon achieving predefined levels of average Group sales over 3 financial years (3 eligible beneficiaries under the plan of 12/16/14 and 1 eligible beneficiary under the Plan of 09/23/15)

(3) Internal performance condition: 100% contingent upon achieving predefined levels of average non-IFRS Group EBIT over 3 financial years (2 beneficiaries concerned by the plan of 12/16/15)

(4) Internal performance condition: 100% contingent upon achieving an average level of non-IFRS Group EBIT over 3 financial years measured proportionally based on a target used as a reference base for calculating proportionality and a floor below which the grant is void (3 beneficiaries concerned by the plan of 06/23/16 and 1 beneficiary concerned by the plan of 12/14/16)

07/01/14	07/01/14		09/23/15	09/23/15		09/23/15
12/16/14	09/23/15		12/16/15	06/23/16		12/14/16
(2)	(1) (2)		(3)	(1) (4)		(4)
3	22	2	2	41	2	1
0	0		2	0		1
N/A	N/A		1,333 (5)	N/A		394 (5)
N/A	N/A		167 (5)	N/A		N/A
preference (5)	preference (5)		preference (5)	preference (5)		preference (5)
3+2	3+2	5+0 (6)	3+2	3+2	5+0 (6)	3+2
12/18/17 (7)	09/24/18 (7)	09/23/20	12/17/18 (7)	06/24/19 (7)	06/23/21	12/16/19 (7)
12/17/19	09/23/20	N/A (6)	12/16/20	06/23/21	N/A (6)	12/15/21
12/18/19	09/24/20		12/17/20	06/24/21		12/16/21
2,409	4,388	318	1,500	6,518	320	394
72,270	131,640	9,540	45,000	195,540	9,600	11,820
0	0	0	0	0	0	0
2,409	4,388	0	1,500	6,518	0	394
2,409	-	N/A	-	-	N/A	-
	0	318	0	0	320	0
0 (9)	131,640	9,540	45,000	195,540	9,600	11,820

(5) 1 AGAP that may give the right to 30 ordinary shares subject to achievement of share market price conditions (at the end of the retention or vesting period (8)) with application, if applicable, of a proportional and linear sliding scale:

- *if ↘ in the market price compared to the Stock Market Floor price*: the AGAP will not give entitlement to any ordinary shares*
- *if ↗ in the market price up to 50% compared to the Stock Market Floor price*: each% of ↗ entitles holder to 0.6 ordinary shares*
- *if ↗ in the market price ≥ 50% of the Stock Market Floor price*: 1 AGAP entitles the holder to 30 ordinary shares*

** Average price over the 20 trading days preceding the Board of directors' meeting granting the shares*

(6) Extension to the vesting period and corresponding waiver of the retention period for the beneficiaries of international mobility (plans of 09/24/2014, 09/23/15 and 06/23/16)

(7) End of vesting period: creation and delivery of preference shares (ISIN code: FR0013306776) to the eligible beneficiaries at the vesting date

(8) Automatic conversion substituted for the one year conversion period by an amendment to the plan regulations on 09/18/19

(9) Having given right to the conversion into 363,690 ordinary shares (plan of 09/24/14) and 72,270 ordinary shares (plan of 12/16/14)

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4.2.3.6 AMF Table no. 8: Summary of share subscription or purchase option plans valid as at March 31, 2020

Plan	Plan 30	Plan 31	Plan 32	Plan 33	Plan 34	Plan 35
General Meeting	09/24/12	09/24/12	09/23/15	09/23/15	09/23/15	09/23/15
Board of directors	09/23/15	12/16/15	06/23/16	12/14/16	03/30/17	06/27/17
Number of beneficiaries	90	3	138	5	39	75
Number granted	328,100	37,500	758,810	29,344	220,700	418,500
of which corporate executive officers						
Yves Guillemot	N/A	N/A	N/A	N/A	N/A	N/A
Claude Guillemot	N/A	12,500 (1)	N/A	4,836 (3)	N/A	N/A
Michel Guillemot	N/A	12,500 (1)	N/A	4,836 (3)	N/A	N/A
Gérard Guillemot	N/A	12,500 (1)	N/A	4,836 (3)	N/A	N/A
Christian Guillemot	N/A	N/A	N/A	4,836 (3)	N/A	N/A
Opening date	09/23/16	May 2019 (1) (2)	06/23/17 May 2020 (2) (3)	12/14/17 May 2020 (2) (3)	03/30/18	06/27/18
Expiry date	09/22/20	12/15/20	06/22/21	12/13/21	03/29/22	06/26/22
Subscription or purchase price	€17.94	€26.85 (without discount)	€33.015	€31.955 (without discount)	France €37 World €39.03	France €50.02 World €51.80
Terms and conditions of exercise	25% per year from 09/23/16	corporate executive officers: May 2019 (1) (2)	25% per year from 06/23/17 May 2020 (2) (3)	25% per year from 12/14/17 May 2020 (2) (3)	25% per year from 03/30/18	25% per year from 06/27/18
Number of options exercised between allocation and 03/31/20	171,873	25,000	293,403	5,000	82,450	92,125
Number of options canceled or void since allocation	85,177	0	64,876	0	8,625	20,500
Number of options outstanding at 03/31/20	71,050	12,500	400,531	24,344	129,625	305,875

(1) 100% of the grant is contingent upon the fulfillment of performance conditions based on an average level of non-IFRS Group EBIT assessed over 4 financial years. The final percentage of grant will depend on thresholds to be reached set out according to a percentage of achievement of the cumulated objectives.

(2) For the corporate executive officers (plans 31 and 33) and/or members of the Executive Committee (plan 32: 1 beneficiary), the performance conditions to be met are spread over 4 financial years and based on the cumulative separate financial statements as of March 31. They may exercise their options only once the Nomination and Compensation Committee has confirmed that the performance conditions have been met following the approval of the financial statements in May of the fourth year (Plan 31: May 2019/Plans 32 and 33: May 2020)

(3) Plan 32 (1 member of the Executive Committee)/Plan 33 (4 corporate executive officers): Internal performance condition: achievement of an average Group EBIT assessed on the cumulative basis of 4 financial years:

- *if average non-IFRS Group EBIT < 70% of the target average non-IFRS Group EBIT: acquisition of SOP canceled*
- *if average non-IFRS Group EBIT ≥ 70% and < 100% of the target average non-IFRS Group EBIT: acquisition of SOP proportional to the % achieved*
- *if average non-IFRS Group EBIT ≥ 100% of the target average non-IFRS Group EBIT: acquisition of 100% of the SOP confirmed*

(4) For the members of the Executive Committee (plan 40: 1 beneficiary/Plan 42: 2 beneficiaries) and the corporate executive officers (plans 41 and 43: 5 beneficiaries), the performance conditions to be met are spread over 3 financial or calendar years. They may exercise their options only once the Nomination and Compensation Committee has confirmed that the performance conditions have been met, i.e. from the fourth year of the plan (Plan 40: 06/27/22/Plan 41: 12/17/22/Plan 42: 07/02/23/Plan 43: 12/12/23)

	Plan 36	Plan 37	Plan 38	Plan 39	Plan 40	Plan 41	Plan 42	Plan 43	Plan 44
	09/23/15	09/23/15	09/23/15	09/23/15	06/27/18	06/27/18	06/27/18	06/27/18	06/27/18
	09/22/17	12/12/17	04/13/18	06/27/18	06/27/18	12/17/18	07/02/19	12/12/19	02/13/20
	2	1	2	4	56	5	62	5	4
	11,000	2,500	11,500	19,579	188,454	56,031	330,678	67,743	21,515
	N/A	N/A	N/A	N/A	N/A	41,607 [5]	N/A	50,683 [5]	N/A
	N/A	N/A	N/A	N/A	N/A	3,606 [5]	N/A	4,265 [5]	N/A
	N/A	N/A	N/A	N/A	N/A	3,606 [5]	N/A	4,265 [5]	N/A
	N/A	N/A	N/A	N/A	N/A	3,606 [5]	N/A	4,265 [5]	N/A
	N/A	N/A	N/A	N/A	N/A	3,606 [5]	N/A	4,265 [5]	N/A
	09/22/18	12/12/18	04/13/19	06/27/19	06/27/19 06/27/22 [4] [5]	12/17/22 [4] [5]	07/02/20 07/02/23 [4] [5]	12/12/23 [4] [5]	02/13/21
	09/21/22	12/11/22	04/12/23	06/26/23	06/26/23	12/16/23	07/01/24	12/11/23	02/12/25
	€57.26	€64.63	€73.86	€94.58	€94.58	€68.59 (without discount)	France €69.55 World €69.70	€54.30 (without discount)	€73.80
	25% per year from 09/22/18	25% per year from 12/12/18	25% per year from 04/13/19	25% per year from 06/27/19	25% per year from 06/27/19 06/27/22 [4] [5]	12/17/22 [4] [5]	25% per year from 07/02/20 07/02/23 [4] [5]	12/12/23 [4] [5]	25% per year from 02/13/21
	0	0	0	0	0	0	0	0	0
	3,000	2,500	1,500	0	9,124	0	10,302	0	0
	8,000	0	10,000	19,579	179,330	56,031	320,376	67,743	21,515

(5) Plan 40 (1 member of the Executive Committee)/ Plans 41 and 43 (5 corporate executive officers)/ Plan 42 (2 members of the Executive Committee):

- *50% of the acquisition contingent upon the achievement of average non-IFRS Group EBIT assessed over 3 financial years, with an acquisition by tier as follows:*
  - *< 80% average Group EBIT → 0% of the award based on this criterion*
  - *≥ 80% and < 90% average Group EBIT → 30% of the award based on this criterion*
  - *≥ 90% and < 100% average Group EBIT → 50% of the award based on this criterion*
  - *≥ 100% → 100% of the award based on this criterion*
- *50% of the acquisition contingent on achievement of a Ubisoft TSR compared to the TSR of the NASDAQ Composite Index assessed over 3 years, with an acquisition by tier as follows:*
  - *< 50th percentile → 0% of the award based on this criterion*
  - *≥ 50th and ≤60th percentile → 50% of the award based on this criterion*
  - *> 60th percentile → 100% of the award based on this criterion*

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5 Corporate social responsibility

5.1 Methodology note on employee-related, environmental and societal reporting

5.1.1 INDICATOR FRAMEWORK

Ubisoft has defined its framework with a view to tracking performance relating to the Group's main environmental, employee-related and societal issues, based on:

- the regulatory requirements of articles L. 225-102-1 and R. 225-105-2 imposing the obligation to produce a statement of non-financial performance (hereinafter the "DPEF" - *Déclaration de performance extra-financière*) following the transposition of European Directive 2014/95/EU on the disclosure of non-financial information (*Order No. 2017-1180 of July 19, 2017 and Decree No. 2017-1265 of August 9, 2017*);
- the G4 guidelines of the Global Reporting Initiative (GRI), a multiparty organization, which prepares a framework of sustainable-development reporting indicators that are internationally recognized and whose purpose is to develop globally applicable directives for reporting on companies' economic, environmental and social performance.

All the information required in the DPEF can be found in the cross-reference table at the end of this Universal Registration Document.

5.1.2 REPORTING PERIOD

Reporting periods differ depending on CSR themes. These break down as follows:

CSR data	Reporting periods		
	04/01/19 – 03/31/20 (12 months)	01/01/19 – 12/31/19 (12 months)	01/01/19 – 03/31/20 (15 months)
Employee-related	✔		
Environmental		✔	
Societal			✔

5.1.3 SCOPE OF REPORTING

The scope used for CSR reporting is the Group, which is defined as all fully consolidated companies.

However, some indicators are only available for a limited scope.

Where this is the case, and in the interests of consistency, the reporting scope is defined as follows:

- ***Employee-related indicators*** [(1)]: companies outside France ≥ 20 employees and French companies [(2)];
- ***Environmental indicators*** [(3)]: sites outside France ≥ 20 employees and French sites [(2)].

Where appropriate, the scope covered is always indicated, giving the companies/sites concerned and/or their representativeness as a percentage of the Group's headcount.

Employee-related reporting concerns all Group subsidiaries with the exception of Canadian subsidiary Hybride Technologies Inc. (138 people), not currently consolidated in the Group's human resources scope of reporting, due to the fact that it does not use the human resources IT system used by all other Group subsidiaries, notably to enable the automated recording of employee-related data.

5.1.4 CHANGE IN METHOD/CONDITIONS COMPARED WITH THE PREVIOUS FINANCIAL YEAR

- ***Change in the scope of reporting*** linked to employee-related indicators for which information is only available for a limited scope:

Scope of reporting	04/01/19 – 03/31/20	04/01/18 – 03/31/19
Companies outside France	≥ 20 people	≥ 25 people
French companies	100%	100%
% staff taken into account	99.4%	98.5%

As a result of this change, information is supplied in the event of material impact on the comparability of CSR data with data reported the previous financial year.

- ***Indicator-related change***:

Training-related indicators: Over the course of the financial year, the Group has redefined its most significant quantitative indicators: total on-site training hours, percentage of employees receiving training and the average number of training hours per person. Information linked to training expenditure is not representative in light of the growing number of training sessions prepared internally.

(1) The scope defined in this way covered 99.4% of the Ubisoft Group workforce at the end of March 2020

(2) Scope defined on the basis of the Ubisoft Group workforce at the end of September 2019

(3) The scope defined in this way covered 99.1% of the Ubisoft Group workforce at the end of March 2020

5.1.5 INDICATORS DEEMED NON-RELEVANT BY THE GROUP, NOT EXAMINED IN THE DPEF

Themes covered by the DPEF	Ubisoft comments
Actions to prevent food waste	The Ubisoft Group is committed to the fight against food waste. However, given the nature of its business and since there is no company cafeteria at many of its sites, it only handles a small quantity of food waste.
Ways to combat food insecurity and promote a responsible, fair and sustainable food system	Not applicable to our business
Respect for animal welfare	Not applicable to our business

5.1.6 REPORTING PRINCIPLE

The Corporate Social Responsibility Department (CSR) is in charge of leading and coordinating the CSR reporting. To this end, it has drawn up this reporting protocol specifying:

- the list of CSR indicators illustrating their correlation with the GRI framework;
- indicator definitions to ensure that they are uniform for the whole Group and leave no room for interpretation;
- the scope used;
- the processes to be followed for the collection of information and the calculation of indicators;
- the information sources and supporting documentation to be provided (this list is not exhaustive. They are provided as examples and may be added to where necessary);
- the format in which data/information is to be recorded;
- the list of published indicators and the relevant paragraph numbers of the Group's Registration Document for period N-1.

This protocol serves as a reference for the collection and consolidation of data. To this end, the CSR Department must:

- tell its local representatives or contacts what information they need to collect;
- ensure that the information collected is available, uniform and documented;
- verify the completeness, consistency and accuracy of the data (*see section 6.2*);
- ensure that:
  - any absence of information has been justified and explained,
  - any variation of more or less than 15% in quantitative data against the previous period is explained;
- formally validate the data collected.

Once the collected data has been validated, the Corporate Social Responsibility Department also works to:

- consolidate the data;
- prepare the consolidated statement of non-financial performance;
- verify the accuracy of the CSR information presented in the consolidated statement of non-financial performance to be published in the Ubisoft Group Universal Registration Document.

Specifications on the internal controls carried out on collected and consolidated data

To ensure the reliability of the published information, the collected and consolidated data are subject to formal controls including:

- an analytical review of the data (comparison with the n/n-1 data);
- analysis and calculation of ratios;
- consistency checks;
- sample documentation checks.

Specifications on the methods for collecting data

- Regarding **employee-related indicators**, these are collected:
  - either directly, using the MicroStrategy reporting tool, which makes it possible to exploit data from the human resources management software program (HRTB) used by all the Group's subsidiaries,
  - either via the reporting tool Act21 which enables the recording of employee-related information not tracked in HRTB.

  It should be noted that for all employee-related indicators, the members of staff taken into account are those defined in the total headcount unless stated otherwise.
- With regard to the **environmental and societal indicators**, these are collected:
  - for each site through a qualitative and quantitative questionnaire managed using the reporting tool Act21, prepared in accordance with the reporting protocol,
  - from cross-functional departments for the collection of global data at Group level.

Consolidation and verification

The subsidiaries submit their employee-related, environmental and societal data to the CSR Department in charge of collecting and ensuring the consistency of the data.

On the basis of all the consolidated data, the Administration Department conducts various controls (analytical data review, consistency checks, spot checks on documentation, etc.) to improve the reliability of the information published.

5.1.7 METHODOLOGICAL CLARIFICATION OF INDICATORS

Regarding employee-related data

- Staff are defined as all employees registered at the end of the period, regardless of the type of employment (full- or part-time), with an open-ended or fixed-term contract. Casual workers, seasonal workers, freelancers, the self-employed, interns, sub-contractors and temporary workers are not included.
- A hire is defined as any individual who joins the workforce during the period in question. Fixed-term contract renewals are not included in new hires.
- The male-female pay ratio, based on the total workforce, is calculated by level of responsibility and business line within each subsidiary for which both men and women are represented. This ratio is weighted by the corresponding headcount, then consolidated by country.
- To determine the number of training hours, only training activities undertaken on site by an internal or external trainer and attendance at specialist conferences are included in the training plan. E-learning courses and team meetings are therefore excluded. Furthermore, only training hours relating to sessions undertaken and completed during the financial year are taken into account, irrespective of their duration. Logged training hours also include training given to employees present during the period but who had left the Group as of the reporting date.
- In order to determine the number of employees trained, an employee who takes part in several training programs is only counted once. The number of employees that have undertaken e-learning training is also presented in a separate indicator.
- A manager is defined as someone who is hierarchically responsible for at least one person (also including interns not counted as staff).
- A top manager is defined as a member of the Executive Committee or a Director reporting directly to the Executive Committee.

Regarding environmental data

- The reporting includes data on the environmental impact of consumables used by the Group's main suppliers to manufacture games and ancillary products.
- To determine its CO_2 emissions, the Group uses the following procedures:

Datacenters (energy)	♦ Recording of electricity consumption throughout 2019. ♦ Application of emission factors according to the energy mix.
Datacenters (non-current assets)	♦ Application of emission factors to the number of servers over their useful lives.
Visitors	♦ Application of a factor provided by an external expert in 2015 on the total number of employees.
Freight – Upstream	♦ Recording of kg/km per means of transport, and application of ADEME factors. ♦ Sea freight partly included.
Freight – Downstream	♦ Estimation or recording of kg/km per means of transport, and application of ADEME factors.
Employee commuting	♦ Local recording of means of transport used. ♦ Calculation according to the number of days worked and region where the site is based.
IT assets (excluding servers)	♦ Application of ADEME 2017 emission factors to the number of devices over their useful lives (or depreciation periods for devices returned to first parties before the end of their useful lives).
Buildings (energy)	♦ Local recording of electricity consumption throughout 2019. ♦ Application of emission factors according to the use of renewable energies for French and Canadian sites. ♦ Application of national emission factors on other sites (source: ADEME – the French Environment and Energy Management Agency).
Buildings (air conditioned)	♦ Estimation of the amounts of substances based on the information provided by an external expert in 2015. Application of ADEME 2017 factors.
Buildings (non-current assets)	♦ Local recording of the number of m² in the buildings and number of parking spaces. Emission factor applied to the surface area and useful life.
Purchase of services	♦ Breakdown of service purchases into three categories, use of 2017 ADEME factors.
Business trips	♦ Local recording of flights booked for the entity's staff and guests in 2019. ♦ Application of an ADEME 2017 factor.
Manufacturing	♦ Recording or estimation of the composition and quantities of products, application of emission factors to quantities of various materials.

5.1.8 METHODOLOGICAL LIMITS OF THE INDICATORS

The indicators may present methodological limits due to:

- a lack of standardization in national/international definitions and legislation;
- the representativeness of the measurements and estimates made;
- the practical methods of collecting and entering information.

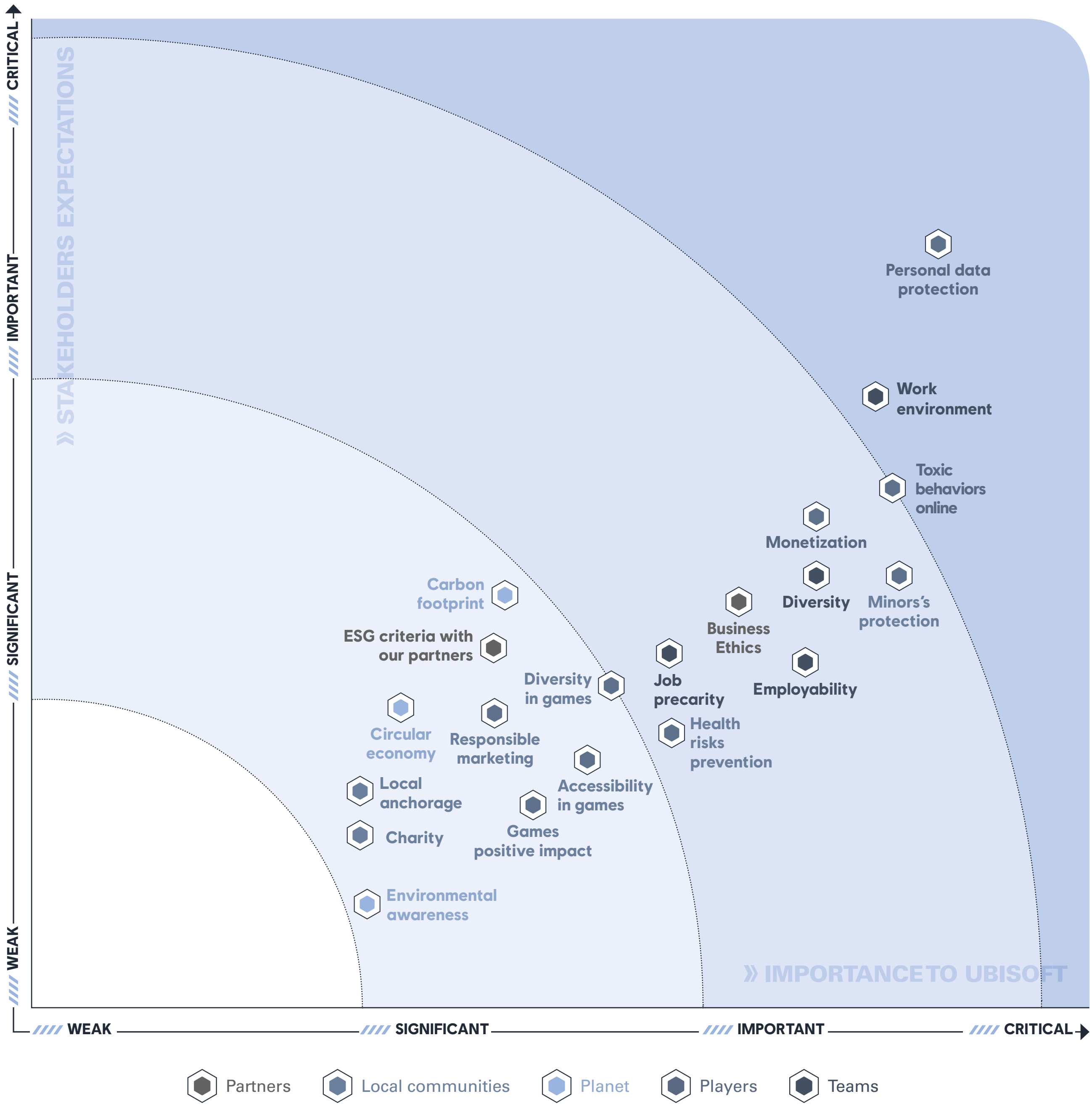
5.2 Corporate social responsibility governance

5.2.1 CORPORATE SOCIAL RESPONSIBILITY STRATEGY

Ubisoft is committed to developing a positive and long-lasting impact for all its stakeholders, both internal and external. The corporate social responsibility strategy is broken down by stakeholder type: players, teams, local communities, business partners, and the planet.

Over the 2019/2020 financial year, the Group updated its materiality matrix with the help of a specialist consultancy firm. This matrix has enabled the Company to supplement the social responsibility issues identified internally with the expectations of its stakeholder ecosystem. The results of this materiality analysis are presented below.

MATERIALITY MATRIX



The most critical issues highlighted by this materiality matrix relate to player protection (personal data, combatting toxicity, protection of minors, monetization) and well-being at work (working environment, diversity). The Group has already made a commitment to addressing these major issues and work will continue in these areas over the coming years.

Furthermore, issues concerning the environmental impact and local involvement that have been deemed significant are also a key component of the Group's consideration of its civic responsibility. The Group will continue to expand on the measures already in place.

This report therefore reflects all of the initiatives implemented to respond to these material societal issues for Ubisoft.

MATERIAL SOCIETAL ISSUES FOR UBISOFT AND ASSOCIATED RISKS

	Issues	Ubisoft commitments	Associated risks
As a game publisher	**Offering a customized gaming experience that enriches players' lives beyond pure entertainment**	♦ Learning ♦ Cognitive development ♦ Social interaction ♦ Diversity ♦ Accessibility ♦ Combatting toxicity ♦ Protection of minors ♦ Data protection	**Risks associated with game use**
As an employer	**Acting as a responsible employer**	♦ Employability ♦ Well-being at work ♦ Diversity and inclusion ♦ Non-discrimination	**Risks associated with recruiting and retaining talents**
As a corporate citizen	**Developing our local roots anchorage** **Developing enduring relations with our business partners** **Optimizing our environmental impact**	♦ Local jobs ♦ Charitable initiatives and partnerships ♦ Festive and cultural events within communities ♦ Social and environmental criteria ♦ Duty of Care ♦ Digitalization ♦ Carbon footprint	**Risks associated with Ubisoft's integration in the local socio-economic landscape** **Risks associated with our relations with our business partners** **Environment-related risks**

5.2.2 ORGANIZATION

The Corporate Social Responsibility Department, created in 2015 and comprising a dedicated team, develops, coordinates and/or leads projects designed to address the material societal issues identified.

The Board of directors set up the Corporate Social Responsibility Committee during the previous financial year. It is tasked with examining the strategy and action plan with respect to the Group's CSR and putting forward any recommendations it may have in this regard. It also audits the CSR information to be included in the Universal Registration Document and submitted to the Board of directors in accordance with applicable legal and regulatory requirements.

For the 2019/2020 financial year, the Corporate Social Responsibility Committee notably proposed non-financial "CSR" performance indicators in relation to the annual variable compensation of the Chairman and Chief Executive Officer and the multi-annual variable compensation (employee stock ownership plans) of all corporate executive officers for 2020/2021, linked to the achievement of CSR targets defined as priorities for the Group [1].

(1) See Section 4.2 "Compensation of corporate officers"

5.2.3 CODE OF CONDUCT

The Group has worked with numerous experts to develop an internal Code of Conduct that gives employees guidelines and key contacts to help deal with sensitive situations they may face during their day-to-day working lives. Broken down by stakeholder type, this Code covers gifts and entertainment as well as confidential data, corruption and inappropriate behaviors. This Code of Conduct is shared with all of the teams and updated in line with sectoral and organizational changes to which the Group is subjected.

During the 2019/2020 financial year, a major communications campaign was launched to reinforce the roll-out of the Code and to ensure that all teams are familiar with this document. As at March 31, 2020, 49.8% of the teams confirmed, via electronic signature, that they had read and understand the Code of Conduct on our intranet. These efforts will continue until all teams have been made aware of the Code and its contents.

Lastly, the Code of Conduct constitutes a key basis for raising awareness of our duty of care and combatting corruption. The initiatives rolled out during the year to boost compliance with the law on transparency, combatting corruption and modernization of the economy, known as the “Sapin 2 Law,” are presented in Section 3.2 “Risk management and internal control mechanisms.”

5.2.4 PREVENTING TAX EVASION

In the fight against tax evasion, the Group publishes a detailed report each year on the countries in which it is located (known as “country by country reporting”), setting out for each country: sales, pre-tax profit, tax paid and due, staff numbers, etc. This shows quite clearly that the Group’s choices of location are not guided by tax considerations.

5.2.5 RELATIONS WITH STAKEHOLDERS

The Group considers all people and organizations directly or indirectly affected by the Company’s business activities to be stakeholders.

The materiality analysis carried out in 2019 (see section 5.2.1. “Corporate Social Responsibility Strategy”) is an excellent opportunity for the Group to learn more about the expectations of its internal and external partners, and to create a new channel for dialog based on the social responsibility issues.

In addition to the materiality analysis, Ubisoft continues to maintain constant dialog with its stakeholders, and forge a sustainable relationship that respects the interests of everyone. The main methods of dialog with these stakeholders are presented below:

Stakeholders	Methods of dialog
Customers	♦ Online communication (for online games) ♦ Consumer get-togethers (focus groups) ♦ Publication of information about our products ♦ Networking events during promotional tours or industry events (E3, Gamescom, etc.) ♦ E-sport tournaments (R6 invitational), Just Dance *world championships* ♦ Ubisoft club, star players program
Suppliers	♦ Buyer/supplier meetings ♦ Supplier selection process
Shareholders and investors	♦ Conferences for the presentation of results, meetings and plenary meetings
Employees	♦ Biannual employee satisfaction surveys ♦ Local satisfaction surveys on well-being at work ♦ Dialog with employee representation bodies (if applicable under local regulations) ♦ Organization of Sharetimes and other teamworking initiatives
Research centers	♦ Collaborative approach, creation of and participation in R&D programs, university chairs, open innovation events
Communities, NGOs	♦ Partnerships with NGOs and/or local associations
Local businesses	♦ Partnerships with local businesses (local retailers, etc.)
State, public organizations, etc.	♦ Participation in working groups on the challenges facing our industry ♦ Local meetings with town councils or local government entities

5.3 Offering a customized gaming experience that enriches players' lives beyond pure entertainment

5.3.1 DEVELOPING THE POSITIVE IMPACT OF OUR GAMES BEYOND PURE ENTERTAINMENT

As a publisher of video games, offering a positive gaming experience is a key challenge that forms part of our vision for society. Ubisoft strives to offer increasingly inclusive games that enable players to acquire knowledge and skills beyond pure entertainment.

APPROACH

To address this challenge, creative working groups have been organized by the editorial team throughout the year. The creative process is decentralized and as such, the development teams are keen to integrate more in-depth knowledge and develop mechanisms that offer learning through gaming. However, this integration decision is particular to each game and must find its place in the consistency of the world selected by the team.

The process is long-term and hence, progressive. Over the past few years, the projects developed have helped make progress in the following areas:

ACQUISITION OF KNOWLEDGE AND SKILLS

In addition to fun and emotive aspects, gaming encourages the discovery of history (Ancient Egypt in *Assassin's Creed Origins* and Ancient Greece in *Odyssey*), learning (the guitar with *Rocksmith*, programming with *Rabbids Coding*), socialization and leadership (online team games such as *Rainbow Six*) and physical activity (*Just Dance*).

We are also developing technological experiences that facilitate cultural learning and development. Gaming can also be a source of inspiration for teachers coming up with learning modules and lessons. We also showcase gaming as an artistic expression of our time, with exhibitions of our graphic and digital arts in museums (Arab World Institute, American Museum of Natural History in New York, Montreal Archaeology and History Complex) and concerts of the music used in our games (video game music weekend at the Paris Philharmonic, *Assassin's Creed* symphony tour).

OVERCOMING STEREOTYPES BY DEVELOPING RICH AND COMPLEX CHARACTERS CONSISTENT WITH OUR UNIVERSES, WHICH TEND TO REFLECT THE DIVERSITY OF THE WORLD AROUND US

The production teams increasingly strive to develop characters that reflect the complexities of life today. For instance, *Assassin's Creed Odyssey* allows players to select the gender of the main character (Kassandra or Alexios). *Watch Dogs 2* presents a diversity of protagonists in the context of Silicon Valley with its character Marcus Holloway (Afro-American) or Josh Sauchak (on the autism spectrum). *Rainbow Six Siege* offers a diverse choice of operators (over one hundred playable characters) with a variety of ethnic backgrounds and of whom almost half are female avatars.

DEVELOPING GAME ACCESSIBILITY FOR PEOPLE WITH DISABILITIES

Ubisoft has strengthened its commitment to accessibility in order to offer a lasting, positive gaming experience for all, irrespective of their physical or mental condition. A project on the accessibility of video games for people with disabilities was launched in 2017 and has enabled, as a first achievement, our rapid compliance with the US law applicable with effect from January 1, 2019 (Communication and Video Accessibility Act), which seeks to improve the accessibility of communication services within video games (messaging, vocal and/or video chats) for people with disabilities (target met in the game *Tom Clancy's The Division 2* which came out in early 2019 and valid for all future games).

This commitment has now passed this first milestone and aims to ensure all players, regardless of disability, can access our games. This now forms an integral part of the development and validation process for our games and our production teams are assisted by internal and external consultants who specialize in accessibility. As a result, numerous games released in 2019 included significant accessibility functionalities, for instance *Ghost Recon Breakpoint* with the option to reconfigure the controls on all platforms, and *Tom Clancy's The Division 2* and its gaming interface, which is fully-customizable in terms of functionalities and dimensions. Other examples include the games *Far Cry New Dawn* and *Tom Clancy's The Division 2*, which both have a feature allowing for the automatic narration of what is happening on-screen, as well as directional subtitles showing from which direction noises and voices are coming. It should be noted that *Far Cry New Dawn* has been formally recognized for this latest functionality, having been awarded the "Best Accessibility Feature You Wish All Games Would Implement" label from caniplaythat.com.

FOCUS: COLLABORATING WITH GAMING ASSOCIATIONS TO IMPROVE THE ACCESSIBILITY OF OUR GAMES

The accessibility of our games is assessed using an internal framework inspired by assessment systems put in place by groups of players with disabilities. This framework helps to assess the accessibility level of games, from "basic" (ability to play the game, even without access to all of its functionalities, for a player with disabilities) to "barrier-free" (ability to play it fully like any other player), with other options including "intermediate" and "advanced" depending on the type of disability (motor, cognitive, visual, auditory). The Group's goal is for all games to be accessible to everyone at "basic" level before the end of 2020 and for certain games to achieve "intermediate" level (for the more ambitious titles).

Furthermore, several of our studios are working with associations for players with disabilities (CapGame in France, AbleGamers in the United Kingdom, Funbikator in Sweden) in order to raise teams' awareness of their needs and work together with them on the design of upcoming games by inviting them to take part in user tests.

Lastly, to inform the communities concerned, a page dedicated to the accessibility functionalities of our games is available on the Customer Support website. This information allows players to find out whether it will be possible for them to play the game before buying it.

PROMOTING SOCIAL INTERACTIONS BETWEEN PLAYERS BEYOND GAMEPLAY AND SUPPORTING OUR PROFESSIONAL PLAYERS

Community developers organize player communities, learn more about their needs and ensure a link with the development teams in order to improve the gaming experience. Tournaments are an opportunity to bring players and fans together in one place and to promote social interactions. Spectators at these tournaments can also take part in challenges without being players themselves.

For Ubisoft, the growth of e-sport has also led to the organization of competitions such as "Six invitationals" and "Majors" for *Rainbow Six Siege*, as well as international *Brawlhalla®* tournaments and a *Trackmania®* world championship.

Certain players have become professional e-sport players and set up clubs with a coach and gaming analysts, a role that requires high levels of dedication and strong day-to-day discipline. Similarly, on *Rainbow Six*, we support our best players all over the world through their clubs. In addition, to help develop the e-sport gaming ecosystem, Ubisoft has developed a scheme for sharing the revenues generated by the e-sports world of *Rainbow Six* with the various clubs, to contribute to the professionalization and contractualization of their players.

5.3.2 OFFERING OUR PLAYERS A SAFE GAMING ENVIRONMENT FOR A POSITIVE GAMING EXPERIENCE

As a publisher of video games, we take the well-being of our players very seriously and we want to ensure they have the most positive gaming experience possible. We listen to our communities and work with our main unions and numerous stakeholders to identify potential risks associated with the gaming environment and to come up with responses that are shared with the video game industry.

APPROACH

PREVENT TOXIC BEHAVIOR IN ONLINE COMMUNITIES

Ubisoft has a responsibility to provide its players with the best gaming experience possible. With this in mind, particular attention is given to problems of toxicity in online communities. Any form of harassment, racism, discrimination, threatening behavior or cheating within the games or the communities will not be tolerated.

All of Ubisoft's multi-player games and forums are covered by Codes of Conduct, which set out the types of behavior that are forbidden, the safety regulations and possible sanctions. These Codes of Conduct are available on the game websites, on forums, and on the Customer Support site. A dedicated professional team is tasked with moderating the forums and the content created by gamers. A sanction system has been introduced; each alert is investigated and may give rise to sanctions, depending on the seriousness of the misconduct. Sanctions can range from a simple warning to a temporary or permanent ban from a game.

Our "Client Relationship Centers" in Europe and North America also encourage players who witness inappropriate behaviors to report them immediately so that appropriate action can be taken (warnings, bans, etc.).

In addition, automatic filter systems can mask in real-time any language or comments that may be deemed abusive or discriminatory in the chats (instant messaging used in online games).

It should also be noted that during 2019, in the competitive team game *Rainbow Six Siege*, Ubisoft decided to introduce a system entitled "reverse friendly fire" to combat behavior involving the deliberate elimination of one or more teammates during the game. This system is fully incorporated within the design of the game and helps to control this type of behavior by imposing the damage suffered by the victim on the offending player, resulting in a considerable reduction in the number of eliminations within the same team, enabling players to get more out of their gaming sessions and to work together in a more peaceful manner.

This strategic commitment to combatting toxic behavior has been incorporated within the annual variable compensation of the Chairman and Chief Executive Officer for the financial year ended March 31, 2020.

Ubisoft is also an active partner of the Raising Good Gamers initiative, alongside other industry players.

FOCUS: RAISING GOOD GAMERS

As part of the international Raising Good Gamers initiative, Ubisoft took part this year in a series of meetings and workshops jointly organized by the Games for Change movement, The Connected Learning Lab and the DQ Institute. The aim is to work together with other major players in the video game industry to come up with the best way to combat the spread of inappropriate behavior (harassment, discrimination, threatening language, etc.) in the player communities and to raise awareness among younger generations of these problems so as to introduce new ways of thinking and improve their gaming experiences in the future. Researchers, teachers, educators, parents and young players also contribute to these meetings to help develop concrete and tailored solutions.

PROTECTING AND INFORMING YOUNG PLAYERS AND THEIR FAMILIES

Throughout the whole life cycle of a game, the production and distribution teams work directly with the ratings agencies and consumer protection bodies to ensure that all content developed is compliant with age classifications. The main bodies are PEGI (Pan European Game Information) for Europe, ESRB (Entertainment Software Rating Board) for the United States, OFLC (Office of Film and Literature Classification) or COB for Australia, USK (Unterhaltungssoftware Selbstkontrolle – in English: Entertainment Software Self-Regulation Body) for Germany and CERO (Computer Entertainment Rating Organization) for Japan.

These organizations help consumers learn about the nature of the products and their recommended ages based on classification systems designed to guarantee the clear and transparent labeling of video games.

To improve communication with families, a Parents Corner page is available on the Ubisoft main website to answer common questions regarding video game practices, such as how to select a suitable game for your child, how to support your children in terms of time spent playing, what to do to protect them from problematic behaviors, etc. This page has been prepared in partnership with associations including PédaGojeux, the AskAboutGames initiative, a psychologist specializing in digital technologies and by speaking directly to families about their main concerns.

This strategic commitment to protecting young players has been incorporated within the annual variable compensation for the Chairman and Chief Executive Officer for the financial year ending March 31, 2021.

PREVENTING RISKS LINKED TO INTENSIVE VIDEO GAME PLAYING

Ubisoft remains committed to offering its consumers a protected environment by working directly with the professional trade associations of the video game industry, such as SELL [(1)] in France, the ISFE [(2)] in Europe and the ESA [(3)] in the United States.

The Group has been working with psychologists and external experts since 2018 and studies and trials are regularly carried out to allow the best understanding of issues encountered by healthcare professionals and in particular, the risk factors associated with intensive video game playing, for instance in the context of e-sports.

PROTECTING PERSONAL DATA [(4)]

Ubisoft is fully invested in the roll-out of the new General Data Protection Regulation (GDPR). By establishing this regulation and its requirements as a standard applied as widely as possible to all of its markets, the Group sees the GDPR as an opportunity to strengthen the relationship of trust that it has developed with its players, as well as with all of its teams around the world.

The Group has worked to enhance transparency and the methods offered to players to enable them to better control the use of their personal data. This data notably helps us to improve the games and the user experience.

(1) SELL: Syndicat des éditeurs de logiciels de loisirs (French union of entertainment software publishers)

(2) Interactive Software Federation of Europe

(3) ESA: Entertainment Software Association

(4) See Vigilance Plan, "Risks linked to the use by the Group of player and employee personal data"

The Group has committed to collecting only information that is helpful in terms of the experiences offered to players and will not pass this information on to third parties without the consent of the player. Ubisoft also allows people to exercise their rights under the GDPR, such as their right to access, amend or delete such information. This strategic commitment to protect personal data has been incorporated within the annual variable compensation for the Chairman and Chief Executive Officer for the financial year ended March 31, 2020.

Significant resources are therefore implemented to ensure the compliance of internal and external processes; confidentiality policies have been updated, training has been provided to all teams, notably via awareness-raising modules featuring the Raving Rabbids. A team dedicated to the protection of personal data has been specially set up and is comprised of several full-time members of staff. This team works with all of the operational teams and industry experts to ensure the Group's compliance at all levels.

Moreover, during the 2018/2019 financial year, Ubisoft obtained the Governance label from the CNIL (French National Commission for Information Technology and Liberties).

5.3.3 MAIN RISKS ASSOCIATED WITH GAMING

PERSONAL DATA PROTECTION

Guaranteeing the collection and use of personal data in a responsible and transparent manner is at the very heart of Ubisoft's projects aimed at providing a safe gaming environment for all. Ubisoft ensures that it complies with applicable regulations in terms of collecting, using, storing and transferring personal data relating to players, its partners and its employees.

The Group includes the same rules relating to security and control in all agreements with its partners. Ubisoft takes the utmost care when collecting personal data from minors.

Despite all of these measures and a strong determination to protect players, its partners and its employees, there are still risks inherent in the collection and processing of personal data. Risks of fraud, piracy and flaws in IT system security in particular could result in the loss and/or theft of confidential data and legal action being taken by those involved.

TOXICITY IN ONLINE COMMUNITIES AND PROBLEMATIC USE OF VIDEO GAMES

Offering a safe gaming environment is a strategic priority for the Group, which runs various initiatives to educate, safeguard and support vulnerable players. The measures taken include preventing toxic behavior in online communities, safeguarding minors and their families, mitigating the risks around problematic use of video games and protecting personal data.

Despite these measures and the precautions taken, the risk of harm to consumers may still exist. This could damage Ubisoft's reputation and cause the Group to lose customers.

5.4 Acting as a responsible employer

Ubisoft brings together diverse talents to develop original games in a stimulating and fulfilling environment.

Attracting, developing and retaining the finest talent in the industry is one of the key factors determining Ubisoft's success. The Group is committed to offering its teams a creative and secure working environment that allows every individual to learn and grow alongside others who are passionate about their careers. Ubisoft firmly believes that the diversity of its teams is essential to the continuous development of creativity and to remain at the cutting edge of innovation.

The Group's largely organic growth enables Ubisoft to bring in-house the skills and expertise that are vital to developing the best games for the future. With over 15,500 employees in game creation and production, Ubisoft is a leading figure in the video game industry and wins numerous awards every year for its teams' creative abilities.

5.4.1 OFFERING A STIMULATING WORKING ENVIRONMENT TO ALL

5.4.1.1 Ensuring sustained organic growth

At the end of March 2020, Ubisoft had 18,045 employees compared with 15,985 at the end of March 2019. In the 2020 financial year, the headcount therefore increased by 2,060 employees, i.e. up 12.9%. This growth was mainly due to the need to build up the skills and teams required to grow the Group's operations in existing studios and new entities such as Green Panda Games (Germany) and Ubisoft Da Nang (Vietnam).

Staff	03/31/20	03/31/19
Total headcount [1]	18,045	15,985

(1) Corresponds to the Group's total headcount, i.e. 18,045 people, excluding the Canadian subsidiary Hybride Technologies Inc. (138 people) which is not currently consolidated within the Group's human resources reporting scope

Ubisoft continues to grow and has managed a high volume of recruitment, predominantly in production jobs (89% at end-March 2020). New hires increased by 6% over the financial year.

	03/31/20	03/31/19
Total number of hires	4,803	4,533
Redundancies/dismissals	268	229

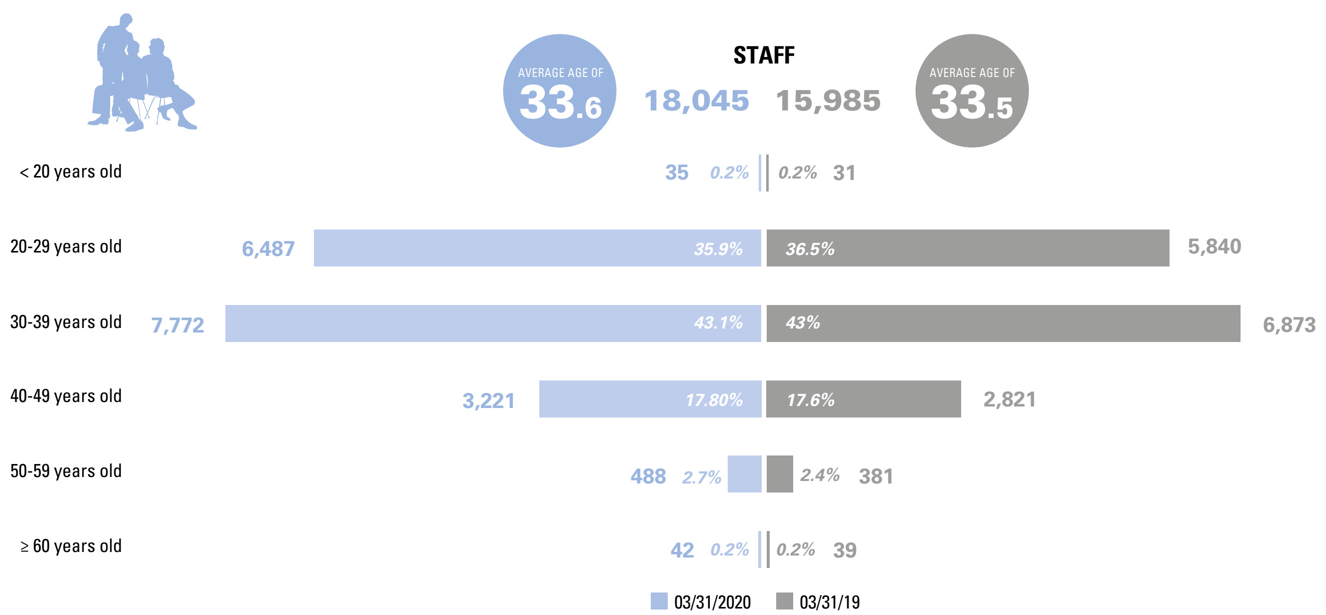
The breakdown of staff by business line and employment type remained relatively unchanged over the period.

Breakdown of staff by business line	03/31/20	%	03/31/19	%
Production	15,560	86.2%	13,676	85.6%
Business	2,485	13.8%	2,309	14.4%

The rate of full-time employment rose to 99.1% over the period and remains stable compared with the previous financial year.

The average age at the Ubisoft Group is 33.6 years. This is on par with the previous financial year, dominated by the 20-39 age group (79%) following extensive recruitment of candidates in their 20s.

The video game industry is a young industry, the development of which comprises the most innovative technologies and the most up-to-date skills on the market (digital marketing, data analytics, streaming, etc.). Staff have been with the company for an average of five years, similar to the previous financial year.



5.4.1.2 Supporting the development of every employee

Ubisoft provides an environment that allows every employee to develop their skills, advance their careers and fulfill their potential in their roles, their teams, and in the company. The managers' roles, accessible and flexible, are reinforced through the day-to-day monitoring of teams via a performance management ecosystem which puts the emphasis on their position as "manager-coaches". Lastly, this performance management system, as well as the related compensation system, helps all employees get the most out of their contribution and performance.

APPROACH

PLACING EACH EMPLOYEE AT THE HEART OF COLLECTIVE PERFORMANCE

The performance philosophy in place at Ubisoft focuses on the optimum understanding of the impact of every individual's work on Ubisoft's overall strategy. As such, it is not only the achievement of targets that is measured, but also the way in which they are achieved.

Tools have also been developed to ensure the teams have the ability to become masters of their own performance and progression, through clear and ambitious targets and transparent and ongoing feedback.

OFFERING CAREER ADVANCEMENT OPPORTUNITIES ADAPTED TO EACH PERSON

The performance management ecosystem provides for regular meetings between employees and their manager throughout the year, to discuss performance, commitment and satisfaction at work. The annual meeting, however, remains an important moment in the year for each employee. During this meeting, employees discuss their annual performance review with their manager, and talk about their job priorities for the future. These discussions enable the managers to assess the satisfaction, commitment and aspirations of each member of their team.

RECOGNIZING THE PERFORMANCE OF EACH INDIVIDUAL THROUGH A LONG-TERM COMPENSATION POLICY

Ubisoft's compensation policy aims to encourage performance, recognize skills and retain talent. Annual salary increases are determined on an individual basis and are linked to Ubisoft's performance, the level of performance achieved, competency in the role and the positioning of the role on the market.

Employee share ownership is another excellent way for Ubisoft to include employees in the Company's success. Employee share ownership initiatives regularly take place.

FOCUS: EMPLOYEE SHARE OWNERSHIP INITIATIVES

At the end of March 2020, total shares held by employees via a Group savings plan amounted to 4% of the share capital.

Following the success of the first issues, in 2019 Ubisoft proposed a new international leveraged employee share ownership scheme allowing staff in 16 countries to invest in Ubisoft's share capital. This plan offers the teams a safe and profitable investment option. The aim of this share ownership plan is to reinforce team commitment by offering staff the opportunity to participate in the company's growth. Over half of all Ubisoft teams are involved in an employee share ownership plan including the Group savings plan and leveraged share ownership initiatives.

Medium-term compensation is also allocated to the highest performing employees. This takes the form of stock option, free share and preference share grants. At the end of March 2020 and taking all plans into account, 14.4% of Group employees were benefiting from these schemes.

Lastly, the Group ensures that its salaries, contracts and working conditions enable all employees to lead a decent life. A study has been carried out on this topic. It is currently being analyzed and updated.

Details of payroll taxes can be found in Note 13 of the financial statements.

5.4.1.3 Developing the employability and skills of our teams

Ubisoft recruits talented and passionate individuals, equipped with the latest technological skills and expertise which are vital to the distinct nature of the video game industry. The Group fosters a collaborative environment that is conducive to the professional growth of its teams, and is actively committed to the development of competent teams that are fully equipped to handle the creative and technological challenges of tomorrow.

APPROACH

ATTRACTING AND TRAINING FUTURE TALENTS

Particular attention is given to the recruitment and support of talented young people in a context of strong growth. Ubisoft offers them the opportunity to rapidly contribute to game projects and thus creates genuine opportunities for learning.

Over the course of the financial year, 1,056 interns and apprentices benefited from an enriching and empowering professional experience at a Ubisoft company, compared with 1,007 during the previous financial year. These internships are instructive and act as a springboard for joining the Group. 39% of these people were offered a job at the end of their internship or apprenticeship.

In addition to efforts to retain people completing internships, Ubisoft applies an active policy of seeking and attracting the most promising young talents. This approach is illustrated by the launch during the financial year of the new employer brand campaign entitled "Create the Unknown".

FOCUS: "CREATE THE UNKNOWN"; A UNIQUE EMPLOYER BRAND FOR UBISOFT

"Create the Unknown" is an employer brand and recruitment campaign launched in 2019 in the main countries in which the Group operates. This campaign celebrates the talented people, diverse brands and unique culture that define Ubisoft. Through installations in public spaces (posters on public transport and in cities), at international video game conferences and online, Ubisoft offers a unique insight into what talented individuals attracted to a career with the Group can expect: an environment in which the creative and technological limits of video gaming and entertainment are constantly being pushed.

Rolled out on a large scale in France and in Canada, this recruitment campaign also involved specific action at the Game Developers Conference (GDC 2019).

Ubisoft and its subsidiaries are also developing a number of programs that encourage the rapid acquisition of key skills which are vital to their professional development:

- the Graduate Program, which seeks to integrate talented young people into fast-growing business lines within two years, one year of which is spent working at a studio abroad, welcomed its sixth class of students this financial year. In addition, the Ubisoft Coding Campus, which offers programming students the opportunity to strengthen their skills through a seven-month mentoring program, has just launched its second term;
- these opportunities are further complemented by local programs. These programs enable Ubisoft to identify individuals with promising talent and to promote the acquisition of rare skills in high demand on the job market, by making the expertise of the Group's teams more widely available:
  - the University competition, the cornerstone of the Ubisoft Education program led by the Quebec studios to train emerging talent in the region's technological sector, has celebrated its tenth edition, for which it saw record levels of attendance: 168 participants of whom 24% women, supported by nearly 50 volunteer employees in the challenge. This edition led to 20 students landing an internship or job offer in one of the Canadian studios. Since 2010, 150 interns and employees have been recruited through this competition,
  - following numerous years of ongoing collaboration with the DigiPen university as part of the development of the training course, in 2019 the Singapore studio launched an even more ambitious program with this partner to teach students how to use the C++ programming language: the C++ampus Curriculum. This original program enables students to benefit from theoretical university training as well as practical in-studio training delivered by experts, all whilst enjoying local apprentice status.

The Indian studios in Pune and Mumbai have joined forces with Rubika, a leading school in game design, to develop the first certified training program specifically for professional game testers. This training allows passionate people to acquire the necessary skills and the professional qualifications to work in this field. Moreover, the studios follow an active policy of recruiting talented young people through a dense network of partner schools. The studio's recruitment event for 2019 saw it welcome 980 students, over 250 of whom were invited to interview for a position or internship.

OFFERING A TRAINING PROGRAM ADAPTED TO THE CHALLENGES OF THE SECTOR

Training [1]	03/31/20	03/31/19
Total on-site training hours	191,704.5	190,928
% of average headcount trained	61.6%	64.8%
Average duration of training (in hours) per employee trained	18.2	19.8

(1) Does not include virtual training, which forms an integral part of the Group's training options

Over the 2020 financial year, 61.6% of employees benefited from at least one on-site training session (excluding e-learning). The total number of hours increased to 191,704.5 hours (versus 190,928 in the previous financial year), thus confirming the Group's ongoing efforts with regard to training.

E-learning	03/31/20	03/31/19
Number of e-learning modules accessible to all employees	681	590
Number of people trained via e-learning	8,311	2,993

At March 31, 2020, 8,311 people had accessed at least one e-learning module. This significant increase is the result of the Group's efforts to raise all employees' awareness of the risk of corruption as part of ensuring compliance with the law on transparency, combatting corruption and the modernization of the economy (Sapin 2 Law).

By its very nature, the video game industry focuses on scarce skills, which are in high demand on the job market (artificial intelligence, cloud computing, UX, etc.), as well as leadership, communication and collaboration skills which are inherent to the Group's work and key to enabling each individual to develop their own flexibility and ability to adapt in an ever-changing market.

The Group carefully follows emerging societal and technological trends and adapts its training offering accordingly so as to ensure that the teams' skills remain consistent with the latest market developments. The training aims to cover all levels of expertise, from the most junior to the most senior, and all types of learners.

To this end, a multitude of learning opportunities are offered to the teams, including opportunities to share and compare practices and improve knowledge, as well as more traditional training to further develop specific expertise. The most common are:

- on-site training and virtual classrooms;
- digital training courses that combine e-learning modules with selected content from the online training catalogs;
- resources in a variety of formats, accessible to all, to satisfy the expectations of all learners: Q&A, surveys, market analyses, benchmarks, videos;
- internal and external conferences with experts, researchers and/or professors and international meetings to exchange ideas about specific skills and expertise;
- online discussion forums are available to the teams to exchange ideas on various topics.

Lastly, Ubisoft focuses on emerging content management occupations. These specialists are integrated within the project teams to help them structure the information generated and to guarantee a high level of communication and collaboration for the duration of each project. The work completed and lessons learned are then used to facilitate the execution of future projects.

5.4.1.4 Offering a fulfilling working environment

Ubisoft strives to develop a fulfilling environment in all of its subsidiaries, with a range of workspaces adapted to the needs of each individual (meeting rooms, relaxation areas, cafeterias). In 2019, the biannual internal satisfaction survey confirmed a feeling of well-being at work shared by the vast majority of employees. In fact, 98% of teams believe that "the atmosphere at work is friendly" and 87% would recommend Ubisoft to their friends. Furthermore, 90% of employees feel they can be themselves at work, underpinning the Group's intention to create an environment in which everyone feels welcome, relaxed and respected.

Ubisoft also encourages the celebration of social events. Each subsidiary organizes annual parties, concerts and internal competitions. In addition, most of the sites and studios organize events and internal celebrations to mark the release of our games.

The quality of the working environment allows Ubisoft to regularly stand out as one of the best employers on the market in the numerous countries in which it operates. While Ubisoft in France was recognized at Palmares 2019 in the Great Place to Work category (sixth place for businesses with 500 -5000 employees), the Canadian studios were ranked fifth in the Forbes list of Canada's Best Employers. Other similar distinctions are regularly awarded to our other studios in their respective countries (Bulgaria, Serbia, etc.).

In addition, the Group's policy, while complying with local applicable legislation, provides employees with a certain amount of flexibility when it comes to organizing their working hours.

The "flextime" policy in place at the Group's main studios and subsidiaries (Montreal, Toronto, Paris, Pune, etc.) is primarily designed to give staff more control over when they start and finish work. Employees can therefore adapt their hours to suit their personal circumstances, while still putting in their weekly hours. Mandatory working hours for all teams remain in place to ensure fluid collaborative working.

This policy, which has been introduced by the majority of subsidiaries, contributes to the well-being of the teams as well as to individual work-related autonomy.

Some subsidiaries also offer flexible working hours for parents. For example, French sites offer adapted start times for parents during the annual back-to-school period. All sites also allow employees the option to take time off for personal reasons, for example parental leave.

Remote working has been widely implemented at all Ubisoft sites in response to the Covid-19 health crisis. Support is in place and will continue throughout the respective lockdowns of each country to ensure the well-being of all staff members and that everyone has the appropriate level of equipment.

5.4.2 DEVELOPING TALENTS AS DIVERSE AS THE WORLD AROUND US

At Ubisoft, we are of the belief that an environment in which individual differences are celebrated can boost creativity and a spirit of open-mindedness, resulting in the creation of increasingly surprising and innovative gaming experiences. We offer an inclusive working environment and strive to reflect the diversity of the world around us. Cultural diversity, gender diversity, and all other forms of diversity strengthen the Group, helping it to better respond to future challenges facing the industry and to remain at the cutting-edge of innovation and up-to-date with the latest consumer expectations.

5.4.2.1 Reinforcing diversity and inclusion within our teams

Ubisoft is keen to increase all forms of diversity, with a particular focus on gender diversity. Diversity within the teams is a key societal issue in the video game industry, where the percentage of females remains below the percentage of female players around the world (nearly 50%). Beyond this first focus, the Group prioritizes an inclusive approach designed to attract and promote all types of diversity.

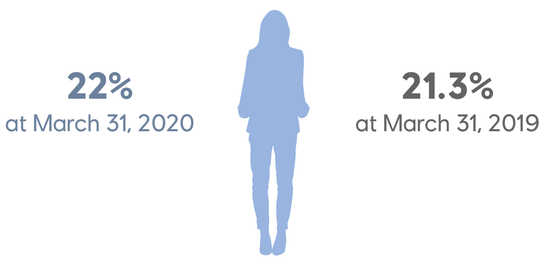
The commitment to gender diversity is regarded as a strategic issue. As such, it is one of the criteria applied to the multi-annual variable compensation of the Chairman and Chief Executive Officer for the financial year ending 31 March 2021.

GENDER DIVERSITY INCREASING OVER TIME

At the end of March 2020, the Group was composed of 22% women and 78% men. This breakdown, similar to that of the video game industry as a whole, is linked to game development professions for which the training schools note that 80% of students are male. These job roles encompass 85.6% of the Ubisoft workforce [1]. The increase in the percentage of women within the teams is the result of work undertaken by all of our subsidiaries, notably reinforcing awareness raising actions and the visibility of job vacancies among females.

Keen to respect the identity of each individual, this financial year the Group introduced the option for non-binary employees to be registered as neither male nor female in the Group's human resources monitoring tools.

PERCENTAGE OF WOMEN AT UBISOFT



	03/31/20			03/31/19		
	Women	Men	Other gender	Women	Men	Other gender
TOTAL	**22.00%**	**78.00%**		**21.33%**	**78.67%**	
Production	19.90%	80.09%	0.01%	19.13%	80.87%	
Business	34.82%	61.18%		34.31%	65.69%	

(1) See paragraph 5.4.1.1 "Ensuring sustained organic growth"

This financial year, 23.6% of the Group's managers were women and 22.1% of top management were women. Furthermore, there are currently as many women as there are men in senior management roles and who report directly to the Chairman and Chief Executive Officer.

Women in management	03/31/20	03/31/19
% women in top management (1) (3)	22.1%	21.7%
% women in management (2) (3)	23.6%	23.7%

(1) A top manager is defined as a member of the Executive Committee or a Director reporting directly to the Executive Committee, or a director of a subsidiary reporting indirectly to the Executive Committee

(2) A manager is defined as someone who is hierarchically responsible for at least one person (also including interns not counted as staff)

(3) Number of women in (top) management in relation to the total number of employees in (top) management

SIGNIFICANT CULTURAL DIVERSITY

Geographic region	03/31/20	%	03/31/19	%
Americas	6,252	34.6%	5,720	35.8%
Asia	2,755	15.3%	2,271	14.2%
EMEA	9,038	50.1%	7,994	50%
TOTAL	**18,045**		**15,985**	
Number of countries	30		29	

Ubisoft is present in 30 countries across all continents. The Group thus has employees of 108 different nationalities. This diversity constitutes a real asset in terms of understanding our gamers and successfully adapting our games to a variety of cultural contexts. This ethnic and cultural wealth is regularly celebrated in the studios, with themed days and events.

SUPPORT FOR THE PROFESSIONAL INTEGRATION OF PEOPLE WITH DISABILITIES

The Group is attentive to the development of an inclusive work environment for persons with disabilities. This notably involves better accessibility of the premises. During the financial year, 75.8% of employees worked in a building accessible to mobility-impaired persons. Certain sites, such as Ubisoft Toronto, are working on making the whole of their buildings accessible over the coming years.

In France, the Boost! initiative which is celebrating its third year, offers personalized support to all employees with disabilities. This initiative enables these employees to benefit from dedicated arrangements (ergonomic workstations, equipment, working time flexibility, etc.) and obtain help in all of the required administrative procedures to get their disabled employee status recognized. This disability initiative also provides for human resources training to ensure these employees receive the best support. Over the past two financial years, 70 people received disability at work training. Lastly, the Boost! initiative also seeks to break down prejudices surrounding disability and has been recognized at two conferences in this field, during the second Diversity Week in France.

This financial year, the French entities took part for the first time in Duoday, an initiative set up by the French government and the European Union to promote the employment of people with disabilities by informing them of potential career opportunities in partner businesses. In total, 14 duos were created with volunteer employees who received training in this area prior to the event.

Lastly, several Group sites maintain partnerships to promote the employment and professional integration of people with disabilities: firstly, in the recruitment process to identify job applications from people with disabilities and, secondly, by calling on companies from the protected and adapted work sector for office supply contracts and recycling initiatives.

APPROACH

Ubisoft is continuing its strategy to increase the diversity of its teams and improve gender diversity in particular. This strategy is broken down into multiple areas of focus.

POSITIONING ITSELF AS A PRO-DIVERSITY EMPLOYER

Over the financial year, Ubisoft has reinforced its approach to establish itself as an employer that places diversity at the heart of its strategic priorities. In 2019, Ubisoft was recognized in the Financial Times' Diversity Leaders report for its commitments.

In the same year, the Group also set up two programs to attract more women to the company:

- Ubisoft Future Women in Games: Launched this financial year by two pilot studios (Paris and Toronto), the aim of this program is to increase the proportion of women in fields in which they are currently under-represented, programming and game design, through a challenge open exclusively to people identifying as female. The graduates benefited from mentoring from studio volunteers, as well as internships;
- Editorial Mentorship: This acceleration program, which aims for gender parity among its participants, provides certain talents with additional key skills to qualify for creative management roles in gaming.

Ubisoft has also reinforced its external positioning with respect to diversity, as confirmed by its attendance for the first time at the European Women in Tech Conference 2019.

FOCUS: UBISOFT AT EUROPEAN WOMEN IN TECH 2019

Between November 26 and 29, 2019, Ubisoft attended the European Women in Technology Conference, the largest European event promoting gender diversity in the new technologies sector, alongside other leading industry players. This participation was also an opportunity to:

- meet with candidates from other sectors, and talk to them about potential professional opportunities in the video game sector. Over one hundred candidates were approached;
- present what happens behind the scenes of the video gaming industry and the rapid transformations for which it is preparing, through two inspiring talks by female Ubisoft managers;
- inspire Ubisoft's community of inclusion ambassadors, who were able to benefit from workshops, training sessions and presentations to facilitate their support in this area within their respective studios;
- reinforce the brand image of Ubisoft as an employer that actively promotes gender diversity.

Ubisoft also wishes to take advantage of major industry events to reiterate its diversity commitments. To this end, at E3 2019, the world's largest video game expo, Ubisoft organized the Black Game Pros Mixer, an informal gathering for people of color working in the industry or passionate about the industry, as well as a joint event in partnership with the international association Women in Game, and other industry leaders. Ubisoft also took part in an initiative set up by the Entertainment Software Association (ESA) to ensure its conference space was accessible to players with disabilities and allow them to take part in game demonstrations.

Lastly, Ubisoft also continues to support the LGBTQ+ communities. Several studios and subsidiaries (Montreal, San Francisco, Newcastle, Malmö, etc.) take part in their local pride parades.

RAISING TEAMS' AWARENESS OF INCLUSION

Becoming more inclusive is at the heart of Ubisoft's strategy to welcome more diverse profiles. The Group continued its approach to raising teams' awareness of the importance of adopting professional behavior that is mindful of others and their individual differences. The community of inclusion ambassadors, which today totals nearly 60 ambassadors across all of the Group's entities, in 2019 launched the "Inclusion @ Ubisoft" workshop in over fifteen subsidiaries to educate staff on the key elements of how to behave in an inclusive, welcoming and considerate manner.

In addition, multiple subsidiaries this year focused on dialog and sharing experiences with respect to diversity within the workplace:

- for the second edition of Diversity Week, the French entities handed the floor to the teams, through conferences celebrating employees but also by setting up a series of interactive workshops. These workshops helped to identify future initiatives that will be put in place to improve inclusion;
- the Canadian studios of Toronto and Winnipeg further developed their employee resource groups, discussion circles with a focus on encounters between people from under-represented demographic groups within the company, so as to come up with awareness-raising actions and ideas to help all employees improve inclusion and value diversity;
- the studios of Pune and Mumbai organized a "Diversity and Inclusion Day" to highlight the topic of gender diversity. Open to all, this day was notably an opportunity to celebrate the careers of a number of women in the studio and to help inspire attendees in terms of their own careers;
- the Malmö studio developed the communications campaign "Each for Equal", which allows staff members to talk about the importance of strengthening diversity and inclusion.

GIVING WOMEN A TASTE FOR SCIENCE AND TECHNOLOGY

- The Group also continued the efforts launched during previous financial years to encourage more women into the industry. The monthly "Women of Ubisoft" series is still ongoing, and the majority of the Group's entities also prepare a series of local portraits which are shared on their social media, to highlight the roles and accomplishments of women in the subsidiary.
- In 2019, the subsidiaries upheld their commitment to outside associations working to attract females to the industry. The Group's main European subsidiaries are partners of the association Women in Games and all North American subsidiaries engage with a national or local association to help introduce women of all ages to technological careers.

5.4.2.2 Guaranteeing equal opportunities for men and women

In terms of equal opportunities, the human resources policy is designed to ensure equal access to employment, learning and development opportunities, as well as fair pay for equal skills and performance. To that end, indicators were defined at Group level to identify the areas in which action is needed to promote gender equality.

Employment	03/31/20	03/31/19
Female hire rate (1)	24.1%	23.8%

(1) Number of women hired as a percentage of the total number of hires

The female hire rate rose marginally over the course of the financial year, thanks to the efforts of the recruitment teams in the production studios to target and attract more diverse profiles, in a context of growth. These efforts notably included:

- the representation of women (photos, testimonies...) in the employment opportunities shared on social media;
- the organization of diversity-themed and women in industry conferences and events within priority schools in terms of recruitment;
- emphasizing the importance of gender diversity at Ubisoft on professional networks.

In terms of training and skills development, people of all genders at Ubisoft benefit from the same accessibility rate insofar as the training is open to all. At the end of March 2020, the training rate was as follows:

	03/31/20			03/31/19		
Training	Women	Men	Other gender	Women	Men	Other gender
Training rate by gender (1)	65.4%	60.5%	100%	68.0%	64.0%	

(1) Number of women (men) trained as a percentage of the average female (male) headcount

The male-female pay ratio, at an equivalent contribution level, is 3.2% for teams with a full-time, open-ended or fixed-term contract within the Group, excluding those on work-study or professional contracts.

Compensation	03/31/20	03/31/19 (2)
Male-female pay ratio (1)	103.2%	103.3%

(1) Male-female pay ratio weighted by job and level of responsibility, by country and within each subsidiary
(2) For comparison purposes, the calculation method used for the financial year has been transposed to the financial year ended March 31, 2019

On the recommendation of the Nominations and Compensation Committee, the male-female pay ratio for the year ended March 31, 2020 incorporates the notion of jobs so as to reflect more accurately the true situation. This modification neutralizes the gap that may exist between roles in which men and women are represented differently.

5.4.3 GUARANTEEING A RESPECTFUL AND SAFE WORKING ENVIRONMENT FOR ALL

Ubisoft is a group that places the well-being of its teams at the heart of its strategy. The Group is strongly committed to developing a business culture that promotes the fulfillment of every individual. It also focuses on the health and safety of its teams and strives to establish an open and respectful working environment. Lastly, Ubisoft remains attentive to its teams by maintaining constructive employee-related relations and by regularly assessing the level of commitment of its staff.

5.4.3.1 Developing an open and respectful working environment

Ubisoft promotes an open and respectful working environment in which every member of staff feels respected, heard and treated kindly by all of the teams. The Group applies a zero-tolerance policy to any form of harassment, discrimination or violence and regulates this principle through rules defined at each site according to current laws. These rules are accessible to all and shared with the teams.

APPROACH

All Group entities are covered by a local anti-discrimination, anti-harassment and anti-violence policy, which defines these notions and sets out the whistle-blowing and complaints management procedures.

In 2019, communications were sent to all employees reminding them of the importance of these measures, which promote collaboration and the collective well-being of our teams.

The various Ubisoft entities have continued their efforts to cultivate a safe working environment that respects individual differences. The German Ubisoft studios have since 2019 been signatories of the German Diversity Charter, which reaffirms the anti-discrimination commitments of these subsidiaries.

5.4.3.2 Protecting the health of our employees

MONITORING ABSENTEEISM

Number of days of employee absence (1)	03/31/20	03/31/19
Illness (all reasons)	81,491	62,012
Occupational accidents (2)	642	215
TOTAL	**82,133**	**62,227**
Group absenteeism rate linked to occupational accidents and illnesses (3)	1.93	1.69
Average number of days' sickness per employee	4.8	4.2

(1) Days of absence are defined in working days

(2) Occupational accident = fatal and non-fatal accidents occurring during or due to work, according to local practices. Occupational accidents are only recognized if they have been reported to the relevant authorities and are being dealt with by said authorities

Please note that days of absence relating to occupational accidents are restricted to companies outside of France > 20 employees and French companies (accounting for 99.4% of the Group's workforce at the end of March 2020), unlike other types of absence. The impact of this restriction on the absenteeism rate is considered to be minor

(3) Calculation method = total number of days of absence over the scope used/sum of theoretical number by company of days worked without these absences

At the end of March 2020, the absenteeism rate linked to accidents and sickness had risen slightly. The average number of days of sickness remains low at 4.8 days (versus 4.2 the previous financial year).

MONITORING OCCUPATIONAL ACCIDENTS

As at the end of March 2020, the changes in indicators relating to health and safety in the workplace broke down as follows:

Health and safety in the workplace (1)	03/31/20	03/31/19
Number of occupational accidents with time off (2)	43	29
Number of fatal accidents	0	0
Frequency rate of occupational accidents with time off (3)	1.411	1.092
Severity rate of occupational accidents with time off (4)	0.021	0.008
Number of occupational illnesses (5)	0	0

(1) For this indicator, occupational accidents and illnesses are only recognized if they have been reported to and are being dealt with by the relevant authorities

(2) Occupational accident = fatal and non-fatal accidents occurring during or due to work, according to local practices. Scope = companies outside of France > 20 employees and French companies (accounting for 99.4% of the Group's workforce at the end of March 2020)

*(3) Number of occupational accidents with time off/total per company (average annual headcount * theoretical number of annual hours worked per employee) x 1,000,000*

*(4) Number of days lost per occupational accident/total per company (average annual headcount * theoretical number of annual hours worked per employee) x 1,000*

(5) Occupational illness recognized according to applicable local legislation

At the end of March 2020, the number of occupational accidents, which remains low (43), had increased. In mechanical terms, the frequency and severity rates are up, driven by long-term cases of absence.

A number of initiatives have been put in place by the subsidiaries to prevent all health risks to which the teams may be exposed.

APPROACH

PROMOTING ACCESS TO HEALTHCARE PROFESSIONALS

Free, low-cost and/or refundable medical consultations are available at the Group's largest sites (Montreal, Toronto, Shanghai, Bucharest). These services are available not only to employees but to their families as well. The majority of Group subsidiaries also arrange for healthcare professionals and/or experts in physical and mental well-being to visit and talk to the employees about these issues.

ENCOURAGING A HEALTHY AND WELL-BALANCED LIFESTYLE

In order to better support the teams with stress management and motivation at work, the subsidiaries have rolled out a number of initiatives during the financial year to highlight the importance of mental and emotional balance. These notably include the program set up by Reflections, the Newcastle studio, which focuses on mental well-being.

5

FOCUS: REFLECTIONS' COMMITMENT TO MENTAL WELL-BEING

Launched in 2018, the Newcastle studio's *Brave* project has been designed to help prevent risks associated with mental health, such as isolation, burnout, anxiety, etc. This program comprises a series of actions throughout the year to open the dialog on the subject of mental well-being and to ensure that every employee feels valued and heard, whatever their condition. A number of key actions were implemented during the year:

- distribution of a buddybox to all employees, containing well-being goodies for comfort and relaxation;
- launch of the *Wall of Positivity* campaign on the studio's social media, on which people can post their ideas and anecdotes to help combat negative thoughts;
- celebration of international Mental Health Awareness Week: social events and the sharing of well-meaning messages between staff;
- organization of talks on the topic at conferences for video gaming experts.

In 2019, the Brave project was recognized for its comprehensiveness and positive impact on the mood and health of the teams with the *Best New Well-being Strategy* in business distinction from REBA, a British association that brings together the main bodies working in the field of social benefits.

Other initiatives ongoing or introduced during the financial year:

- the Toronto studio continued to roll-out its LiveWell program for mental health by organizing for a psychologist to visit the studio twice a week to help staff manage anxiety, as well as planning for a new segment dedicated to helping staff properly manage their personal finances;
- during the financial year, the Singapore studio launched its Wellness @ Ubi program which seeks to prevent risks associated with mental exhaustion and promote considerate attitudes between colleagues. A wall of thanks was also set up to promote and recognize gestures of solidarity between employees;
- to better prevent the risk of employee commuting accidents, the Biñan studio in the Philippines organized a session on road safety to remind everyone of crucial accident prevention rules;
- accessibility to gyms and sports classes is a key element of Ubisoft's well-being policy: during the financial year, almost all of the Group's staff had access to sports facilities or exercise classes, either on-site or facilitated by Ubisoft. Many subsidiaries also offer courses in meditation or yoga, focusing on relaxation activities. Massages and relaxation programs are also available at several sites.

Staff can help themselves to a selection of fresh fruit. Generally speaking, healthy nutrition is encouraged via workshops or nutritional consultations, which offer advice on adopting better eating habits or a healthier lifestyle. Some sites go even further by offering employees the option of having locally grown fresh fruit and vegetables delivered, which they can then take home. Not only does this encourage healthy eating, but it supports local producers.

5.4.3.3 Maintaining constructive employee relations

Management-employee dialogue is based on exchange and collaboration as part of a close relationship with staff. It is led by employee representatives in countries where this is a legal requirement.

In France, the teams are represented by Social and Economic Committees (CSE) in all companies for which regulations require their establishment. Within this framework, employee representatives and management meet regularly to discuss the operation, development and strategy of French companies.

Finally, collective agreements negotiated with employee representatives are still in place, in a bid to involve staff in the performance of the business (incentives/profit-sharing).

	03/31/20	03/31/19
Number of collective agreements (1)	2	2
Breakdown by subject:		
Compensations	2	2
Other subjects	0	0

(1) The scope of this indicator is worldwide, but as the concept of the collective agreement comes from French legislation, it is hard to emulate on an international level, which is why foreign subsidiaries are not represented for this indicator

The Group promotes dialog through its company social network which enables interactions at all Group levels. This widely used platform is accessible to all employees. It encourages the exchange of information and provides a forum for commenting on a variety of issues, such as new developments in the video game industry or sharing best practice.

Furthermore, for the last 19 years, Ubisoft has conducted a worldwide opinion poll of all its employees every two years. The poll serves a dual purpose: to gauge support for and understanding of the Group's strategy, and to canvass the opinion of staff on key issues such as employee wellness, career management, teamwork and communication. The results are published within the Group via the internal social network as a way to engage in a direct discussion with employees and draw up targeted action plans. This opinion poll is complemented at numerous sites by "Pulse Surveys", short surveys sent out quarterly to enable the managers to stay up-to-date with the needs of their teams and to identify actions to be implemented, where appropriate. Some entities use additional tools to complete the employee commitment assessment ecosystem.

5.4.4 RISKS ASSOCIATED WITH RECRUITING AND RETAINING TALENT

Shortage of talent in a competitive environment

The Group's success largely depends on the talent and skills of its production and marketing teams in a highly competitive international market. If the Group is no longer able to attract new talent, or to retain and motivate its key employees, the Company's growth prospects and financial position could be affected.

All the programs put in place by human resources at the local and international levels are primarily designed to attract, retain and motivate employees (e.g. partnerships with schools, personal development plans, etc.).

In addition, the Group cultivates a work environment based on personal fulfillment, teamwork and workplace wellness. This unique employer culture helps ensure that the teams in place remain loyal and is an attractive feature in a highly competitive marketplace.

Keen to bolster commitment and motivation, Ubisoft is also mindful of the human diversity of its teams and the equal treatment of its employees.

Skills obsolescence

Ubisoft offers training courses and conferences enabling all employees to keep up to date with the latest developments in their field and to retain the cutting-edge expertise that the industry demands. Because this expertise is continually evolving, these courses prevent any skills obsolescence that could be detrimental to the quality of the games produced.

In spite of these measures, the risk of events occurring that could have an impact on internal organization or the motivation or retention of employees cannot be ruled out. Such circumstances could do significant and long-lasting damage to the operational and financial performance of the Group.

5.5 Developing our local anchorage

Ubisoft is promoting local economic development and is committed to the creation of sustainable links with the community. The Group is active via:

- contributions to the development of employment and the local economy;
- making a commitment to promote societal causes related to its business.

In 2019, the 53 subsidiaries of the Group took part in at least one economic, academic, or cultural initiative for the benefit of local communities.

The Corporate Social Responsibility Department provides all subsidiaries with the tools required in order to develop new local initiatives. The CSR intranet launched in 2016 enables sharing the Group's societal objectives and most inspiring practices in relation to local action and sponsorship to be shared. Tools relating to commitments at a local level were provided to subsidiaries in 2020 to help them become involved in sustainable cooperative work with associations and philanthropic structures. In 2020, the Group is focusing its efforts in order to provide its assistance locally and globally with the situation relating to the spread of Covid-19.

5.5.1 SUPPORTING LOCAL ECONOMIC GROWTH

Strengthened by uninterrupted growth in sales and headcount, Ubisoft contributes to local economic development by creating direct jobs, supporting local employment, and giving preference to local companies for local services for employees.

The Group, remaining loyal to its entrepreneurial roots, is committed to assisting local start-ups and innovative initiatives in the digital and entertainment sectors, and is participating in the emergence of new regional centers of expertise in various state-of-the-art sectors (programming, artificial intelligence, etc.).

APPROACH

UBISOFT CONTRIBUTES TO LOCAL ECONOMIC DEVELOPMENT BY CREATING JOBS IN THE DISTRICTS AND CITIES WHERE THE GROUP HAS CHOSEN TO SET UP PREMISES

Ubisoft, which pays close attention to its impact on the local job market, is careful to locate itself in cities that have a strong reservoir of talent and to select local service providers for the services supplied to its employees. This policy has been in place for several years and is designed to be sustainable, which is why the Group measures the economic footprint of its main subsidiaries on a regular basis in order to customize the measures taken. The most recent study, covering the 2018 period, was related to the contribution made by Ubisoft France to the local economy. It highlighted the fact that Ubisoft France had enabled the creation of 2,200 indirect jobs in 2018.

The hiring and development of local talent is essential to support the growth of the Group. At the end of March 2020, local employees accounted for 79.4% of the Group's workforce, stable overall with the figure for the previous financial year.

In line with its diversity policy, the Ubisoft Group also encourages multiculturalism within its subsidiaries by local recruitment of different nationalities and by sending employees on international secondments. This only happens in the case of rare skills not available locally.

UBISOFT HAS A POSITIVE IMPACT WHICH HAS BEEN RECOGNIZED VIA AWARDS ON SEVERAL OCCASIONS

The Group generates significant **economic and social vitality** in the districts, cities and regions where it operates. This positive effect has been regularly acknowledged by the public authorities:

- in 2017, the director of Studio Massive (Sweden) was awarded the title "Scandinavian Manager of the Year" for the programs led by the studio to promote access to employment among young people;
- in 2018, the Pune studio received the State Excellence Award from the region of Maharashtra to reward the positive effect of the opening of two studios (Pune in 2008 and Mumbai in 2018) on job creation, local economic dynamism, and support for the digitalization of the communities involved via the development of the studios and their community programs;
- with a 3rd place in the 2019 Happy Trainee ranking, Ubisoft France won a place on the podium for the 4th year running. This ranking, based on submissions from Ubisoft's interns and work placement trainees, highlights the particular care and attention paid to the on-boarding and needs of young future employees in the job market.

In addition, several studios are involved in initiatives which promote the acquisition of the technical and digital skills which will be indispensable in tomorrow's job market, in particular by providing support to those most vulnerable, such as job-seekers, seniors, and those from rapidly changing urban areas.

- the Newcastle studio is continuing with its role as Skills Developer within the "Dynamo North East" group, which is supporting Newcastle's post-industrial transition to help the city become an emerging technological hub. This industrial initiative focused on the growth of the technology sector in North-East England seeks to promote skills, education, and support research and development in the regions in the new technologies sector;
- Ubisoft is continuing with the organization of its "Coding Campus," an accelerated learning program which prepares students for careers as programmers in the video gaming industry. Future programmers with no current experience are taught by expert programmers and specialist university lecturers in Budapest or Kiev for seven months, before beginning a secure career at one of Ubisoft's studios.

UBISOFT GIVES PREFERENCE TO LOCAL BUSINESSES AND SUPPLIERS

Ubisoft also contributes to local economic development by calling on **local companies** to provide a **wide variety of services to ensure its employees' occupational wellbeing.**

A number of subsidiaries accordingly give preference to local suppliers who take account of social and/or environmental criteria in their services, thereby increasing the **sustainability of the local economic fabric**:

- the use of local products is a practice which is widespread across the various sites. In addition, the largest sites offer their employees the opportunity to receive baskets of fruit and vegetables from local growers;
- in France, 85% of purchases made on the site for local requirements come from regional suppliers.

UBISOFT SUPPORTS LOCAL START-UPS AND INNOVATIVE INITIATIVES IN THE TECHNOLOGY AND ENTERTAINMENT SECTORS

Supporting the growth of local stakeholders in the digital sector is at the very heart of Ubisoft's local measures. Moreover, the Group is committed to sharing its expertise and know-how, connecting creative minds, and cultivating opportunities and the tomorrow's leaders who will be molding the future of the entertainment sector. This measure is driven by several initiatives:

FOCUS: UBISOFT IS HELPING THE START-UP SCIENTIFIC EDTECH TO DEVELOP AN APP TO HELP TEACH MATH

In 2019, Ubisoft Massive (Sweden) announced a partnership with the start-up Scientific EdTech, with which the studio is developing a gaming application to help children learn math.

In this context, Ubisoft has made its laboratory and technology available to the start-up, enabling it to carry out the tests necessary for the creation of the application. In addition, Ubisoft's experts have provided their assistance with the entertainment aspect of this application, the core of which is purely scientific.

Through this long term partnership, Ubisoft is thus sharing its experience and education tools through entertainment.

- the Montreal, Quebec and Saguenay studios have been sponsors of the LUMEN initiative since 2018. They are continuing to support technical and creative entrepreneurs in Quebec, offering them preferential access to financial support and to the expertise provided by Ubisoft talent;
- in 2019, Ubisoft launched the 4th season of "Entrepreneur Lab" which was held simultaneously in France and Singapore via local partnerships with the Pixel (Singapore) and Station F (Paris) incubators. The program has supported 10 start-ups in the creation of innovative solutions and services in the two areas selected: "Blockchain" and "Entertainment Experiences." Since 2017, Ubisoft has partnered Station F, the largest start-up campus in the world, located in Paris. At Station F, Ubisoft is responsible for the support program addressed to the entrepreneurs in the entertainment sector and the video-gaming industry. In this way, Ubisoft is encouraging entrepreneurs to express their vision of tomorrow's entertainment sector and to push the envelope in terms of creativity and innovation;
- each year, the German studio Blue Byte organizes the "Newcomer Award", which rewards the best games developed by start-ups. The winning teams have been provided with assistance from experts to help them launch their careers.

Supporting up-and-coming entrepreneurs has a direct effect on the vitality of the local technological sector, generating more projects, increased investment, and making it easier to attract talent in the communities in which our studios are located.

FOCUS: KEY FIGURES SHOWING SUPPORT FOR LOCAL ECONOMIC GROWTH

More than **2,200** indirect jobs were supported in 2018 by those sites located in France (1,700 in 2017).

85% of purchases made on the French site for local requirements come from regional suppliers.

In 2018, almost all of the subsidiaries surveyed, i.e. **53** subsidiaries, used local companies to provide well-being services to their teams.

5.5.2 SUPPORTING CAUSES RELATED TO OUR BUSINESS

Every year, Ubisoft engages with local communities by offering innovative pathways to enable the development of digital education, and put the power of play at the service of the most disadvantaged populations. This commitment enables the company:

- to make young people curious about the video game industry and the various career paths on offer;
- to use gaming or gaming-related skills to be involved in “living better together” in more sustainable communities.

APPROACH

UBISOFT CREATES FUN OPPORTUNITIES TO GET TOGETHER AND PROMOTE SOCIETAL CAUSES.

As a leader in the entertainment sector, Ubisoft uses the power of gaming and strengthens its links to the local community by creating fun situations that promote action in favor of societal issues. To this end, the subsidiaries of the Group propose festive, artistic, or charitable events that are accessible to all.

FOCUS: USING GAMING TO HELP FIGHT COVID-19

At a time of global public health crisis caused by Covid-19, Ubisoft has focused its efforts to help society and local communities. In particular, Ubisoft joined other industry stakeholders by participating in Twitch Stream Aid 2020 on Saturday, March 28. In the context of this event, Ubisoft made a donation of 150,000 US dollars to the Covid-19 solidarity fund for the WHO. Overall, the event raised over 2.7 million US dollars.

Ubisoft’s various subsidiaries have also stepped up to help associations and foundations at a local level. For example, several associations have received donations of gaming consoles and PCs in order to ensure equal access to educational and entertainment resources for young people from all social and cultural backgrounds in the context of lockdown. This has been accompanied by financial donations to help with the purchase of the personal protective equipment required by medical personnel.

To help those in lockdown keep themselves entertained, Ubisoft decided to make certain of its games accessible free of charge. During March and April, players will therefore be able to enjoy free access to *Assassin’s Creed Odyssey, Ghost Recon Breakpoint*, and *Just Dance*. In addition, to encourage people to use gaming as a way of coming together during this period of social isolation, Ubisoft has decided to take part in the live version of “You Are Not Alone” with several of its games.

Finally, Ubisoft is currently in the process of launching other initiatives in order to provide assistance to communities as the crisis continues. In particular, Ubisoft has been asking employee volunteers to help set up on-line programming classes with the help of the *Rabbids Coding* game due to launch in April 2020.

For several years now, Ubisoft has been involved in sharing a wealth of cultural and historical heritage through its games and partnerships with exhibitions open to the general public.

- in particular, in 2018, Ubisoft set up a virtual adventure as part of the Age-Old Cities exhibition run in partnership with the Institut du Monde Arabe in Paris;
- for the annual European Heritage Days, Ubisoft presented a virtual reality visit to Paris’ Notre-Dame Cathedral for the first time. Thanks to the work carried out by Ubisoft Montreal developers on *Assassin’s Creed Unity*, visitors from the four corners of the world have been able to take a virtual tour of the cathedral’s rooftops in the footsteps of Quasimodo and enter the building, faithfully reproduced in 3D. This visit provided an opportunity to pay tribute to the Parisian landmark after the cathedral’s roof was destroyed by fire in 2019;
- Ubisoft also took part in the organization of the “Ludique – Jouer dans l’Antiquité” (“*Time to Play - Games in Ancient Times*”) exhibition, which, this year, was held in the Lugdunum museum in Lyon, France. This exhibition looked at the types of games found in Ancient Greece and Rome through archeological collections and relics of games. At the exhibition, visitors also had the opportunity to use *Assassin’s Creed Odyssey* to discover how people used to play 2,000 years ago.

Many of the Group’s subsidiaries also take part in activities aimed at promoting the societal causes that are close to the heart for our player communities.

- for example, several of our studies turn out for their local Pride marches, showing solidarity with the LGBTQ+ (1) cause, including Massive (Sweden) and the Montreal studio. Ubisoft Toronto also took part in the Pride month by organizing a series of “Lunch N Learns LGBTQ+” at the studio;
- in addition, in 2019, Ubisoft sponsored the International LGBTQ Film Festival for the 6th year running. This festival is organized by Frameline, a media arts association which seeks to change how we see the world thanks to the power of queer cinema. At this festival of LGBTQ films, which is the largest and most well known in the world, Ubisoft was the exclusive sponsor of two screenings, making a donation of 10,000 US dollars.

(1) Lesbian, Gay, Bi, Trans, Queer,+

UBISOFT ENCOURAGES YOUNG PEOPLE TO BECOME INTERESTED IN THE VIDEO GAMING SECTOR AND IN NEW TECHNOLOGIES BY OFFERING INNOVATIVE TRAINING PROGRAMS

The Group's largest subsidiaries (Montreal, Bucharest, Pune, Singapore, the French studios, etc.) are all active in schools, universities, and associations in order to develop educational programs aimed at reinforcing the acquisition of digital skills:

- Ubisoft France and France's École polytechnique have set up their first teaching and research chair in "Science and Video Gaming." A unit of video gaming professionals embedded in the laboratories of the École polytechnique's Research Center has been set up to train scientists in video gaming techniques and explore new synergies between science and video gaming;
- the subsidiary in Biñan (The Philippines) continues to develop and perfect its two new university degree courses at the De La Salle Science and Technology University: one on IT development and the other on multimedia sciences. The studio has accordingly taken part in a large number of events with this school, including workshops and conferences;
- Ubisoft Belgrade organized a 4-week course on the subject of video game development at the electrical engineering faculty in Belgrade. This course, developed in partnership with the faculty, now forms an integral part of the official program: it is graded and the grades issued form part of students' final degree. In addition, the studio organizes a certain number of workshops and conferences focusing not just on programming but also on level design, level art, and game design;
- Ubisoft Mumbai continues to organize a Game Jam each year: this event brings together students from leading engineering schools to enable them to experiment and take part in the game development process. The 25 students who took part created a prototype game, with mentoring from six expert Ubisoft programmers, and then presented this to a panel.

This initiative, which targeted primarily students and new entrepreneurs, is now opening up to middle and high school students through the increase in the number of programs offering an introduction to coding and game development.

- At two "*Keys to Learn*" events (organized in London and New York), Ubisoft highlighted the positive and educational benefits which can be provided by video games. Journalists, educators, and students were invited to understand, discuss, and discover Ubisoft's latest developments in terms of digital learning, such as *Rabbids Coding* and the *Assassin's Creed Odyssey Discovery Tour*.

FOCUS: *RABBIDS CODING!*

Ubisoft's new game aimed at teaching programming, called *Rabbids Coding*, has been available free of charge on PC since October 2019. In this game, the player's job is to tidy up the vessel by using various blocks of programming code.

Developed by Ubisoft Montreal, *Rabbids Coding* aims to raise awareness among as wide an audience as possible regarding digital practices, either in a family setting, at school, or through associations and media libraries.

Through all 32 levels, players learn how to use sequential programming, loops, and the conditions of a real video game. The aim of all of the talent and designs is to allow players to optimize their program by producing coding sequences that are as efficient and short as possible.

The game is already available in a large number of media libraries and schools which use it as a basis for educational workshops on programming. With this, Ubisoft is introducing the youngest members of society to its area of expertise - programming.

The Group's other key initiatives continued or grew in 2019:

- Ubisoft is continuing its commitment to the promotion of STEM (Sciences, Technology, Engineering, and Mathematics) via the recently-renamed Ubisoft Education program. The latter, which follows on from the Codex program dating back to 2015, is aimed at training up a competent cohort for the future digital economy, 85% of whose careers do not yet exist. This therefore involves training young people in the vital skills required in tomorrow's world, such as creativity, problem solving, computational thinking, etc. From elementary school through to college, acting alongside recognized figures from the education sector, Ubisoft aspires to awaken Quebec's young people to the potential offered by science and technology, and to help them become fully aware of the importance of complementarities between technical skills and social and human capabilities;
- in February 2019, the Quebec-based body Fusion Jeunesse launched a program to widen its teaching model in the Nouvelle-Aquitaine Region. The extension of this project, which was already up and running in nine middle schools in the Lot-et-Garonne area, now enables a further 200 or more young people to develop a prototype game alongside the teams from the Bordeaux studio. The aim of the challenges is to illustrate the usefulness of concepts taught in the classroom (probability, geometry, etc.) and to reinforce the motivation of those young people who are most at risk of dropping out of school;
- the studios in the Philippines renewed their financial support for the training of ten young people from disadvantaged backgrounds through the Passerelles Numériques association. In Cebu, in partnership with the association, Ubisoft is now enabling these students to obtain technical and professional training in the digital sector. In addition to the financial contribution made, Ubisoft Philippines trained two trainers from Passerelle Numérique in video game development.

UBISOFT USES THE POWER OF GAMING TO TAKE ACTION ALONGSIDE LOCAL ASSOCIATIONS

Playing is a fantastic way of alleviating suffering, promoting social ties, and encouraging self-development. The Group's "**Play for Good**" philanthropy program, launched in late 2017, brings gaming and its benefits to disadvantaged people.

In order to allow employees to make a more sustainable commitment to their local communities, Ubisoft has provided its teams with two tools:

- volunteering days: the Group allows employees to use up to three paid workdays per year for their community activities. This has allowed several subsidiaries to organize charitable team-building days, with employees working to help a local cause (repainting a house, sorting and distributing food packages, etc.);
- the Good Game initiative: each employee has the opportunity to gift Ubisoft games for PCs to the associations or public bodies of their choice. In this way, the Group has made donations to the association *Bibliothèques Sans Frontières* (Libraries without Borders) in order to provide access to cultural and knowledge resources to those most in need (e.g. in refugee camps, disadvantaged neighborhoods, etc.) or to the Necker Children's Hospital in Paris.

A large number of initiatives have been launched by subsidiaries in order:

- **To improve daily life for children in hospital**

  To support this, Ubisoft has continued to roll out its Playrooms program in partnership with the Petits Princes association: play areas fully equipped by Ubisoft throughout France, in order to improve daily life for children and teenagers in hospital. Today, Ubisoft has created 13 Playrooms (three of them new in 2019), which all include a console, a range of suitable games, as well as books and board games inspired by our universes. This program which covers hospitals in the vicinity of our studios in Paris, Annecy, Montpellier, Bordeaux, and Lyon, also allows employees to get involved in volunteering.

  It was in this context that the Montpellier studio organized a digital drawing workshop at the Arnaud de Villeneuve hospital, attended by a dozen children and their carers;
- **To create connections with socially isolated or vulnerable individuals**

  The Group is moreover continuing to use gaming to support societal causes. For example, gaming acts as a fund-raising tool to help populations in vulnerable situations, or to raise awareness among gaming communities of societal issues:

  - in 2019, Ubisoft took part in the Gaming Telethon as a partner for the very first time. This livestream lasting eight hours involved the French studios (Annecy, Bordeaux, Lyon, and Montpellier). Throughout the entire day, employees from various teams came together to play *Trials®*, *Just Dance*, *Steep®* and *The Crew 2*. Several influencers joined them to lead the streaming sessions and help them succeed with their challenge. Thanks to employees and viewers, a total of €16,865 was raised,
  - players of the Beta version of *Ghost Recon* took part in *Man Down*, a gaming benefit in which funds were raised for the global NGO Child's Play by reviving fellow team members. Over 384,945 fellow team members were revived during this event and Ubisoft accordingly donated €150,000 to Child's Play. This donation will help the NGO improve the lives of children staying in hospital and treatment centers thanks to the power of play, in the form of equipment and professional expertise.

Subsidiaries are also active at a local level, building up links with associations around them and that request help:

FOCUS: *JUST DANCE* HELPING TO PREVENT DEMENTIA

To mark the launch of *Just Dance 2020* and the 10th anniversary of the Just Dance brand, Ubisoft UK joined with Alzheimer's Research UK to help finance dementia research. For each video shared on social media using the hashtag #JustDanceMemories, Ubisoft agreed to make a donation of £1, up to a maximum of £30,000. Thanks to the incredible support shown on social media, Ubisoft ended up doubling this amount.

The money collected will be used by the UK dementia research charity to fund research aimed at better understanding dementia, its diagnosis and treatment, and at reducing the risk of this illness.

In addition, this partnership enabled information on Alzheimer's to be circulated very widely. The publicity film produced in support for the campaign, featuring Lynne Wadsworth and her mother Anne Bath who suffers from advanced dementia, was viewed over **700,000** times and shared and commented on more than 61,000 times.

- Ubisoft Newcastle organized the "24 Hours of Sunshine Charity Stream," during which donations came in from gamers all around the world. The funds raised were given to The Chronicle Sunshine Fund, an association located in North-East England that tries to improve conditions for disabled children in the region by financing equipment meeting their specific needs. This fundraising thus enabled support to be provided for infants, children, and young adults by paying for equipment such as specialized beds, wheelchairs, and computer equipment;

- Ubisoft Kiev supported the WOW Kids forum which took place in May 2019, bringing together 935 children from orphanages located across Ukraine. The studio made a donation that enabled children from one orphanage to attend the event, covering travel costs, meals, and accommodation. Employees from the studio also took part in the event, acting as mentors for the children. The idea was that a mentor could share his or her knowledge of a specific area of expertise with the children.

FOCUS: KEY FIGURES FOR CERTAIN INITIATIVES AIMED AT PROMOTING SOCIETAL CAUSES

$150,000 [1] was donated to the Covid-19 fund organized by the WHO.

12 million CAD was committed by Ubisoft Montreal through Ubisoft Education between 2015 and 2022 in order to help **30,000** young people across the province of Quebec.

The film on the subject of Alzheimer's disease created for the *Just Dance* campaign was viewed **700,000** times.

€150,000 was donated to Child's Play through the Man Down operation.

Over 3,944 hours of voluntary work were carried out for causes helping our local communities.

5.5.3 RISKS LINKED TO UBISOFT'S LOCAL ANCHORAGE

In all of the areas in which the Group has a presence, Ubisoft pays close attention to sharing and value creation with stakeholders within the community (schools, associations, public institutions, etc.). The subsidiaries of the Group have therefore launched a range of educational, cultural or community initiatives for the benefit of local communities.

Ubisoft also takes care to support direct or indirect local employment in the areas in which it has a presence, and measures its socio-economic impact in the main countries in which it operates (Canada and France) on a regular basis.

The successful integration of Ubisoft in these areas is critical for the success of the business in order to meet its growth targets and recruitment needs, and to avoid any negative impacts on its reputation on a local level.

5.6 Developing long-term relations with our business partners

5.6.1 INTEGRATING SOCIAL AND ENVIRONMENTAL CRITERIA OVER THE LONG TERM

Ubisoft is committed to developing sustainable relationships with its business partners. The social and environmental impact of these partners is therefore assessed throughout the duration of the business relationship, both for direct (service providers and suppliers) and indirect (supply chain) partners.

APPROACH

Ubisoft's purchasing department pays close attention to the establishment of long-lasting relations with its various service providers. It therefore regularly identifies areas for improvement and puts in place joint progress plans which promote a "win-win" relationship between Ubisoft and its partners. The assessment and monitoring of a supplier's performance therefore include the monitoring of the sustainability criteria defined upon signature of a contract (respect for fundamental human rights, employment rights, personal health and safety, respect for the environment, detection of corruption).

The application of the Sapin 2 and Duty of Care laws have enabled selection criteria to be strengthened, allowing contractual relations with high-risk service providers and suppliers to be limited. However, Ubisoft also intends to favor service providers and suppliers who have taken genuine steps to ensure that they have a positive impact in social, societal, and environmental terms. Accordingly, at several subsidiaries, a number of purchasing items (IT, real estate, goodies, etc.) now include social and environmental criteria: choice of maintenance and cleaning service providers who use environmentally-friendly cleaning products, selection of sheltered work companies such as ESATs in France (which help disabled people find employment), and the manufacturing of certain tie-in products using recycled materials.

(1) Representing €138.6K in March 2019

Ubisoft's policy in relation to sustainable purchasing is therefore based on the following strategies:

(1) carrying out due diligence on the CSR policies of those suppliers and service providers short-listed to sign subcontracting agreements with Ubisoft;

(2) signing contracts that include specific clauses related to compliance with the national and international standards applicable in relation to personal health and safety, human rights, the environment, and corruption;

(3) showing preference for those suppliers and subcontractors that have put in place pro-active CSR measures with a positive impact;

(4) ensuring a complaints and reporting procedure that is as open and accessible as possible, to guarantee optimal compliance at all times with the CSR standards and procedures put in place.

All of the technical provisions and procedures put in place for these actions are detailed in Section 5.8 "Duty of Care Plan".

5.6.2 A CODE OF ETHICS FOR A SUSTAINABLE RELATIONSHIP WITH SUBCONTRACTING

Ubisoft has introduced a Code of Ethics specific to purchasing and subcontracting activities. This Code of Ethics is shared with all of the Group's purchasing teams and sets out the following principles as guidelines:

- fairness: Treat all current and potential business partners fairly and equally;
- impartiality: Demonstrate impartiality and professional independence in our relations with business partners;
- integrity: Avoid all conflicts of interest and any appearance of a conflict of interest;
- legality: Act in accordance with the law, the rules, and the Group's principles;
- loyalty: Keep confidential all information to which we may have had access, whether in relation to Ubisoft, our customers, partners, or suppliers;
- honesty: Take an honest position under all circumstances, and have the same demands with regard to our partners.

5.6.3 LIMITED USE OF SUBCONTRACTING

As part of its video game production, publishing and distribution business, Ubisoft may outsource services, in particular pertaining to IT support, external/freelance development and related activities. In 2019, use of outsourcing remained stable compared with 2018, representing 16% of Group external purchasing and charges.

5.6.4 RISKS LINKED TO OUR RELATIONS WITH OUR BUSINESS PARTNERS

Ubisoft has set up sustainable relationships with its partners and subcontractors. The Group takes particular care to develop relationships only with those partners who have made a commitment to remaining compliant with international law and the applicable domestic law. The Group is also reasonably vigilant regarding its subcontractors, and includes specific clauses in all contracts signed with our partners.

Nevertheless, any serious breach in terms of individual health and safety, of human rights or in relation to the environment, potentially perpetrated by a partner or subcontractor of the Group could have adverse consequences for our links with such partner as well as repercussions regarding the reputation of the Group and its future capacity to create links with strategic partners. The risks which have been identified in relation to subcontracting are detailed in the Duty of Care Plan in this report.

5.7 Optimizing our environmental impact

5.7.1 OPTIMIZING AND REDUCING OUR CARBON FOOTPRINT

In 2019, the Group published its commitments for greater awareness of the climate emergency, joining the Playing for the Planet Alliance at the United Nations 2019 Climate Action Summit. Alongside other major industry stakeholders, Ubisoft has made a commitment to use gaming to generate greater empathy for nature. The Group has also continued to optimize its carbon footprint via greater use of renewable energy and through increasing attention in the selection of suppliers and technology.

Over the course of the financial year, the Group has continued its efforts to reduce and optimize its carbon footprint. Via the Greenhouse Gas Emissions Statement (Bilan sur les Emissions de Gaz à Effet de Serre or BEGES [(1)] updated in 2017 for a total of 86.1 $KtCO_2$), the Group has identified the major sources of its emissions (Scopes 1 to 3) [(2)], which it monitors and updates each year.

Out of the areas identified, business trips constitute the largest source of emissions. The Group's business model, which seeks to share the development of a game between multiple studios, means that frequent business travel is necessary. Initiatives on a global and local level are being taken to reduce the Greenhouse Gas (GHG) emissions generated by these trips.

The Group has also taken action to reduce the energy consumption of its buildings. Actions aimed at reducing and optimizing energy consumption have been taken in the form of work on the refurbishment and insulation of buildings, or the choice of contracts for the purchase of electricity generated using renewable energy sources. In addition, the Group continues to play close attention to the consumption linked to its server rooms.

Finally, emissions linked to the use of IT equipment and to the manufacturing of Ubisoft products (games and associated products) are monitored annually.

APPROACH

Each year, the Group measures the changes in the main component parts of its GHG footprint and, where possible, takes action allowing this impact to be mitigated or optimized.

OPTIMIZING BUSINESS TRAVELS

The number of kilometers flown increased from 118.3 million in 2018 to 130.4 in 2019, i.e. a rise of 10.2%. This increase was less than the rise in average Group staff numbers between the two periods. The slowdown in the growth in the number of kilometers traveled (in 2018, this increase was 23.9%) can mainly be explained by the completion of several projects being developed jointly by multiple studios, this item remaining largely dependent on the number and scale of the games being developed over the course of the year.

Travel has been identified as the largest source of greenhouse gases for the Group, representing 29,080 tCO_2eq in 2019 compared with 26,379 tCO_2eq in 2018 – i.e. an increase of 10.2%, in line with the increase in the distance traveled.

The close inter-studio collaboration on which games development is based led Ubisoft to invest very early in tools promoting remote working and inter-studio cooperation. Most studios and subsidiaries are therefore equipped with videoconferencing equipment, enabling travel to be limited.

When travel is necessary, these trips are defined by charters or instructions inviting travelers to show a preference for environmentally-friendly travel methods. Travelers are therefore advised to take direct flights and to travel by train or use carpool arrangements for non-international travel. In 2019, 61 [(3)] sites adopted a travel policy that promotes choosing travel arrangements more favorable to the environment as well as travel policies adopted by sites which encourage teams to select modes of transport upon arrival that are as green as possible (public transport, bicycles, or, otherwise, green taxis).

FOCUS: SIGNATURE OF A CARBON OFF-SETTING ARRANGEMENT WITH AIR FRANCE

Since April 1, 2019, Ubisoft has been committed to off-setting the CO_2 emissions linked to its business trips with the airlines Air France and KLM. An amount linked to the number of kilometers traveled in the year will be paid to one of the sustainable development projects supported by these airlines. The amount of CO_2 offset using this method will be announced in the next financial year.

(1) Method compliant with the Greenhouse Gas Protocol (GHG)

(2) Scope 1: Emissions linked to product manufacturing
Scope 2: Emissions linked to energy use necessary for product manufacturing
Scope 3: Emissions linked to product lifecycle

(3) Representing 90.2% of the Group workforce at March 31, 2020

Finally, as they are set up in areas which can be accessed using public transport, the Group's sites mean that emissions generated by commuting travel by teams and travel by visitors can be limited. Several studios moreover encourage the use of bicycles for this type of travel, by offering to lend bicycles free of charge (Montreal, Montreuil) or by developing on-site facilities such as secure locking stations, bike garages, or repair and maintenance workshops (Bucharest, Toronto, Montreuil). The sites in Dusseldorf and Mainz (Germany) also allow their teams to purchase bicycles from partner organizations at preferential prices.

In Malmo, the Sustainable Travel Committee organized a Cycling Day and invited employees from the two sites. The program for this day included bicycle repair workshops, sessions reviewing safety and traffic rules, and bicycle-themed creative sessions. In the same city, teams are therefore split between two studios and use electric scooters to move between the two facilities.

IMPROVING THE ENERGY EFFICIENCY OF OUR BUILDINGS

(In MWh)	Canada [(1)]	France	Romania	United States	China	Other countries	Total	GHG emissions in tCO_2eq	Average consumption per capita *(in kWh)*
2019	24,276	6,838	4,613	2,353	2,364	10,843	51,287	9,510	2,776
2018	22,600	6,638	3,940	1,903	1,893	9,845	46,819	8,106	3,273

(1) Excluding the Winnipeg site, representing 65 individuals at March 31, 2020

In 2019, average electricity consumption per person fell by 15.2% compared with 2018. This slight fall is due to the sustained efforts made by the Group to promote reasonable energy use, while at the same time supporting growth in employee numbers. Globally, the Group's electricity consumption [(1)] increased by 9.5% in comparison with the previous year. This figure is also down slightly compared with the two previous years (average rise of +12.9% each year).

The Group continues to encourage its subsidiaries to use electricity generated using renewable energy sources in order to limit the impact on GHG emissions. In 2019, the percentage of electricity generated using renewable energy sources is at least 30% on 44 [(2)] sites.

Several sites have signed contracts for the supply of electricity generated using renewable energy sources (hydraulic, wind, solar, etc.). Thus, in 2019, 66.7% of the electricity consumed in 2019 across the Group's sites stemmed from renewable sources. Moreover, all Canadian studios in the Quebec region are powered by the energy supplier Hydro-Québec, 99% of whose electricity is generated using hydro-electric dams. Over the next few years, Ubisoft is committed to putting in place measures aimed at reinforcing the use of renewable energy by its subsidiaries.

Ubisoft focuses on improving the energy efficiency of its buildings, mainly via renovation work and by choosing the most environmentally responsible facilities. Several subsidiaries (Bucharest, Craiova, Singapore and Toronto) focus purchases of IT and small electrical appliances on Energy Star certified products, a label which guarantees compliance with environmental standards.

Certain of the Group's subsidiaries are moreover communicating to reinforce sensible use of energy with regard to their IT equipment. For example, the Montpellier studio has created a monitoring chart accessible to all, which indicates in real time the number of pieces of equipment switched on, in order to encourage teams not to leave equipment switched on when not needed.

Moreover, several studios are using motion detection systems in order to limit the use of lighting, air conditioning, and water in working spaces.

When plans are made to extend working premises or move to new premises, the Group's subsidiaries show a preference for buildings which allow the use of energy resources to be limited.

FOCUS: A SMART OFFICE IN DUSSELDORF

Our teams in Dusseldorf recently moved into a new building as a result of the expansion of their teams. The floors newly occupied by these employees have been completely renovated. The refurbishment of these offices was completed in accordance with Smart Office principles, which take into consideration well-being in the workplace as well as new environmental requirements. The recent renovation of the building means that temperatures can be maintained at between 22 and 25°C throughout the year. Similarly, lighting is now automated using motion sensors. This type of modern equipment provides a working environment that is more efficient and should lead to a fall in the amount of energy used over the coming years.

(1) Excluding the consumption of datacenters

(2) Representing 69.3% of the Group workforce at March 31, 2020, compared with 37 sites in 2018, representing 70.6% of the Group workforce at March 31, 2019

OPTIMIZING THE ENERGY CONSUMPTION OF OUR DATACENTERS

Due to the fact that the operation of the Datacenters is energy-intensive, their consumption was measured separately.

	Consumption in 2019 *(in MWh)*	Consumption in 2018 *(in MWh)*	GHG emissions in 2019 *(in tCO_2eq)*	GHG emissions in 2018 *(in tCO_2eq)*	Change in GHG emissions
Hong Kong [1]	888	448	680	343	98%
Montreal	8,988	9,152	132	135	-2%
Montreuil	3,606	2,893	49	40	23%
I3D.net	11,222		477		
Other Ubisoft servers	52		20		
TOTAL	**24,755**	**12,493** [2]	**1,360**	**518**	**163%**

(1) Datacenter managed by a third party
(2) 2018 data corrected

In 2019, the increase in the amount of electricity used by datacenters comes principally from the acquisition of i3D.net, a business that consists of providing hosting solutions to the video gaming industry. For this financial year, the total also includes small-scale local servers (Singapore and Toronto). Finally, existing centers have increased the number of servers used to support the growth in the Group's online and digital business.

Datacenters in France and Canada are 99% powered using electricity generated from renewable energy sources, which contributes to limiting their environmental impact.

To cut back on the energy consumed by servers, the Group's largest server rooms have been using freecooling technology since 2015. This technique consists of using the outside air to cool the room, thereby reducing the overall energy consumption of the infrastructures. The main datacenter owned by i3D.net accordingly includes this freecooling technology combined with a technology designed to isolate warm air zones. The Montreuil server room has also been equipped with Optimized Management Interface (OMI) technology designed to regulate air conditioning in real time based on the server load and, thereby, to optimize electricity consumption. The OMI was optimized in March 2017 to further reduce energy consumption.

Continuing on from the actions taken in previous years, the Group is continuing its investments in order to improve the centers' energy efficiency (more efficient servers, densification).

At the same time, the vast majority of Group servers are virtual, given that a virtual server consumes approximately 10 times less electricity than a physical server with the same configuration. At end 2019, the virtualization rate for all of our server rooms was continuing to rise and had reached 79.8% [1].

MEASURING THE IMPACT OF THE MANUFACTURING OF UBISOFT PRODUCTS ON GHG

The Greenhouse Gas Emissions Audit has made it possible to measure the scale of the impact linked to the raw materials used by our suppliers to manufacture standard products (physical video game media such as cases, DVDs, etc.) and non-standard products (tie-in products such as action figures, posters, etc.).

GHG emissions linked to standard and non-standard products:

	2019	2018
Standard products (in tCO_2eq)	8,417	10,184
Non-standard products (in tCO_2eq)	767	3,476
TOTAL	**9,184**	**13,660**

In 2019, the fall in volume of standard products is due in particular to the growing digitalization of our business. There has also been a sharp fall in the volume of non-standard products. The manufacturing of Ubisoft products by our suppliers therefore led to the emission of 9,184 tCO_2eq in 2019 compared with 13,660 in 2018, i.e. a fall of 32.8%.

(1) Compared with 72% in December 2018

5

FOCUS: DIGITALIZATION, AN OPPORTUNITY TO OPTIMIZE THE ENVIRONMENTAL IMPACT OF OUR BUSINESS

The Group is continuing its digitalization policy for its video games business, which accounted for 80% of sales at the end of December 2019, compared with 69% at 31 March 2019. Digitalization allows the use of raw materials to be optimized, as the carbon impact of a virtual game is lower today than that of a physical game.

INCREASING THE LIFESPAN OF IT EQUIPMENT

GHG emissions connected to the use of IT equipment by the teams was ranked second in the Group's GHG footprint in 2017.

	2019	2018
GHG impact in tCO_2eq	18,884	15,854

In 2019, our IT equipment represented 18,884 tCO_2eq compared with 15,854 in the previous financial year. This change is mainly due to the reinforcement of our inventory process, as well as the recent acquisition of workstations (central towers, laptops, and screens) to provide better equipment for employees.

5.7.2 RAISING THE ENVIRONMENTAL AWARENESS OF OUR TEAMS

The Greenhouse Gas footprint updated in 2017 highlighted several sources of emissions linked to teams' day-to-day activities: the choices made by them when traveling (locally or internationally) or when using site equipment have a direct impact on the Group's emissions. This is why Ubisoft pays very close attention to raising awareness amongst its teams. This awareness-raising takes the form of:

- information campaigns and the organization of group activities to reinforce awareness of environmental challenges;
- the introduction of recycling, donation, or re-use measures for key resource types (IT equipment, office consumables and paper) used in the studios. These measures allow the lifespan of these resources to be extended or mean that they can be processed when no longer fit for use, in accordance with local environmental standards.

APPROACH

AWARENESS-RAISING AND TRAINING FOR TEAMS

In order to involve staff in the measures taken to reduce CO_2 emissions and determine the priority areas for action, in 2019, Ubisoft launched an appeal for ideas in relation to the environment via its internal social network. Over 300 ideas were submitted, focusing on three central topics: re-thinking the way that teams work together and the organization of workspaces, reducing the environmental impact of our marketing campaigns (events, tie-ins, etc.), and optimizing the energy consumption of our games while raising gamers' awareness of environmental protection.

Awareness-raising and training activities are carried out at both a Group level and a local level, at the initiative of each individual site. These awareness-raising activities may cover the challenges linked to sustainable development or environmentally-friendly gestures in the broader sense, or relate to more specific issues such as management of plastic waste or energy saving linked to the use of computers and screens.

At a Group level, the intranet site launched in 2017 by the CSR department continues to share environmental best practice observed each year across the various sites in order to inspire other subsidiaries to adopt these simple initiatives. The site includes an environmentally-friendly-gestures page, which lists simple actions to take at home or in the office, and a green community, updated with articles on the protection of the environment, as well as a link to the Group's internal Code of Conduct, which may guide teams in their decision-making processes in order to make environmentally-friendly choices (suppliers, IT equipment, commuting, etc.).

All of these initiatives contributed to the spontaneous emergence of environmental committees at several subsidiaries:

- **San Francisco's Green Committee** surveyed its teams and discovered that 95% of staff members were ready to make changes to their personal habits in the workplace in order to support the measures taken by the Group to be more environmentally friendly. A waste management specialist was also invited to the studio to (re)explain the rules governing sorting and recycling in force in the city of San Francisco. As a result of this conclusive experiment, recommendations were circulated to all other employees worldwide to facilitate the organization of similar sessions;
- **in Singapore, a Green Committee** was also set up and has introduced a range of environmentally-friendly actions at the studio: inclusion of environmental criteria in the selection of suppliers, raising awareness among team members via informative presentations, etc. These initiatives received overall

recognition by Singapore's Environmental Council, which awarded the studio Eco-Office certification;

- **in France, the Green Force employee group** launched an information-sharing platform to help promote environmentally-friendly actions in the workplace and at home and now counts over 10% of employees in France as members;
- the team of **Green Warriors** based at the **Newcastle** site is continuing to conduct sustainable initiatives in their offices. The initiatives put in place include a community clean-up operation at a local beach and a swap day open to all comers. The latter allowed team members to bring in personal objects they no longer use and offer these to colleagues. A suggestion box enables employees to take part in this movement and is an addition to the series of internal communication events which have been encouraging people to buy local and keep the environment in mind;
- finally, the **Ubisoft Quebec's Green Committee** is focusing its activity on the war on plastic waste. This team accordingly organized the Bring a Cup event, which involved asking employees to bring in old, unused cups from home for use by their colleagues instead of single-use cups.

A CELEBRATION OF INTERNATIONAL EVENTS RELATED TO THE ENVIRONMENT

- On **European Sustainable Development week**, several French subsidiaries offered activities focused on this topic. In Lyon, for example, Ubisoft employees took part in a waste management workshop and attended a screening of the film Demain (Tomorrow), a source of inspiration in response to current environmental and social challenges. Finally, a lending library has been set up in order to give a second life to employees' books. In Montreuil, this week allowed the teams to discuss the Group's current position in terms of sustainable development, to take part in a swap of unwanted items, and to attend a bicycle maintenance workshop. Employees were also invited to calculate the carbon footprint of their commute and to compare the various means of transport available.
- The teams from the Reflections studio in Newcastle took part in **World Sustainable Building week** alongside the other companies that share the building. Several memos were sent to employees encouraging them to switch off electronic equipment on Friday evenings or to use the stairs rather than the elevator where possible. The building owner launched a challenge for the various tenants, encouraging them to maximize the **energy savings** recorded over the weekend. Thanks to the efforts made by our teams, the two levels occupied by Ubisoft were first and second in the rankings for this challenge.
- The Montreal studio took the initiative of celebrating a full Earth Week: the opportunity to make teams more aware of their **impact on our planet** via a series of activities focusing on the environment. Conferences were also held on the subject of urban agriculture and waste reduction. Employees were also given the opportunity to take part in a practical workshop on the subject of permaculture. Finally, a team of mechanics was available throughout the week to check and service bicycles owned by employees.

SORTING WASTE AND LIMITING THE USE OF PLASTICS

- The Think Green program is still in place in Bucharest to make teams aware of the need **to sort waste**. Employees were kept informed, via awareness-raising emails or office displays, about the types of recycling carried out at the studio.
- In the London studio, the types of recycling available at the studio are presented to each new employee as part of their tour of the premises and are set out in the onboarding pack. In this way, all teams are made aware of the importance of **sorting waste**.
- In Australia, a system has been set up for the sharing of office supplies: if you need something, you first ask your colleagues. The studio places great importance on purchasing office supplies that can be re-used or re-charged, so as to limit consumption. Just one initiative among many: the teams are encouraged to use re-usable containers for their meals, to travel to work on public transport, and to sort their food waste. In addition to **reducing the amount of waste produced**, this has raised awareness among all of the teams of measures to protect the **environment**.
- To encourage teams to **stop using single-use plastic cutlery**, the Montpellier studio has given all employees a set of company-branded metal cutlery and has made and shared widely a public relations video outlining the importance of this initiative.

Awareness-raising campaigns are run at least every two years. As a result, 54 sites [(1)] conducted at least one awareness-raising campaign between January 1, 2018 and December 31, 2019.

5.7.3 MANAGING THE CIRCULAR ECONOMY

The Group has identified five categories of waste linked to its business activities:

- waste electrical and electronic equipment (WEEE);
- paper;
- products that cannot be sold on distribution platforms (marketing items, promotional items, etc.);
- single-use plastic waste;
- other consumables (batteries, ink cartridges, capsules, etc.).

WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE)

Ubisoft actively participates in the sorting and recycling of WEEE, mainly consisting of IT equipment at the end of its useful life.

In 2019, 62 sites [(2)] recycled, re-used, or processed WEEE in accordance with applicable local standards, and the total weight

(1) Representing 80.7% of the Group workforce at March 31, 2020, compared with 48 sites between January 1, 2017 and December 31, 2018, representing 88.4% of the Group workforce at March 31, 2019

(2) Representing 88% of the Group workforce at March 31, 2020, compared with 56 sites in 2018, representing 92.1% of the Group workforce at March 31, 2019

of all WEEE recycled across our main sites (Montreuil, Montreal, Bucharest, Toronto and San Francisco) [(1)] was 17.8 metric tons. Most of the Group's subsidiaries are promoting a longer useful life for equipment and have recorded average use that is longer than the applicable warranty period.

The sites manage WEEE by calling on external service providers, organizations or companies specialized in the dismantling of IT equipment, with whom they sign a recovery/dismantling/recycling contract. All WEEE treatment operations are carried out in compliance with applicable laws and standards.

Moreover, part of the discarded IT and electronic equipment is donated to schools or non-profit organizations, or sold or given out to employees. In Montpellier, Ubisoft is working with the association NOUAS Environnement which recovers and repairs computer equipment so as to be able to re-sell computers at very low prices. At the subsidiary in Toronto, teams have even been invited to bring in any domestic WEEE: for example, old cables or obsolete cassettes. These initiatives allow employees to then take equipment home that is no longer being used by their colleagues.

PAPER

In 2019, 63 sites [(2)] recycled or sorted their wastepaper.

Mindful of the environmental impact of paper consumption, the sites are continuing to recycle their paper through waste sorting at their premises or collection areas or by outsourcing to specialist companies as in Canada, the United States and France.

PRODUCTS THAT CANNOT BE SOLD

This product category includes non-distributed promotional goodies, posters, trade show stands and promotional tools. When such products cannot be donated or re-used, the inventory still held in distribution hubs is scrapped under the direct responsibility of the warehouses (logistics service providers). This is organized by suppliers or sites' warehouse managers. The various destruction tasks are carried out under the supervision of official bodies and are outsourced to external companies to be recycled, burnt or buried.

SINGLE-USE PLASTICS

In 2019, 60 sites [(3)] took measures to reduce consumption and the amount of single-use plastic waste.

At the Group's subsidiaries, this waste consists mainly of the single-use cups and cutlery used every day by the teams and their partners. In order to limit the use of these plastic products, many studios have given out or provide all employees with ceramic or metal cups, drinking bottles, cutlery, straws, or re-usable bags. Most sites are equipped with drinking fountains connected directly to the local drinking water supply.

External service providers are also involved: when outside caterers are contacted, many subsidiaries now ask that they use re-usable containers.

Extending the useful life of plastics from the products used by the teams is another area for improvement identified. For example, the Belgrade site is taking part in the Bottle Cap for a Handicap program run in Serbia. Plastic bottle caps are collected in order to make wheelchairs and other vital equipment for disabled young people. In addition, for several years now, the Barcelona subsidiary has been working with the SEUR foundation which collects plastic bottle caps, sells them to a recycling company, and re-invests the funds obtained to provide care for disadvantaged children.

OTHER CONSUMABLES

Most sites also organize the collection and sorting of waste consumables such as batteries and ink cartridges. In 2019, 57 sites [(4)] stated that they recycled this type of products.

The collection of this waste may be organized by the entity's IT team, or be done via on-site waste collection facilities. This waste is then treated by specialized external service providers, organizations or companies, in compliance with applicable laws.

Certain sites have also taken steps to limit printer use and consumption: in Kiev, electronic documents are now preferred in meetings, in order to limit printing.

OTHER WASTE SORTING PRACTICES

Most sites have collection points for recycling and sorting waste.

Several subsidiaries place recycling bins in prominent locations on-site, labeled by type of waste. These recycling points are used to sort paper, aluminum, plastic and food waste. These collection points are generally situated in offices, communal areas or at the entrance to each floor. The types of waste on which certain of our sites are focusing include:

- organic waste: several studios have installed compostable waste collectors to ensure that this waste is processed separately from other waste products. To combat wastage, some studios such as Montreuil are also giving staff the option to take home any fruit left over at the end of the week;
- mass market polluting waste: several Montreuil sites have this year installed cigarette butt collectors, provided by the company Cy-Clope. This company acts in partnership with Chimitec which collects and manages the recycling of cigarette butts. Filters made of cellulose acetate (a type of plastic) are thus transformed into a fine powder which is used in the preparation of cement, replacing fossil energy (oil, coal, etc.). The rest (ash, tobacco) is decontaminated and then composted;

(1) Representing 49.6% of the Group workforce at March 31, 2020

(2) Representing 84.5% of the Group workforce at March 31, 2020, compared with 56 sites in 2018, representing 85.6% of the Group workforce at March 31, 2019

(3) Representing 74% of the Group workforce at March 31, 2020

(4) Representing 84% of the Group workforce at March 31, 2020, compared with 52 sites in 2018, representing 86.7% of the Group workforce at March 31, 2019

- domestic waste: many sites are also seeking to give their waste a new lease of life by repairing what can be repaired or giving way what is still in a good state of repair, to reduce waste. The Newcastle Upon Tyne site uses a company called Orange Box, which collects and re-distributes unwanted furniture and household electrical goods. These are then offered at low prices to people in need;
- glass waste: glass is recycled by many studios in Europe which have installed containers to collect used glass. The Montreal studio has adopted a strategy involving the re-use of glass, in partnership with other specialist companies:

FOCUS: AN URBAN VINEYARD HAS BEEN PLANTED ON THE ROOF OF THE MONTREAL STUDIO

In Montreal, an urban vineyard has been set up on the studio roof: 40 vines have been planted, each in soil mixed with 30 pulverized wine bottles. The project is assisted by several business within the city, which support the circular economy by ultimately enabling more than 1,200 glass bottles to be recycled. In addition to the multiple ecological benefits, this initiative will lead to the production of the first ever wine grown in urban Montreal.

5.7.4 ENVIRONMENTAL RISKS

The Group's own activities do not present any significant industrial and environmental risks since the Group does not manufacture the physical supports for the video games and tie-in products it publishes and distributes. Nevertheless, the Group remains alert to regulatory changes in countries where it is present. The Group currently has no knowledge of any industrial or environmental risk [(1)] which could have a potential impact.

Moreover, in 2019, the Group carried out a study regarding the impact of climate change on its activities. A minority of sites which must be closely monitored by 2050 has been identified.

5.8 Duty of Care Plan

INTRODUCTION

The Duty of Care Plan has been introduced in the context of Law no. 2017-399 on the duty of care incumbent upon parent companies and order giver companies (also known as the Duty of Care Law). This Law focuses on measures aimed at identifying and preventing the risk of serious breaches of human rights and fundamental freedoms, danger to personal health and safety or to the environment, connected with the business of the Group and of the subcontractors and suppliers with which the Group has a commercial relationship (hereinafter, "risk of a serious violation"). For a more detailed description of the measures taken to mitigate the aforementioned risks of a serious violation, please refer to the corresponding challenges listed in the previous sections of Section 5.

Given the nature of the Group's business, **no intrinsic risk generated directly by the Group's business has been identified as constituting a risk of any serious violation of human rights or a danger to personal health and safety or to the environment**. Any risks of a serious violation identified are potential indirect risks generated by the Group's subcontractors. These risks will therefore be set out in greater detail at the end of this Duty of Care Plan. The Group nevertheless details here all of the risks identified, even where these would not constitute a risk of serious violation.

(1) To define an environmental risk, Ubisoft uses reference G4 of the GRI: "An environmental risk refers to the possibility of incidents or accidents occurring that are caused by the activities of a company, which may have harmful and significant repercussions for the environment. Environmental risk is measured by considering the probability of occurrence of an event (risk) and the level of danger

STEERING AND GOVERNANCE

The deployment of the measures connected with compliance with the Duty of Care Law is steered by the CSR department. The measures taken to promote compliance with human rights, personal health and safety, and environmental rights in relation to suppliers and subcontractors are taken by the teams in charge of purchasing and the tools and methodologies used are developed jointly by and between the CSR, Purchasing, and Legal teams.

The Duty of Care Plan is integrated in the existing approaches, policies and commitments relating to CSR. The Duty of Care Law offered an opportunity to set up new procedures and tools. However, it also allowed the actions already taken in this area to be reinforced, in particular, those linked to the management of suppliers.

INVOLVEMENT OF STAKEHOLDERS

In 2019, Ubisoft launched a consultation process with its internal and external stakeholders, in the form of an analysis of the materiality of the 20 challenges represented by Ubisoft's CSR strategy. The stakeholders contacted, comprising gamers, Ubisoft's business partners, and members of the Group's management, were asked to assess their expectations with regard to each of the challenges identified. This materiality analysis has enhanced the way in which we have mapped risks of serious violations against key priorities [1].

RISK MAPPING AND ACTIONS TAKEN

Risk mapping methodology

Ubisoft is committed to identifying and reducing the impact of its risks of serious violations. In order to rank these in order, the Group identifies risks in accordance of the probability of these occurring and their severity. The severity of the risks identified is measured using three criteria:

- scope qualifies the severity of the consequences for any stakeholders impacted;
- scale qualifies the number of individuals potentially impacted by the risk in question;
- ability to remedy qualifies Ubisoft's ability to remedy any violations potentially caused, or to offer compensation on a scale and level comparable with the violation.

This methodology follows the recommendations made by the OECD in relation to risk management and impacts on corporate stakeholders [2]. For certain specific risks, the relevant teams at Ubisoft have referred to the risk analysis methodologies and impact studies generated by the knowledge of the sector and its best practice. This is in particular the case for those risks linked to the use and retention of personal data.

As a reminder, none of the risks associated with the Group's direct business has been identified as constituting a risk of serious violation in terms of probability and severity, in particular thanks to the risk mitigation measures put in place and detailed below. The Group is determined to detail all of the risks identified, even where these would not constitute a risk of serious violation. Moreover, particular attention has been paid to the indirect risks generated by subcontracting, detailed in the final part of this plan.

Risks linked to the use by the Group of player and employee personal data

By its nature, Ubisoft's business requires the collection of a certain amount of personal data in relation both to Group employees and to players. These data may sometimes include sensitive personal data (data relating to an individual's identity or certain bank information relating to employees). For this reason, Ubisoft is committed to taking the appropriate measures to protect the privacy and personal data of its employees and of the third parties with which the Group does business (gamers, suppliers, partners). Ubisoft has opted to map the risks connected to the use of personal data by using the impact scales published by the CNIL [3]. This mapping has highlighted two types of potential risk:

- **internal risks** linked to a potential IT or behavioral error by the Group, one of its employees or partners, leading to a loss of personal data;
- **external risks** linked to malicious action by a third party targeting the Group with the aim of stealing or unlawfully using personal data, having a direct impact on our stakeholders.

For the optimal protection of the data in its possession, Ubisoft has adopted multiple standards and procedures defining the principles and measures to be applied and implemented when processing personal data. As Ubisoft has an extremely strong international presence, the Group has put in place strict, harmonized measures for the protection of personal data, in compliance in particular with European Union regulations (the General Data Protection

(1) See 5.2.1 "Corporate Social Responsibility strategy"

(2) OECD (2018), OECD Due Diligence Guidance for Responsible Business Conduct, p. 46

(3) CNIL, Analyse d'impact relative à la protection des données [Data protection impact analysis], February 2018

Regulation or GDPR [(1)]. Ubisoft exceeds the strict regulatory framework through the progressive application of the GDPR worldwide (except in China, for regulatory reasons connected to the specific nature of Chinese law).

The measures put in place to manage our **internal risks** include:

- the development of specialist teams;
- the reinforcement of the means of control offered to players and employees concerning the use of their personal data (for players: a program of transparency and options for better control of personal data in the various universes in which Ubisoft is present, either on cell phones, PCs or consoles);
- the principle of Privacy by Design: the inclusion of respect for personal data from the start of the process of designing any new services or implementing new data processing methods;
- the development of data base mapping in order to have greater knowledge of and control over all supports used for the storage of personal data;
- communication and awareness-raising actions among employees;
- reinforced contractual requirements in relation to personal data with our partners (signature of data protection agreements with third parties);
- operating measures used for the secure sharing of data with third parties;
- the conducting of impact studies relating to privacy [(2)] (privacy impact assessments).

The measures put in place to manage our **external risk**s linked to malicious actions include:

- the implementation of procedures by the customer services department to check the identity of relevant individuals prior to the disclosure of personal data;
- the implementation of a security program aimed at reducing the risk of any data loss from our personal data storage systems;
- the implementation of a program for our teams aimed at raising awareness on the subject of data security;
- the Privacy By Design process cited above, which also includes security aspects.

Risks linked to the Group's position as a responsible employer [(3)]

The risks identified by the Group in relation to its position as a responsible employer do not currently constitute a risk of any serious violations. Amount the risks identified:

- **psycho-social risks** connected to changes in working patterns during the development phase of our games: Ubisoft pays close attention to the work-life balance of its employees and ensures that the number of hours worked by its teams is rigorously monitored, thus being able to offer the compensatory mechanisms for the most intense periods of work. Moreover, the Group is committed to ensuring the mental and physical health of all employees through a wide range of initiatives (access to healthy food, sports facilities, etc.), thereby avoiding potential health risks. In 2019, organizational changes to the way in which our games are produced had consequences for the organization of the hours worked by the development teams. The periods granted for the completion phase were increased to 12 months in order to limit the crunch phenomenon (acceleration in the pace of work in preparation for the launch of a game);
- **risk of harassment and discrimination in the workplace**: diversity is at the very heart of the Group's concerns and the games produced thereby are created by teams that are multi-cultural, multi-ethnic, and multi-faith. To avoid all risk of discrimination and harassment, in financial year 2018/2019, the CSR department piloted the implementation of an anti-discrimination, anti-harassment, and anti-violence policy across all of our subsidiaries, based on the range of protection measures permitted under local law in each country in which Ubisoft does business. The Group entities will make these policies accessible to all employees and provide regular updates on their existence and application. Moreover, the intranet developed by the Corporate and Social Responsibility team provides all employees with resources and tools in relation to diversity and inclusion. Finally, awareness-raising training on inclusion is currently being rolled out in all of the Group's subsidiaries. Events celebrating diversity and inclusion within our teams are also organized on a one-off basis to ensure that teams receive regular reminders about this subject;
- **risk of insecure working conditions for our teams**: Ubisoft uses temporary and seasonal employment on a limited basis and keeps a significant part of the secondary activities relating to game development (testing, translation, call centers) in-house. Those positions with working conditions generating the greatest exposure to risks of insecurity are closely monitored by our HR teams which, where possible, develop career pathways enabling employees to find long-term positions in the industry.

(1) In Europe, the General Data Protection Regulation ("GDPR") which came into force on May 25, 2018, has harmonized the domestic legislation of European countries in relation to data privacy. This legislation has considerably increased the legal constraints applicable to the business carried out by companies that process personal data, in particular, by imposing a new principle of accountability which requires any company processing personal data to be able at all times to demonstrate that it is GDPR-compliant

(2) Ubisoft has therefore chosen to adopt the methodology proposed by the CNIL

(3) See 5.4. "Acting as a Responsible Employer"

Risks linked to the Group's environmental impact [1]

The nature of its activities means that the Group has not identified any risk of serious damage to the environment or to the ecosystems identified. The only risks identified represent a minor and structural impact, such as the carbon impact. As Ubisoft is growing rapidly, the number of employees in the Group is expected to increase; the carbon footprint linked to the activities of the company is also likely to rise. Ubisoft therefore aims to avoid any increase in the level of per capita GHG emissions. The Group is actively reducing these impacts and has put in place a set of measures aimed in particular at increasing the share of renewables in the energy mix used for its facilities, increasing the digitalization of its business, and optimizing the efficiency of its servers.

Risks connected to outsourcing - General

The use of outsourcing generates a specific set of risks:

- a risk of a serious human rights breach (such as forced labor or child labor);
- a risk of a serious personal health and safety breaches (such as non-compliance with HSE standards linked to industrial and/or manufacturing work);
- a risk of serious environmental damage (such as unlawful practices relating to the handling of waste products or hazardous substances).

Within the Group, purchasing is handled by all of the entities and may be split across various operational departments based on category.

Risks connected to outsourcing – Risk mapping by purchasing category

To identify risks of major breaches, purchasing risks have been analyzed on a category by category basis. For each purchasing category, the risk has been analyzed using a scale ranging from "Low" to "Moderate" to "High." There are three decisive criteria:

- estimated annual expenditure;
- key known CSR risks;
- existence of due diligence procedures;

Risk level	Low	Moderate	High
Purchasing family	♦ Administration ♦ Telecoms ♦ Marketing	♦ Video gaming – standard products: discs, cartridges, game cases ♦ Building management ♦ IT services ♦ Non-creative consulting and services ♦ General and administrative expenses ♦ Software ♦ Travel	♦ Video gaming – non-standard products: limited editions, tie-in products (figurines, accessories, textiles) ♦ Outsourced production services (testing, animation, subcontracting) ♦ Post-launch gaming and certification operations (customer support) ♦ Computer hardware ♦ Work

Risks connected to the Standard products purchasing category

Standard products (hard copy video games: discs, cartridges, and their packaging: game cases) are moderate risk as this manufacturing is managed directly by the Ubisoft partner companies known as First Parties, which control the production of the games consoles on which Ubisoft games are played: Microsoft, Sony, Nintendo. These companies send Ubisoft the technical specifications which must be complied with and impose their choice of suppliers.

These technical specifications include criteria related to respect for human rights and fundamental freedoms, personal health and safety, and the environment. Most of the plants involved in the manufacturing of the products listed above have therefore received ISO 9001 certification, as a guarantor of the Safety and Quality process, or ISO 14001 certification specific to the environment. This in particular concerns the providers of Ubisoft's logistics services and those plants tasked with the manufacturing and assembly of all discs and game cases.

Risks connected to the Non-standard products purchasing category

According to the risk mapping, one of the most high-risk purchasing categories is the non-standard products category. This mostly concerns tie-in products relating to Group licenses.

This category covers high volume purchases that may reach several hundred thousand items per order, with significant production manpower requirements. Part of these orders are placed in countries in which the requirements in terms of safety in the workplace, environmental protection, or labor law may be less stringent than those imposed by the international standards and agreements with which Ubisoft has made a commitment to comply, in particular in terms of human rights [2].

(1) See 5.7 "Optimizing Our Environmental Impact"

(2) In particular, the International Labor Organization (ILO) conventions nos. 87 and 98 on Freedom of Association and Protection of the Right to Organize and Collective Bargaining Rights; ILO Conventions nos. 138 and 182 on Child Labor; ILO Conventions nos. 29 and 105 on Forced Labor

In order to target these categories of purchasing in particular, a document entitled Ubisoft Manufacturing Quality Guidelines is presented, explained, and signed by all suppliers, and includes a section covering respect for fundamental human rights, health and safety in the workplace, and the protection of the environment. This is a contractual document and is binding upon suppliers.

In addition, in order to identify all potential risks of serious violations and to reinforce the process used for the selection and monitoring of suppliers within this category of purchases, the department responsible for arranging supplies of non-standard products completes a risk assessment, the key criteria of which are the category of purchase applicable to the products ordered, the country in which these are manufactured, and the value of the order placed. Each order is given a risk level of between 1 and 3 and those suppliers concerned by orders classed as risk level 3 (high risk) must sign a more in-depth contract which sets out in detail the requirements imposed by the Ubisoft Manufacturing Quality Guidelines. The structure of these master agreements is currently being improved to include clauses relating to the Duty of Care and Sapin 2 laws. These clauses guarantee improved monitoring of our suppliers and any potential subcontractors, as well as heightened measures for combating risks linked to corruption and money laundering.

Finally, when any new risk level 3 order is signed, the relevant subcontractors may be asked to undergo corporate audits carried out on-site by independent third parties, based on the SA 8000 standard. 3As at December 31, 2019, the three largest suppliers in terms of annual purchasing volumes had seen all of their production sites audited on the basis of the SA 8000 standard and applicable local laws and regulations and the application of this standard is the subject of specific monitoring throughout the duration of the relationship between Ubisoft and the partner company.

Following these audits and depending on their findings, corrective action plans may be sent to the subcontractors and monitored over time by the non-standard product purchasing teams to ensure that practices are improved and meet Ubisoft standards. These plans include measures such as:

- reduction in working hours;
- mandatory rest periods;
- new health and safety regulations;
- training on subjects such as health and safety in the workplace;
- improved technical fixtures (floor markings, emergency exists, illuminated signs, fire prevention equipment, etc.);
- best practices in terms of environmental protection.

ONE EXAMPLE OF A CORRECTIVE ACTION PLAN: ARTOYZ

Ubisoft includes in its purchasing CSR measures a desire not just to identify high-risk suppliers but to go even further by enabling its strategic partners to improve their knowledge of CSR issues. Ubisoft is thereby improving the positive impact produced by its value chain. The French company Artoyz (specialized in the production of collectable figurines) has thus benefited from the regular monitoring of quality, labor-related, and environmental factors.

Ubisoft's quality and compliance team has been working very closely with this company and its factory in China in order to improve the manufacturing processes used for the products ordered by the Group, as well as the organization of its manufacturing site. This factory had not received any certification and in 2016 had been ranked unsatisfactory following an independent audit carried out at the request of Ubisoft. Ubisoft and Artoyz then set themselves the joint objective of obtaining SA 8000 and ISO 9001 certification for the subcontractor factory.

Two years of cooperation led to three labor-related audits, four trips to visit the Chinese manufacturing sites by teams from Ubisoft and a member of Artoyz's management team. In July 2019, the factory used by Artoyz obtained the desired certifications and Ubisoft now considers that Artoyz has achieved the expected levels in terms of quality and corporate responsibility.

Risks linked to purchasing categories other than those relating to the manufacturing of video games and tie-in products

These categories include building management, IT services, non-creative services and consulting, general and administrative items, etc.

For these categories, a risk analysis procedure covering the scopes of the Duty of Care and Sapin 2 laws (human rights and fundamental freedoms, personal health and safety, the environment, corruption) has been conducted since January 2019. This procedure is managed and rolled out by the Group's Purchasing department. This involves a three-stage procedure aimed at assessing the level of risk of suppliers:

- the first stage consists of a pre-analysis questionnaire completed by the purchaser using the information provided by the supplier during the sourcing process, information available in-house, and publicly-available information;
- on the basis of the results obtained, due diligence must then be carried out with a more in-depth analysis which may lead to the drafting of an action plan with the service provider;
- if the detailed analysis produces an unsatisfactory result but the process for the negotiation of a contract is to continue, the purchaser then launches an escalation procedure which leads to the case being put to a committee of internal independent experts who will issue an opinion on the supplier in question and make a decision as to whether the supplier can be retained on the basis of the CSR criteria. If the decision is made to proceed with the signature of a contract with the service provider, specific tools are then used (specific contractual clauses and work on an action plan with the service provider).

If the escalation process is triggered, the purchaser flags up the case of the short-listed supplier for signature of a contract. An initial committee is involved and is given 72 hours to reach a decision on the specific case of the supplier. This committee is comprised of the manager of the purchaser and/or a business line expert and a risk expert from the CSR department. They determine jointly whether the risks identified during the course of the detailed analysis process are real, serious, or minor, whether they can be mitigated via an action plan, or whether they are unchangeable. They may block the signature of a contract at their level, validate it and allow the process to be continued, or, for suppliers of particular strategic importance to the Group, the experts from this first committee may choose in turn to bring the case before a second committee comprised of members of top management from the Group's CSR, Purchasing, and Legal departments. This second committee makes a final decision on the case relating to the supplier and the purchaser which initially triggered the escalation process is then informed.

In addition to this preliminary procedure applicable prior to the signature of any contract, teams from the Purchasing department complete regular assessments of the suppliers within their scope. These procedures for the assessment of service providers include CSR criteria. These assessments enable confirmation to be provided that the service provider is compliant with CSR criteria during the supply phase and guarantee the monitoring of the progress plan put in place, based on the risks escalated.

All purchasing units were provided with training on these new procedures in late January 2019.

Finally, all contracts include clauses relating to respect for human rights and fundamental freedoms, personal health and safety, and the environment. These clauses also cover compliance with anti-corruption legislation, in particular, France's Sapin 2 Law.

MONITORING OF THE MEASURES

The measures set out in the Duty of Care Plan are of two types:

- measures decided and put in place directly by the game production studios or by management of the Group's subsidiaries. Certain of these measures were defined and implemented prior to the coming into force of the Duty of Care Law and these have been integrated into the day-to-day processes used by the teams in charge, as from their application;
- measures decided by the CSR department. The department monitors these directly. The teams in charge of specific measures work on the definition of monitoring indicators that will enable analysis of changes in the rate of coverage of the actions rolled out.

Finally, all of these new procedures are integrated into the internal audit and control measures.

WHISTLE-BLOWING MECHANISM

An internal whistle-blowing mechanism has been put in place in order to allow teams to escalate any potential serious breaches by suppliers or subcontractors. This mechanism can also be used for alerts linked to any breach of international law, of the applicable local law, or of the Group's Code of Conduct. This mechanism is managed at a Group level and hosted by a platform independent from Ubisoft, which guarantees the protection of the whistle-blower. The whistle-blower may choose to remain anonymous, or allow the individuals tasked with investigating the alert to be informed of his or her identity. The alert is then escalated to one of the specialist committees, based on the subject matter, in order to be dealt with.

5.9 Report by one of the Statutory Auditors, appointed as an independent third party organization, on the consolidated statement of non-financial performance

This is a free translation into English of one of the auditors, appointed independent third party, on the consolidated non-financial performance statement issued in French language and it is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

As Statutory Auditors of your Company (hereafter "entity") appointed as an independent third party organization (OTI), accredited by the COFRAC under number 3-1049 (1), we hereby present our report on the consolidated statement of non-financial performance relating to the financial year ended March 31, 2020 (hereafter the "Statement"), presented in the Group's Management Report in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

RESPONSIBILITY OF THE ENTITY

The Board of Directors is responsible for preparing a Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in respect of these risks and the results of these policies, including key performance indicators.

The Statement was prepared by applying the entity's procedures (hereafter the "Guidelines") for which the significant items are presented in the Statement and available on request from the entity's registered office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and our professional Code of Ethics. Furthermore, we have set up a quality control system that includes documented policies and procedures that aim to ensure compliance with applicable laws and regulations, ethical rules and professional standards.

RESPONSIBILITY OF THE STATUTORY AUDITORS APPOINTED AS AN INDEPENDENT THIRD PARTY ORGANIZATION

Based on our work, it is our responsibility to formulate a reasoned opinion expressing a conclusion of moderate assurance on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the accuracy of the information provided pursuant to 3° of I and II of Article R. 225 105 of the French Commercial Code, i.e. the results of the policies, including the key performance indicators, and the actions with regard to the main risks, hereafter the "Information".

However, it is not our responsibility to express an opinion on the entity's compliance with any other applicable legal and regulatory provisions, in particular concerning the vigilance plan and combatting corruption and tax evasion, nor on the compliance of the products and services with applicable regulations.

(1) The scope of accreditation is available at www.cofrac.fr

NATURE AND SCOPE OF WORK

Our work described below was carried out in compliance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, professional standards of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) on this intervention, and the international standard ISAE 3000 (1):

- we took note of the activity of all entities included in the scope of consolidation and the presentation of the main risks;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account industry best practice where relevant;
- we verified that the Statement covers each category of social and environmental information required by III of Article L. 225-102-1, as well as respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement presents the information required by II of Article R. 225-105 when it is relevant in view of the main risks and includes, if applicable, an explanation of the reasons justifying the absence of information required by the 2nd paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the business model and a description of the main risks related to the activity of all of the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by the business relations, products or services, as well as the policies, actions and results, including the key performance indicators related to the main risks;
- we consulted documentary sources and carried out interviews to:
  - assess the selection and validation process for the main risks as well as the consistency of the results, including the key performance indicators selected, in view of the main risks and policies presented,
  - substantiate the qualitative information (actions and results) that we considered to be the most significant presented in Appendix 1. For all of the risks, our work was carried out at the level of the consolidating entity and in a selection of entities [2];
- we verified that the Statement covers the consolidated scope, i.e. all entities included in the scope of consolidation in accordance with Article L. 233-16;
- we took note of the internal control and risk management procedures set up by the entity and assessed the collection process that aims to ensure the completeness and accuracy of the information;
- for the key performance indicators and the other quantitative results that we considered to be the most significant presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of their changes,
  - detailed tests based on sampling, to check the proper application of the definitions and procedures and to reconcile the data with the supporting documents. This work was carried out for a selection of contributing entities [2] and covers between 20% and 80% of the consolidated data selected for these tests;
- we assessed the consistency of the Statement as a whole compared to our knowledge of all of the entities including in the scope of consolidation.

We consider that the work that we carried out by exercising our professional judgment allows us to formulate a conclusion of moderate assurance; a higher level of assurance would have required a more extensive review.

MEANS AND RESOURCES

Our work called on the expertise of five individuals and took place between December 2019 and May 2020 over a total period of three weeks.

We called upon the assistance of our experts in sustainable development and social responsibility in performing our work. We carried out around ten interviews with the people responsible for preparing the Statement.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

(2) **Employee-related indicators:** Ubisoft International, and Ubisoft Divertissement Inc.
Environmental indicators: Ubisoft Montréal Saint-Laurent, and Ubisoft Montreuil Lagny

IN CONCLUSION

Based on our work, we did not identify any material misstatements likely to call into question the fact that the consolidated statement of non-financial performance complies with the applicable regulatory provisions and that the information, taken as a whole, is presented fairly, in accordance with the Guidelines.

Paris-La Défense, May 29, 2020

KPMG S.A.

Anne GARANS
Partner
Sustainability Services

Vincent BROYÉ
Partner

APPENDIX 1

Qualitative information (actions and results) considered to be the most significant
Mechanisms for attracting and retaining talent
Mechanisms for assessing employee well-being
Policies and actions implemented to promote diversity
Actions implemented to contribute to employee well-being
Social dialog and collective agreements signed during the year
Actions relating to waste management
Mechanisms implemented for responsible purchasing and the assessment of suppliers and sub-contractors
Measures to monitor and reduce the carbon footprint
Measures taken to prevent risks in terms of ethics and the combatting corruption
Measures implemented to promote human rights
Policy and mechanisms implemented to protect personal data
Measures taken to protect player health and safety
Group CSR commitments

Key performance indicators and other quantitative results considered to be the most important
Total headcount and breakdown by age, gender, geographic region, type of contract and occupation
Total number of hires
Number of dismissals
% of average headcount trained
Average duration of training (in hours) per employee trained
Number of occupational accidents with time off
Number of days of employee absence (workplace accidents, diseases, all reasons)
Percentage of women managers
Percentage of local employees registered at the end of the period
Electricity consumption (excluding servers)
Percentage of electricity from renewable sources
Number of sites recycling/reusing WEEE
Quantity of WEEE recycled
Number of sites recycling paper
Number of kilometers travelled by plane

6 Financial statements

6.1 Consolidated financial statements as at March 31, 2020

6.1.1 SUMMARY STATEMENTS

Statement of financial position

ASSETS

(in € thousands)	Notes	Net 03/31/20 (1)	Net 03/31/19
Goodwill	17 to 20	334,558	290,721
Other intangible assets	21 to 23	1,115,283	882,925
Property, plant and equipment	24 to 25	174,393	159,958
Right-of-use assets	27 to 28	229,906	-
Investments in associates		7	7
Non-current financial assets	38	13,710	8,660
Deferred tax assets	31	169,338	168,443
Non-current assets		**2,037,195**	**1,510,714**
Inventory and work in progress	10	12,446	31,880
Trade receivables	5	307,060	476,641
Other receivables	12/32	127,457	179,982
Current financial assets	38	453	184
Current tax assets		41,034	39,555
Cash and cash equivalents	37	1,079,197	1,049,803
Current assets		**1,567,646**	**1,778,045**
TOTAL ASSETS		**3,604,841**	**3,288,759**

(1) Consolidated financial statements include cumulative impacts of IFRS 16 as at April 1, 2019 (see 6.1.2.6 Comparability of financial statements)

LIABILITIES

(in € thousands)	Notes	03/31/20 (1)	03/31/19
Share capital	47/48	9,374	8,650
Premiums		863,547	335,759
Consolidated reserves	50/51	567,256	475,624
Consolidated earnings		(125,624)	99,985
Equity attributable to owners of the parent company		**1,314,553**	**920,018**
Non-controlling interests	52	7,190	-
Total equity		**1,321,743**	**920,018**
Provisions	34	3,091	2,469
Employee benefit liabilities	14	15,769	14,382
Long-term borrowings and other financial liabilities	37	1,176,198	890,366
Deferred tax liabilities	31	109,531	127,903
Other non-current liabilities	34	59,569	-
Non-current liabilities		**1,364,157**	**1,035,119**
Short-term borrowings and other financial liabilities	37	246,863	453,299
Trade payables	11/26	139,208	188,787
Other liabilities	6/34	517,730	664,617
Current tax liabilities		15,140	26,918
Current liabilities		**918,940**	**1,333,621**
TOTAL LIABILITIES		**3,604,841**	**3,288,759**

(1) Consolidated financial statements include cumulative impacts of IFRS 16 as at April 1, 2019 (see 6.1.2.6 Comparability of financial statements)

Consolidated income statement

(in € thousands)	Notes	03/31/20 (1)	%	03/31/19	%
Sales	**4**	**1,594,831**	**100%**	**1,845,522**	**100%**
Cost of sales		(253,077)		(328,972)	
Gross profit		**1,341,754**	**84%**	**1,516,550**	**82%**
R&D costs	8	(720,829)		(740,969)	
Marketing costs	8	(386,604)		(410,070)	
Administrative and IT costs	8	(193,011)		(157,295)	
Operating profit (loss) from continuing operations		**41,311**	**3%**	**208,216**	**11%**
Other non-current operating expenses	9	(100,806)		(49,231)	
Operating profit (loss)		**(59,496)**	**-4%**	**158,985**	**9%**
Interest on borrowings		*(18,121)*		*(20,920)*	
Income from cash		*4,189*		*2,780*	
Net borrowing cost		(13,932)		(18,140)	
Result from foreign exchange operations		(3,787)		(5,311)	
Other financial expenses		(1,474)		(23,941)	
Other financial income		132		36,515	
Net financial income	**36**	**(19,061)**	**-1%**	**(10,877)**	**-1%**
Share of profit of associates		-		294	
Total income tax	29/30	(45,685)	-3%	(48,418)	-3%
CONSOLIDATED NET INCOME		**(124,242)**	**-8%**	**99,985**	**5%**
Net income attributable to owners of the parent company		(125,624)		99,985	
Net income attributable to non-controlling interests	52	1,382		-	
Earnings per share attributable to owners of the parent company	**53**				
Basic earnings per share *(in €)*		(1.12)		0.93	
Diluted earnings per share *(in €)*		(1.12)		0.89	

(1) Consolidated financial statements include cumulative impacts of IFRS 16 as at April 1, 2019 (see 6.1.2.6 Comparability of financial statements)

Statement of comprehensive income

(in € thousands)	03/31/20 (1)	03/31/19
Net income for the period	**(124,242)**	**99,985**
Items reclassified subsequently under profit or loss	**(21,291)**	**31,718**
Foreign exchange gains and losses on foreign operations	(21,291)	32,306
Effective part of the change in fair value of cash flow hedges	-	(897)
Tax on other comprehensive income reclassified subsequently under profit or loss	-	309
Items not reclassified subsequently under profit or loss	**829**	**(1,038)**
Actuarial gains and losses on post-employment obligations	1,087	(2,020)
Tax on other comprehensive income	(273)	520
Other profits (losses)	15	462
Other comprehensive income	**(20,462)**	**30,682**
PROFIT (LOSS) FOR THE PERIOD	**(144,704)**	**130,667**
Attributable to		
♦ Owners of the parent company	(146,086)	130,667
♦ Non-controlling investments	1,382	-

(1) Consolidated financial statements include cumulative impacts of IFRS 16 as at April 1, 2019 (see 6.1.2.6 Comparability of financial statements)

Consolidated table of change in equity

(in € thousands)	Capital	Share Premiums	Other premiums	Reserves	Reserves Hedging reserve	Trading on own shares	Foreign exchange gains and losses	Financial year net income	Total Owners of the parent	Attributable to non-controlling interests	Total equity
	Attributable to owners of the parent company			Consolidated reserves							
SITUATION AT 03/31/18	**8,652**	**2,862**	**231,261**	**972,472**	**588**	**(397,098)**	**(68,860)**	**139,452**	**889,330**		**889,330**
Net income								99,985	99,985		99,985
Other comprehensive income				(1,036)	(588)	-	32,306		30,682		30,682
Profit (loss)	**-**	**-**		**(1,036)**	**(588)**	**-**	**32,306**	**99,985**	**130,667**		**130,667**
Allocation of consolidated profit (loss) in N-1				139,452				(139,452)	-		-
Change in the share capital of the parent company (1)	(2)	46,950				84,962			131,910		131,910
Cumulative effect of the first-time application of IFRS 15				(64,515)					(64,515)		(64,515)
Options on ordinary shares issued			54,686						54,686		54,686
Sales and purchases of treasury shares						(222,060)			(222,060)		(222,060)
SITUATION AT 03/31/19	**8,650**	**49,813**	**285,947**	**1,046,373**	**-**	**(534,196)**	**(36,553)**	**99,985**	**920,018**	**-**	**920,018**
Net income								(125,624)	(125,624)	1,382	(124,242)
Other comprehensive income				829	-	-	(21,291)		(20,462)	-	(20,462)
Profit (loss)	**-**	**-**		**829**	**-**	**-**	**(21,291)**	**(125,624)**	**(146,086)**	**1,382**	**(144,704)**
Allocation of consolidated profit (loss) in N-1				99,985				(99,985)	-	-	-
Change in scope									-	5,808	5,808
Change in the share capital of the parent company	724	424,157				109,897			534,778	-	534,778
Options on ordinary shares issued			53,772						53,772	-	53,772
Equity component (2)			49,859	(26,714)					23,144	-	23,144
Sales and purchases of treasury shares						(16,650)			(16,650)	-	(16,650)
Obligation to purchase minority shareholders' shares				(54,423)					(54,423)	-	(54,423)
SITUATION AT 03/31/20	**9,374**	**473,970**	**389,577**	**1,066,050**	**-**	**(440,949)**	**(57,844)**	**(125,624)**	**1,314,553**	**7,190**	**1,321,743**

(1) Excluding effect linked to the cancellation of own shares

(2) OCEANE bonds are a hybrid instrument composed partially of debt and partially of equity capital

Foreign exchange gains and losses consist essentially of the increase in the value of the Canadian dollar between the closing rate on March 31, 2019 (€1 = 1.5000 CAD) and the closing rate on March 31, 2020 (€1 = 1.5617 CAD), i.e. €(16,784)K.

Cash flow statement

(in € thousands)	Notes	03/31/20	03/31/19
Cash flows from operating activities			
Consolidated profit (loss)		(124,242)	99,985
Share of profit of associates		-	(294)
Net amortization and depreciation on property, plant and equipment and intangible assets	17/21/24/27	619,429	584,259
Net provisions	5/10/14/34	2,265	22,039
Cost of stock-based compensation	15	53,772	54,686
Gains/losses on disposals		682	261
Other income and expenses calculated		10,650	(5,401)
Income tax expense	29	45,685	48,418
Cash flows from operating activities		**608,240**	**803,951**
Inventory	10	20,186	(31,326)
Customers	5	182,891	(18,031)
Other assets (excluding deferred tax assets)	32	58,194	28,408
Suppliers [1]	11/26	(49,199)	3,181
Other liabilities (excluding deferred tax liabilities)	34	(51,805)	6,387
Deferred income and prepaid expenses	6/12	(96,525)	248,384
Change in WCR linked to operating activities		**63,742**	**237,005**
Current income tax expense		(71,625)	(68,582)
Total cash flow generated by operating activities [2]		**600,358**	**972,374**
Cash flows from investing activities			
Payments for internal and external developments [1]	22	(651,202)	(587,699)
Payments for other intangible assets	22	(17,802)	(12,975)
Payments for property, plant and equipment	25	(87,107)	(61,428)
Proceeds from the disposal of intangible assets and property, plant and equipment		179	25
Payments for the acquisition of financial assets	38	(215,697)	(43,816)
Refund of loans and other financial assets	38	210,498	42,057
Repayment of CACIB security deposit [3]		-	100,000
Change in scope [4]		(143,736)	(84,327)
Cash used from investing activities		**(904,866)**	**(648,162)**
Cash flow from financing activities			
New finance leases contracted		-	21
New borrowings	37	935,241	604,985
Accrued interest	37	(29)	(1,324)
Refund of borrowings in relation to leases [5]	37	(35,577)	(1,300)
Refund of borrowings [7]	37	(584,908)	(572,177)
Funds received from shareholders in capital increases [7]		81,466	131,910
Sales/purchases of own shares [6] [7]	50	35,348	(201,899)
Cash generated by financing activities		**431,543**	**(39,784)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**127,037**	**284,427**
Cash and cash equivalents at the beginning of the period		878,612	583,354
Foreign exchange losses/gains		(18,720)	10,831
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD [4]		**986,927**	**878,612**
(1) Including changes linked to guaranteed, unpaid commitments		*(597)*	*(3,373)*
(2) Including interest paid		*(9,447)*	*(11,195)*
(3) €100 million security deposit relating to the share swap agreement set up in FY 2017/2018 and settled in FY 2018/2019			
(4) Including cash in companies acquired and disposed of		*20,165*	*(2,254)*

(5) Consolidated financial statements include cumulative impacts of IFRS 16 as at April 1, 2019 (see 6.1.2.6 Comparability of financial statements). The interest accrued in the amount of €5.7 million continues to impact the net cash generated by operating activities, depreciation of right-of-use assets are re-stated to include cash flows from operating activities for €34.4 million, investment flows are not modified while the repayment of principal of lease liabilities has a €35.2 million impact on financing flows

(6) Including €201 million linked to the purchase of own shares following the settlement of the share swap agreement on November 9, 2018. At 03/31/19, changes in the fair value have been re-stated to include cash flows from operating activities for €12.9 million and WCR for €7.2 million

(7) Variations linked to the conversion of OCEANE issued on September 27, 2016 have been re-stated for €379.5 million in repayment of loans, €325.1 million for amounts received from shareholders via share capital increases, and €54.4 million from sales/purchases of own shares

The change in net cash breaks down as follows:

	03/31/20	03/31/19
Cash and cash equivalents	1,079,197	1,049,803
Bank overdrafts	(92,270)	(171,191)
CASH AND CASH EQUIVALENTS ON THE CASH FLOW STATEMENT	**986,927**	**878,612**

The main changes are covered in section 2.6.3 of the annual financial report.

6.1.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

6.1.2.1 Description of the business and the basis of preparation of the financial statements

NOTE 1 HIGHLIGHTS AND GENERAL PRINCIPLES

Financial year highlights

June 2019: "MMO" employee stock ownership plan

The Company's Board of directors decided to carry out, on February 1, 2019, a capital increase reserved for employees other than members of the Group savings plan. Beneficiaries were offered the option of acquiring Company shares with a 15% discount as part of a leveraged Group savings scheme via a company mutual fund (FCPE) or stock appreciation rights (SAR). The latter benefited from an additional contribution equal to three times their personal contribution, capped at €300 per holder. After a five-year period, or before the end of this period in the event of early release, each beneficiary is also guaranteed to receive their initial investment in euros (comprising his/her personal contribution increased by the additional contribution) as well as a multiple of the possible average protected increase in the share price.

On July 4, 2019, Ubisoft Entertainment delivered 528,041 shares (FCPE formula) and created 1,021,350 shares (SAR formula) at a price of €68.30.

September 2019: Issue of bonds with an option for conversion into new shares and/or for exchange for new and/or existing shares ("OCEANEs") and early redemption of existing OCEANEs issued on September 27, 2016

On September 24, 2019, Ubisoft Entertainment SA issued 4,361,859 bonds maturing in 2024 with the option of their conversion into and/or exchange for new or existing shares (OCEANE bonds) for a total nominal amount of €500 million. The bonds have a par value of €114.63 each, with an issue premium of 65%. The issue price amounts to €526 million, with a price of €120.65 per bond. OCEANEs do not bear interest and will be redeemed at par.

Concurrently with the issue, on September 17, 2019, Ubisoft announced its decision to exercise its early redemption option with respect to the OCEANE bonds issued on September 27, 2016 in the amount of €400 million. On October 18, 2019, the Company therefore proceeded with the early cash redemption, at par, i.e. €54.74 per bond, of all bonds outstanding at that date. 99.36% of bondholders opted to convert their OCEANEs into shares. The amortized cost of the debt component, which amounted to €382.6 million on the settlement date at October 18, 2019, is:

- recorded as equity capital as at October 18 for those bonds for which the holders exercised the conversion option, i.e. €380 million; and
- redeemed for €2.6 million.

October 2019: Update of the financial objectives and game release schedule for financial year 2019-2020

The consolidated financial statements take into account the consequences of the press release of October 24, 2019, which pointed to a sharp drop in expected revenues from *Ghost Recon Breakpoint* and, to a lesser extent, from *The Division 2*, along with the decision to extend the development period for *Gods & Monsters*, *Rainbow Six Quarantine* and *Watch Dogs Legion*, now set be released in financial year 2020-2021.

March 2020: Potential impact of the COVID-19 coronavirus epidemic on business and results for financial year 2019-2020

Faced with the current health crisis, the Group has taken the necessary measures to protect its employees and ensure the continuity of its business. The Group is closely monitoring the development of this pandemic. A dedicated crisis management unit has been put in place at Group level and is in permanent contact with the different entities.

With the lockdown, engagement with our games has increased significantly and this has had a positive impact on our financial performance. It is impossible as of the date hereof to determine whether this impact will be sustainable.

The Group has introduced procedures for the continual monitoring of the consequences that the pandemic may have on its business activities, in particular, the business of physical distribution of its games.

In addition, a large majority of the Group's developers are now working remotely, and significant measures have been taken to keep up high levels of productivity, in particular, via the use of the streaming solutions which had already been successfully tested in the past. The transition to remote working has nevertheless had an impact of a few weeks on our production which, to date, the Company considers manageable.

Company presenting the consolidated financial statements

Ubisoft Entertainment is domiciled in France at 107, avenue Henri Fréville, 35207 Rennes.

The consolidated financial statements of Ubisoft Entertainment for the year ended March 31, 2020 cover Ubisoft Entertainment SA and the entities it controls or over which it exerts significant influence (collectively referred to as "the Group").

The financial statements were approved by the Board of directors, which authorized their publication on May 14, 2020. They will be presented for approval at the General Meeting of July 2, 2020.

6.1.2.2 Basis of preparation of the financial statements of March 31, 2020

The consolidated financial statements for the financial year ended March 31, 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable at March 31, 2020, as adopted by the European Union.

Over the periods presented, the standards and interpretations adopted by the European Union are similar to the compulsory application standards published by the IASB, with the exception of texts currently being adopted, for which Ubisoft does not anticipate their application to have a significant impact. Consequently, the Group's financial statements are prepared in accordance with IFRS standards and interpretations, as published by the IASB.

The principles retained for the preparation of the financial statements at March 31, 2020 are the result of the application:

- of all the standards approved by the European Commission and published in its official journal prior to March 31, 2020 and which have been mandatory since April 1, 2019; in particular IFRS 16 (Leases);
- of recognition and measurement options available under IFRS:

Standard		Option used
IAS 2	Inventory	Measurement of inventories according to the weighted average unit cost
IAS 16	Property, plant and equipment	Measurement at historical amortized cost
IAS 36	Intangible assets	Measurement at historical amortized cost

The Group's consolidated financial statements are presented in thousands of euros to the nearest whole number, unless otherwise indicated. Rounding up or down to the nearest thousand euros may, under certain circumstances, lead to non-significant discrepancies in the totals and sub-totals featured in the tables.

6.1.2.3 Texts for which application is not mandatory for financial years beginning after April 1, 2019 and applied early

None

6.1.2.4 Texts with mandatory application after April 1, 2019 and not applied early

None

6.1.2.5 Use of estimates

Preparation of consolidated financial statements in accordance with IFRS requires the Group's management to make estimates and assumptions that affect the application of the accounting principles and the amounts recognized in the financial statements.

These estimates and the underlying assumptions are established and reviewed continuously on the basis of past experience and other factors considered reasonable in light of the circumstances. They therefore serve as a basis for the calculation of the carrying amounts of assets and liabilities that cannot be obtained from other sources. Actual values may differ from estimates.

The General Management uses its judgment to define the accounting treatment of certain transactions.

Relevant Note		Key sources of estimation
Note 2	Main changes in scope	The key sources of estimation are for the estimation of earnouts which are most often conditional on a future level of performance over a multi-year period.
Notes 19-20-23	Key assumptions used to calculate recoverable values Sensitivity of recoverable amounts Brands	Main assumptions used to determine the recoverable value of assets with indefinite useful lives.
Note 21	Provisions for other amortization and impairment of intangible assets	Future sales projections used to calculate expected cash flows.
Note 14	Employee benefits	Discount rate, inflation, return on plan assets and wage growth.
Note 15	Compensation in shares and equivalents	Model and underlying assumptions used to determine fair values.
Note 34	Provisions	Underlying assumptions made to appraise and estimate risks.
Note 4	Sales	The assumptions used for provisions for returns and price reductions made on physical retail sales are based on expected inventory sell-off over the six to 12 months after closing and any reductions in the unit selling price granted by the Company. The Group uses estimates concerning the estimated period of service for each class of game, as detailed in Note 4 – "Sales".
Note 31	Deferred tax	Assumptions used to recognize deferred tax assets and methods of applying tax legislation.
Notes 24-27-28-37	Liquidity agreements	Assumptions adopted to recognize the right to use a leased asset, valuation of lease liabilities, calculation of the discount rate, of the term of an agreement, the depreciation period of non-removable leasehold improvements, the accounting treatment further to modifications to contractual terms and conditions.

The accounting principles outlined below were applied:

- on a permanent basis to all periods presented in the consolidated financial statements;
- consistently by all Group entities.

6.1.2.6 Comparability of financial statements

CHANGE IN METHODS USED FOR CONSOLIDATION, MEASUREMENT, AND PRESENTATION

With the exceptions set out below, the accounting principles used for these financial statements are identical to those applied to the Group consolidated financial statements for the financial year ended March 31, 2019.

Initial application of IFRS 16 "Leases"

The new IFRS 16 "Leases" standard is mandatory and applicable to financial years starting after January 1, 2019, replacing IAS 17 and the associated IFRIC and SIC interpretations.

At April 1, 2019, the Group decided to apply the simplified retrospective method consisting of recording the cumulative impact of the initial application as an adjustment to opening equity. The data for previous financial years are thus presented in accordance with the accounting principles applied previously, as presented in the consolidated financial statements for the financial year ended March 31, 2019.

The main effects of the new methodology introduced by IFRS 16 compared with the principles applied previously relate to the lessee's recording of leases in the financial statements. IFRS 16, which defines a lease as being an agreement that grants the lessee the right to control the use made of an identified asset profoundly changes the way in which these agreements are recorded in the financial statements.

Firstly, the standard introduces a single model for the recording of leases by the lessee, consisting of a right-of-use asset and a lease liability, corresponding to the total discounted future payments. The accounting treatment under IAS 17 (previous standard), which made a distinction between finance leases and operating leases, disappeared and has been replaced by this new model as from April 1, 2019.

In addition to the impact of the presentation on the statement of financial position, the income statement is also modified. The current operating expenses item is replaced by a depreciation expense and an interest expense. In the statement of cash flows, only interest continues to impact operating flows, depreciation of right-of-use assets is re-stated for cash flows from operating activities, investment flows are not modified while the repayment of the principal of lease liabilities impacts financing flows.

The Group has defined three large families of leases:

- land and buildings: these concern commercial leases and parking lots;
- IT equipment: this mainly concerns space in data centers;
- other: this mainly concerns vehicles.

For this initial application, the Group has adopted the simplified retrospective method and applies the following authorized practical provisions:

- the exclusion of leases for which the residual term is less than 12 months following the first-time application date. This provision is applied for all leases, including those that are subject to tacit renewal as of the transition date. To apply this provision, the Group has used its judgment and the experience acquired during previous financial years in order to determine whether or not there is reasonable certainty of exercising a renewal option, given the relevant facts and circumstances;
- the exclusion of leases relating to low-value assets;
- the exclusion of the initial direct costs of the assessment of the right-of-use at the date of first-time application;
- reclassification in an identical manner of the outstanding assets and liabilities of the finance leases identified under IAS 17 as rights-of-use and lease liabilities.

The Group has decided not to adopt the interim simplification measures consisting of the application of the provisions of IFRS 16 solely to those leases identified under IAS 17 and IFRIC 4; it has chosen to apply the new lease definition under IFRS 16 to all agreements in existence as of the date of first-time application.

The discount rates applied at the date of transition are based on the Group's incremental borrowing rate, plus the risk-free rate for each country, to take the specific economic environment of each one into account. These discount rates have been set in consideration of the residual terms of the leases as from the date of first-time application, i.e. April 1, 2019.

The average incremental borrowing rate used as at April 1, 2019 was 3.14%.

The impacts of the application of IFRS 16 as at April 1, 2019 are set out in the table below:

(in € thousands)	Notes	Figures published 03/31/19	Impact of application of IFRS 16	Change over the financial year	Impacts as at 03/31/20*
Right-of-use assets	28	-	179,999	49,907	229,906
of which gross value		-	*191,373*	*83,969*	*275,342*
of which depreciation		-	*(11,374)*	*(34,062)*	*(45,436)*
Property, plant and equipment	25	159,958	(16,930)	(9,002)	(25,932)
of which finance leases		*14,807*	*(14,807)*	*(9,821)*	*(24,628)*
of which development kits		*2,123*	*(2,123)*	*819*	*(1,304)*
Non-current assets		**1,510,713**	**163,069**	**40,905**	**203,974**
Trade receivables	5	476,641	(2,943)	2,943	-
Prepaid expenses	12	29,990	(576)	(144)	(720)
Current assets		**1,778,045**	**(3,519)**	**2,799**	**(720)**
TOTAL ASSETS		**3,288,758**	**159,550**	**43,704**	**203,254**
Total equity		**920,018**	**-**	**(4,746)**	**(4,746)**
Non-current financial liabilities	37	890,366	149,183	34,536	183,719
Non-current liabilities		**1,035,119**	**149,183**	**34,536**	**183,719**
Current financial liabilities	37	453,299	26,377	12,600	38,977
Trade payables	11	188,787	(759)	693	(66)
Other liabilities	34	664,617	(15,251)	621	(14,630)
Current liabilities		**1,333,621**	**10,367**	**13,914**	**24,281**
TOTAL LIABILITIES		**3,288,758**	**159,550**	**43,704**	**203,254**

* *Excluding tax impacts*

The impact of IFRS 16 on the income statement, amounting to €(5) million before tax, corresponds to the cancellation of lease expenses for €35.2 million, the recognition of a provision for depreciation of €(34.4) million, the recognition of interest for €(5.7) million, and foreign exchange losses of €0.1 million

A decision made in November 2019 by the IFRS Interpretations Committee deemed that a lease remains enforceable as long as the lessee or the lessor would incur more than insignificant losses in the event of the termination of the lease. Therefore, even where the lessee has no discretionary option to extend the lease, the reasonably certain term of the agreement should be assessed in order to determine the corresponding lease liability and therefore calculate the value of the right-of-use. According to the committee, the notion of losses must be given a broad interpretation without being restricted to contractual or financial penalties.

Regarding the term used for the depreciation of non-removable leasehold improvements, the committee notes that the term of the lease is one factor to be taken into account when determining the depreciation period for improvements; and the existence of non-removable leasehold improvements not fully depreciated which would have to be abandoned and dismantled if the lease were terminated is an example of a loss to be taken into account when assessing the enforceable period of a lease.

For the time being, these decisions do not call into question the application of the ANC regulation governing French "3-6-9" year commercial leases, considering that the enforceable period of these specific leases cannot be more than nine years.

Given this decision, the Group therefore recorded a lease liability over a period consistent with the anticipated term of use of the non-removable asset investments.

Application of IFRIC 23 "Uncertainty over income tax treatments"

As at April 1, 2019, the Group applied IFRIC 23 "Uncertainty over income tax treatments."

IFRIC 23 clarifies the application of the provisions of IAS 12 "Income Taxes" concerning the recognition and valuation of the tax impacts when uncertainties exist regarding the treatment of income tax.

This application had no effect on the assessment of current and deferred taxation.

ADDITIONAL ESTIMATE

None

OTHER ITEMS AFFECTING COMPARABILITY

None

6.1.2.7 Main changes in scope and consolidation scope

NOTE 2 MAIN CHANGES IN SCOPE

Acquisition

July 2019: Acquisition of 70% of the Green Panda Games Group

On July 31, 2019, Ubisoft acquired a 70% interest in France's Green Panda Games Group and its two wholly-owned subsidiaries. Green Panda Games is a leading publisher of free-to-play mobile games, specialized in hyper-casual games.

The Group develops and publishes idle genre games. Boasting a highly-talented 30-person team, since its creation in 2013, the publisher has launched more than 55 games, downloaded by some 85 million players worldwide.

The agreements include a provision for Ubisoft to increase its stake to 100% over the next four years.

The Group has opted for the partial goodwill method, which corresponds to the difference between the acquisition price for the combination, and the purchaser's share of the fair value of the identifiable net assets purchased. This figure does not include goodwill relating to non-controlling interests.

(in € thousands)	At the acquisition date
Fair value of the consideration transferred	36,697
Share attributable to non-controlling interests	1,249
Net assets and liabilities acquired	(4,165)
Goodwill resulting from the acquisition	33,782
Cash acquired	4,196

The calculation of the goodwill is provisional as at March 31, 2020, with the estimate of the acquisition price and its allocation still being analyzed at the closing date; this will be finalized within twelve months following the acquisition date.

This majority equity investment is accompanied by three sale options granted to non-controlling shareholders, as well as three purchase options granted to the Group, which may be exercised according to a period defined in the shareholders' agreement.

At March 31, 2020, the debt linked to the sale option granted to the non-controlling shareholders was measured at the current value of the strike price of the option, based on the enterprise value calculated in the context of work relating to the allocation of the acquisition price. This debt has been recorded in the statement of financial position under the item "Other non-current liabilities." Subsequent changes to the fair value of the debt are recognized against the equity of the Group except for the part related to presence conditions, which is recognized as personnel expenses.

January 2020: Acquisition of 75% of Kolibri Games

On January 31, 2020, Ubisoft acquired a 75% stake in Germany's Kolibri Games. The company is a leading publisher of free-to-play mobile games and one of the leaders in the idle segment. Based in Berlin, the studio, comprised of a team of around one hundred talented individuals, developed and published Idle Miner Tycoon which has been downloaded by over 104 million players worldwide and for which over 160 updates with additional content have been issued since its launch in 2016.

The agreements include a provision for Ubisoft to increase its stake to 100% over the next five years.

The Group has opted for the partial goodwill method, which corresponds to the difference between the acquisition price for the combination, and the purchaser's share of the fair value of the identifiable net assets purchased. This figure does not include goodwill relating to non-controlling interests.

(in € thousands)	At the acquisition date
Fair value of the consideration transferred	118,223
Share attributable to non-controlling interests	4,560
Net assets and liabilities acquired	(18,241)
Goodwill resulting from the acquisition	104,543
Cash acquired	15,969

The calculation of the goodwill is provisional as at March 31, 2020, with the estimate of the acquisition price and its allocation still being analyzed at the closing date; this will be finalized within twelve months following the acquisition date.

This majority equity investment is accompanied by four sale options granted to non-controlling shareholders, as well as four purchase options granted to the Group, which may be exercised according to a period defined in the shareholders' agreement.

At March 31, 2020, the debt linked to the sale option granted to the non-controlling shareholders was measured at the current value of the strike price of the option, based on the enterprise value calculated in the context of work relating to the allocation of the acquisition price. This debt has been recorded in the statement of financial position under the item "Other non-current liabilities." Subsequent changes in the fair value of the debt will be recognized against the equity of the Group.

Opening of subsidiaries

- ***November 2019***: Creation of Robot Parking Productions LLC, Very Perry Productions LLC, and Creature Within Productions LLC in the United States.
- ***February 2020***: Creation of Ubisoft Vietnam Company Ltd.
- ***March 2020***: Creation of Ubisoft Ltd Taiwan Branch (branch of Ubisoft Ltd based in Hong Kong).

Mergers of subsidiaries

None

Dissolution of subsidiaries

- ***March 2020***: Dissolution without liquidation of Ubisoft Learning & Development SARL.

The dissolution without liquidation has no impact on the consolidated financial statements.

NOTE 3 SCOPE OF CONSOLIDATION

As at March 31, 2020, 83 entities were consolidated (75 entities as at March 31, 2019).

Only significant entities are presented in the table below. The significance of entities is assessed according to their contribution to capitalized production costs and their contribution to Group sales.

Other subsidiaries and special purpose entities whose contribution is not significant are not included in this list:

Company	Country	Percentage of control	Percentage of interest	Consolidation method	Business
Ubisoft Entertainment SA	France	Parent company	Parent company	FC	Publishing
Ubisoft Ltd	United Kingdom	100%	100%	FC	Distribution
Ubisoft Inc.	United States	100%	100%	FC	Distribution
Ubisoft GmbH	Germany	100%	100%	FC	Distribution
Ubisoft Srl	Romania	100%	100%	FC	Production
Ubisoft Entertainment Inc.	Canada	100%	100%	FC	Production/ Distribution
Ubisoft France SAS	France	100%	100%	FC	Distribution
Ubisoft EMEA SAS	France	100%	100%	FC	Distribution
Ubisoft Production Internationale SAS	France	100%	100%	FC	Production
Ubisoft Toronto Inc.	Canada	100%	100%	FC	Production
Ubisoft Paris SAS	France	100%	100%	FC	Production
Ubisoft Montpellier SAS	France	100%	100%	FC	Production
Ubisoft Entertainment Sweden AB	Sweden	100%	100%	FC	Production
Ubisoft Mobile Games SARL	France	100%	100%	FC	Distribution
Ubisoft Blue Byte GmbH	Germany	100%	100%	FC	Production
Ubisoft Singapore Pte Ltd	Singapore	100%	100%	FC	Production

FC = Full Consolidation

The closing date of the annual accounting period for consolidated companies is March 31. Certain companies use December 31 as their closing date, but draw up financial statements for the period from April 1 to March 31 for the consolidated reporting.

The organization chart is presented in the part 2.4.3 of the annual report.

As at March 31, 2020, all companies of the Group are fully consolidated with the exception of Shanghai UNO Network Technology Co. Ltd consolidated with the equity method.

Non-controlling investments in the net assets of the consolidated subsidiaries are presented in a separate line of equity attributable to owners of the parent company, "Non-controlling investments." Non-controlling investments include the amount of non-controlling interests as of the date of taking control and the share held by the non-controlling shareholders in any change in equity since this date. Unless otherwise stipulated by contractual agreement, any negative earnings recorded by subsidiaries are systematically split between the equity attributable to the owners of the parent company and to non-controlling investments on the basis of their respective percentage interests, even if these become negative.

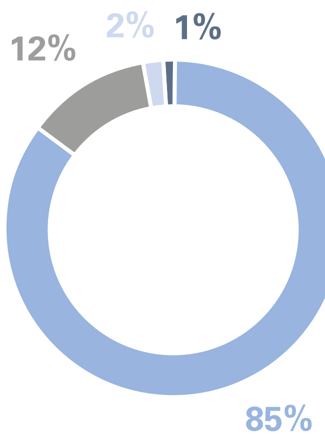
6.1.2.8 Sales

NOTE 4 SALES

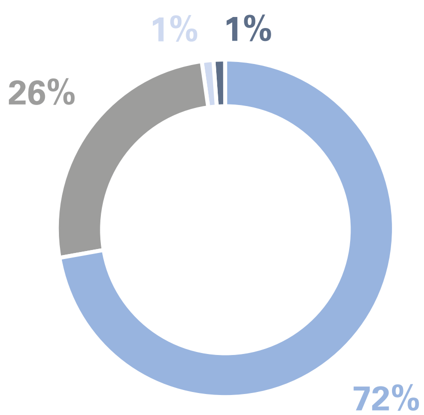
Sales	03/31/20	03/31/19	Change	Change current rates	Change constant rates
Digital	1,349,245	1,340,209	9,036	0.7%	-1.0%
Retail	196,743	473,139	(276,396)	-58.4%	-59.3%
Provision of services	31,761	17,555	14,207	80.9%	78.6%
Licenses	17,082	14,619	2,463	16.8%	15.8%
TOTAL	**1,594,831**	**1,845,522**	**(250,690)**	**-13.6%**	**-15.1%**

Sales fell by 13.6% between 2019 and 2020 at current exchange rates and by 15.1% at constant exchange rates. 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 financial year.

BREAKDOWN OF SALES AT MARCH 31, 2020



BREAKDOWN OF SALES AT MARCH 31, 2019



- Digital
- Retail
- Services
- Licences

ACCOUNTING PRINCIPLES

Sales of video games without associated services (Digital and Retail)

Digital sales of video games

These correspond to the sale of games or additional content through 100% digital media (content for download: downloadable video games, DLC, etc.). Revenue from digital sales is recognized at the date the downloadable content is made available.

If applicable, deferred income is recognized to defer the recognition of sales revenue where the content sold has not been made available to customers at the closing date.

Moreover, in the context of distribution contracts that are the subject of specific compensation methods such as guaranteed minima, reference to the date of transfer of control is liable to lead to one part of the revenue being carried forward.

Retail sales of video games

Sales from the sale of boxed video games is recognized at the date of product delivery to the distributors, less rebates and a provision for returns and price reductions, if applicable.

For boxed games sold in retail but also including digital content (season pass, DLC, etc.), part of this content is isolated and reclassified in digital sales. The allocation is made on the basis of the individual sale of each element included in the offer.

Sales of video games including a Live Services (Digital and Retail) online functionality

The service identified constitutes a separate service obligation, which is spread out over the estimated lifetime of the service as of the date on which the game is marketed.

Ubisoft identifies two obligations on these types of games:

- an initial obligation associated with the digital or physical delivery of the content, where revenue associated with this initial obligation shall be recognized at the date of delivery of the content. The detailed methods used for the recognition of the revenue are identical to those described for the associated sales without services;
- a performance obligation corresponding to the provision of a set of services to the end user (the player) including in particular rights over unspecified future content (updates, corrections, improvements, maintenance and potentially any delivery of free content) and functionalities enabling online access to this content. The sale price relating to this service obligation is calculated depending on the service charge calculated by category of game. The revenue associated with this service obligation is recognized in accordance with a linear spread profile over the expected lifetime of the game for final users.

Licenses relating to video games or works of cinema

License agreements constitute:

- either an access right staggered over time;
- or a recognized right-of-use as of a given date, based on the use made of the license by the license-holder which corresponds to the date on which the licensed content is transferred to the client and from which the client may benefit from this without restriction.

The reference made to the date of transfer of control is liable to lead to one part of the revenue being carried forward.

Virtual currency

Virtual currency constitutes a separate performance obligation. Revenue is staggered over the estimated term of use of the credits.

Subscriptions

Revenue from subscriptions is recognized on a straight-line basis over the term of the service provided.

NOTE 5 TRADE RECEIVABLES

Trade and other receivables	Gross opening balance	First-time application of IFRS 16 [1]	Movement	Reclassifications	Change in scope	Foreign exchange gains and losses	Closing balance
Trade receivables	479,159	(2,943)	(179,934)	(338)	8,435	4,801	309,180
TOTAL AT 03/31/20	**479,159**	**(2,943)**	**(179,934)**	**(338)**	**8,435**	**4,801**	**309,180**
TOTAL AT 03/31/19	**436,889**	**-**	**18,031**	**747**	**2,161**	**21,331**	**479,159**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

Provisions	Opening date	Provisions	Reversals	Reclassifications	Change in scope	Foreign exchange gains and losses	Closing balance
Trade receivables	2,518	836	(849)	(338)	-	(47)	2,120
TOTAL AT 03/31/20	**2,518**	**836**	**(849)**	**(338)**	**-**	**(47)**	**2,120**
TOTAL AT 03/31/19	**1,317**	**2,136**	**(2,186)**	**747**	**471**	**33**	**2,518**

All trade receivables are due in less than one year.

Credit risk

Ubisoft's main customers are spread out worldwide. These are in particular structured as:

- digital distributors (representing 84.6% of the total sales of the Group):

  In the digital market, there are few customers, but with worldwide distribution. The Company considers that given the quality of the counterparties, the counterparty risk on digital sales is limited;
- physical distributors (representing 12.3% of the total sales of the Group):

In order to protect itself against the risk of default, the Group's main subsidiaries, which generate around 86% of physical sales, are covered by credit insurance.

Ubisoft's largest customer accounts for 21% of Group sales excluding tax, the top five account for 51% and the top 10 for 63%.

In accordance with IFRS 9, the Group uses the simplified model for the impairment of commercial receivables based on the analysis of expected losses over the receivable's lifetime. After analyzing the probability of default of creditors, certain commercial receivables were subject to impairment. In view of the quality of the counterparties relating to digital sales and of the credit insurance covering 86% of physical sales, the expected impairment loss on trade receivables is limited as regards the Group.

ACCOUNTING PRINCIPLES

Trade and other receivables linked to operating activity are recorded at amortized cost – in most cases the same as nominal value – minus any loss of value recorded in a special impairment account. As receivables are due in under a year, they are not discounted.

In accordance with IFRS 9, the Group uses the simplified model for the impairment of commercial receivables based on the analysis of expected losses over the receivable's lifetime. After analyzing the probability of default of creditors, certain commercial receivables may be subject to impairment.

According to IFRS 9, value adjustments for losses due to expected credit losses correspond either to:

- expected credit losses for the twelve months after the closing date;
- expected credit losses for the lifetime.

The assessment of expected credit losses for the lifetime applies if the credit risk for a financial asset at the closing date has significantly increased since its initial recognition. Otherwise, the assessment is made according to the expected credit losses for the coming twelve months.

The difference between the carrying amount and recoverable value is recorded as operating income. Impairment may be reversed if the asset regains its value in future. Reversals are recognized in the same item as provisions. Impairment is deemed permanent when the receivable itself is considered to be permanently irrecoverable and written off.

NOTE 6 DEFERRED INCOME

	Opening date	Initial application of IFRS 15	Provisions	Reversal	Reclassifications	Foreign exchange	Change in scope	Closing balance
Deferred digital sales (1)	55,636	-	1,405	(40,598)	-	(61)	-	16,383
Deferred revenues related to IFRS 15 (2) (3)	281,859	-	106,480	(140,264)	-	1,124	-	249,199
Other deferred income (4)	43,839	-	3,842	(18,364)	(21,039)	1,093	-	9,371
TOTAL AT 03/31/20	**381,335**	**-**	**111,728**	**(199,226)**	**(21,039)**	**2,158**	**-**	**274,955**
TOTAL AT 03/31/19	**40,891**	**87,871**	**374,227**	**(128,312)**	**-**	**6,074**	**584**	**381,335**

Deferred income is comprised mainly of:

(1) deferred income linked to digital game sales featuring content available for download. Deferred income is recognized if the date on which the content is available for download is after the sale of the game;

(2) deferred services linked to sales of games including Live Services type online functionality;

(3) deferred revenue relating to:
- license agreements when these agreements constitute an access right staggered over time or a recognized right-of-use as from the date of transfer of control,
- distribution agreements when governed by specific compensation methods such as guaranteed minima;

(4) other deferred income not linked to IFRS 15.

NOTE 7 SEGMENT INFORMATION

In accordance with IFRS 8, the Group produces segment information. Segment information is compiled using the data presented for the analysis of the business performance by the Board of directors, which is the Group's main operational decision-making body.

The operating segments reported correspond to the publication/production activities and to geographical areas of distribution at which operational decisions are made.

The breakdown by geographic region is given for two segments, according to the distribution of the Group's assets:

- EMEA distribution zone (corresponding to the Asia, Pacific and Europe zones);
- North America distribution zone (including North, Central and Latin America).

This sector information is consistent with the CGU Groups identified for the impairment tests (*see note 6.1.2.11*).

Operating profit (loss) by sector

	03/31/20 (1)				03/31/19			
	Publishing/ Production	Distribution EMEA	North America Distribution Zone	Group	Publishing/ Production	Distribution EMEA	North America Distribution Zone	Group
Sales	**228,283**	**706,020**	**660,528**	**1,594,831**	**145,844**	**873,558**	**826,120**	**1,845,522**
Cost of sales	(34,732)	(124,058)	(94,287)	(253,077)	(6,088)	(191,753)	(131,131)	(328,972)
Gross profit	**193,551**	**581,962**	**566,241**	**1,341,754**	**139,756**	**681,805**	**694,989**	**1,516,550**
R&D costs	(679,471)	(1,872)	459	(680,885)	(698,280)	(1,920)	(169)	(700,370)
Marketing costs	(108,243)	(137,708)	(136,278)	(382,229)	(82,108)	(163,995)	(158,906)	(405,009)
Administrative and IT costs	(83,801)	(43,325)	(56,432)	(183,557)	(66,855)	(36,429)	(44,985)	(148,269)
Cross-segment (2)	680,675	(324,738)	(355,938)	-	1,025,157	(579,509)	(445,648)	-
Current operating income before stock-based compensation	**2,712**	**74,318**	**18,051**	**95,082**	**317,670**	**(100,049)**	**45,281**	**262,902**
Stock-based compensation (3)	(53,772)	-	-	(53,772)	(54,686)	-	-	(54,686)
OPERATING PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(51,059)**	**74,318**	**18,051**	**41,311**	**262,984**	**(100,049)**	**45,281**	**208,216**

(1) See 6.1.2.6 Comparability of financial statements: initial application of IFRS 16

(2) The parent company invoices subsidiaries for a contribution in the form of royalties to defray development costs (amortization of commercial software and external software development, and royalties paid to third-party developers)

(3) Expenses linked to stock-based compensation are recognized by the parent company but relate to employees in all geographic regions

Other items in the income statement, particularly other operating income and expenses, financial income and expenses and taxes are not monitored segment by segment and are considered to relate to the Group as a whole and in a general way.

Assets by segment

	03/31/20 (1)				03/31/19			
	Publishing/ Production	Distribution EMEA	North America Distribution Zone	Total	Publishing/ Production	Distribution EMEA	North America Distribution Zone	Total
Goodwill	301,531	9,562	23,465	334,558	257,963	9,875	22,883	290,721
Other intangible assets and property, plant and equipment	1,265,826	8,023	15,826	1,289,676	1,019,586	7,479	15,819	1,042,883
Right-of-use assets	211,516	6,474	11,916	229,906	-	-	-	-
Non-current financial assets	12,340	688	689	13,716	7,414	607	645	8,667
Deferred tax assets	114,091	29,293	25,954	169,338	104,757	49,071	14,616	168,443
Non-current assets	**1,905,305**	**54,040**	**77,850**	**2,037,195**	**1,389,720**	**67,032**	**53,962**	**1,510,714**
Current assets	177,177	127,906	141,880	446,963	202,345	226,090	260,067	688,502
Current financial assets	453	-	-	453	184	-	-	184
Current tax assets	40,543	465	25	41,034	38,043	1,406	107	39,555
Cash and cash equivalents	1,005,030	67,283	6,884	1,079,197	880,748	164,276	4,778	1,049,803
Current assets	**1,223,203**	**195,655**	**148,789**	**1,567,646**	**1,121,320**	**391,773**	**264,952**	**1,778,045**
TOTAL ASSETS	**3,128,507**	**249,695**	**226,639**	**3,604,841**	**2,511,040**	**458,804**	**318,914**	**3,288,759**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

As the Group's segment liabilities are not subject to regular presentations to the Management, they are not included in the segment information.

6.1.2.9 Current and non-current operating expenses

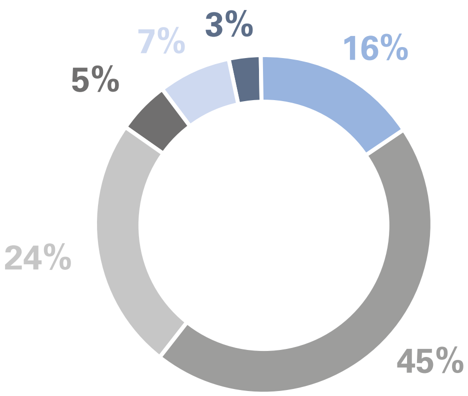
NOTE 8 OPERATING EXPENSES BY DESTINATION

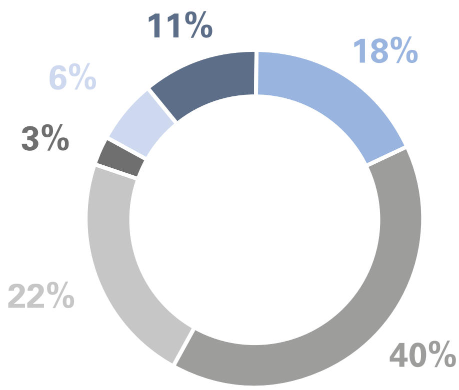
R&D expenses fell by €20.1 million to €720.8 million (45.2% of sales), compared with €740.9 million for the financial year 2018/2019 (40.1%).

The cost of sales increased by €75.9 million to reach €253 million (15.9% of sales), compared with €329 million (17.8%) the previous financial year.

Marketing, administrative and IT costs increased by €12.2 million to reach €579.6 million (36.3% of sales), compared to €567.4 million (30.7%) the previous financial year:

- variable marketing expenses stood at €262.6 million (16.5% of sales), compared with €296 million (16%) for 2018/2019;
- overheads totaled €317 million (19.9% of sales) compared with €271.4 million (14.7%) in 2018/2019.





Details of provisions and reversals of provisions and depreciation and amortization by destination

	03/31/20				
Net provisions	Total	Cost of sales	R&D costs	Marketing costs	Administrative and IT costs
Amortization and impairment of intangible assets	434,883	-	427,884	2,191	4,807
Amortization and depreciation of property, plant and equipment	47,324	29	33,198	3,305	10,792
Depreciation of right-of-use assets relating to leases	36,948	298	27,606	4,734	4,310
Provisions for trade receivables	270	-	(4)	273	-
Provisions for risks and charges	452	(184)	651	47	(62)
Provisions for post-employment liabilities	2,498	-	1,620	250	627
TOTAL AT 03/31/20	**522,374**	**143**	**490,956**	**10,801**	**20,474**
TOTAL AT 03/31/19	**536,102**	**63**	**505,832**	**580**	**29,627**

ACCOUNTING PRINCIPLES

For the purpose of comparisons with other sector players, Ubisoft presents its results by function.

R&D costs

This item includes all research and development expenses incurred by the Group:

- compensation of production teams not allocated to capitalized projects (short-term benefits, post-employment benefits, stock-based compensation) as well as the indirect costs and activities less any public grants received or to be received;
- royalties paid or due on items of intellectual property belonging to third parties used as part of the Group's content production;
- amortization of commercial software from commercial launch and potential impairment based on expected future profitability of games.

...

Marketing costs

This item includes all sales and marketing costs, with the exception of editorial marketing costs, which are included under research, and development costs. It brings together the variable marketing costs (marketing investment for the financial year) and structural costs (compensation of marketing teams).

Administrative and IT costs

This item includes all the expenses of the administrative and IT teams (structural costs) as well as sub-contracting and indirect costs.

NOTE 9 OTHER NON-CURRENT OPERATING EXPENSES

	03/31/20	03/31/19
Goodwill	100,056	48,531
Brands	750	700
TOTAL	**100,806**	**49,231**

Other non-current operating expenses include impairment of goodwill and brands recognized further to impairment tests or when the market value has become lower than the carrying amount (*see details note 17*).

As those expenses are non-recurring and relevant, they are presented as non-current expenses.

NOTE 10 INVENTORY

Inventory and work in progress	Opening date	Change in Inventory (result)	Reclassifications	Change in scope	Foreign exchange gains and losses	Closing balance
Goods	61,639	(20,186)	-	-	61	41,514
TOTAL AT 03/31/20	**61,639**	**(20,186)**	**-**	**-**	**61**	**41,514**
TOTAL AT 03/31/19	**28,521**	**31,326**	**-**	**-**	**1,793**	**61,639**

Impairment	Opening date	Provisions/ Reversals	Change in scope	Foreign exchange gains and losses	Closing balance
Goods	29,759	(705)	-	14	29,068
TOTAL AT 03/31/20	**29,759**	**(705)**	**-**	**14**	**29,068**
TOTAL AT 03/31/19	**8,257**	**20,859**	**-**	**643**	**29,759**

No inventories are pledged as collateral for a liability.

ACCOUNTING PRINCIPLES

Inventory is valued using the weighted average cost method.

The net value of inventory is measured at the lower of acquisition cost and net realizable value.

The acquisition cost is the purchase price plus incidental expenses.

Net realizable value is the estimated sale price in the normal course of business minus estimated completion costs and estimated selling costs (marketing and distribution costs).

Impairment is recorded when the likely net realizable value falls below the carrying amount.

No borrowing costs are included in the cost of inventory.

NOTE 11 TRADE PAYABLES

Trade payables	Gross Opening balance	First-time application of IFRS 16 (1)	Change	Reclassifications	Change in scope	Foreign exchange gains and losses	Gross Closing balance
Suppliers	188,127	(759)	(52,576)	456	4,208	(704)	138,752
TOTAL AT 03/31/20	**188,127**	**(759)**	**(52,576)**	**456**	**4,208**	**(704)**	**138,752**
TOTAL AT 03/31/19	**176,076**	**-**	**3,352**	**-**	**3,542**	**5,157**	**188,127**

(1) see 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

"Suppliers" includes commitments made under license agreements including the portion not yet paid.

At March 31, 2020, these outstanding commitments stood at €10,494 thousand compared with €11,091 thousand the previous year.

As these debts are short-term and do not bear interest, the interest-rate risk is not significant.

ACCOUNTING PRINCIPLES

Supplier payables are recorded at amortized cost.

Trade payables with maturity over one year are discounted. More generally, as trade payables are short-term, they are recorded in the statement of financial position at their par value.

NOTE 12 PREPAID EXPENSES

	Gross Opening balance	First-time application of IFRS 16 (1)	Change	Reclassifications	Change in scope	Foreign exchange gains and losses	Gross Closing balance
Prepaid expenses	29,991	(576)	9,026	-	331	(583)	38,188
TOTAL AT 03/31/20	**29,991**	**(576)**	**9,026**	**-**	**331**	**(583)**	**38,188**
TOTAL AT 03/31/19	**32,036**	**-**	**(2,469)**	**-**	**-**	**424**	**29,991**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

These are mainly expenses relating to software, IT maintenance and miscellaneous general expenses.

6.1.2.10 Employee benefits

NOTE 13 PERSONNEL EXPENSES

Staff at March 31, 2020 (total employees registered at the end of the period) break down as follows:

Staff by geographic region	03/31/20	03/31/19
Americas	6,252	5,724
EMEA/Pacific	11,793	10,261
TOTAL	**18,045**	**15,985**

The average headcount in 2019/2020 was 17,136.

	03/31/20	03/31/19
Salaries [1]	808,369	714,138
Payroll taxes	189,086	171,547
Grants and tax credits	(150,183)	(136,823)
Stock-based compensation [2]	53,772	54,686
TOTAL	**901,043**	**803,548**

(1) Of which €(109) thousand in shadow stocks options granted to senior executives paid in cash
(2) See details in Note 15

The Group had total expenses of €28,780 thousand in respect of its defined contribution plans.

Grants and tax credits presented as a reduction in personnel expenses are as follows:

Country	Type	03/31/20	03/31/19
Canada	Subsidies [1]	96,811	89,506
	Tax credits [1]	7,989	8,435
France	Tax credits	27,277	23,144
	Other [2]	2,385	3,345
Singapore	Grants	5,875	4,888
United Kingdom	Tax credits	4,974	3,110
Abu Dhabi	Grants	1,642	1,304
Other		3,228	3,091
TOTAL		**150,183**	**136,823**

(1) The payment of certain grants or tax credits is contingent upon the generation of taxable income
(2) Including €2,026 thousand in CICE tax credits as at 03/31/19

ACCOUNTING PRINCIPLES

Some of the Group's production studios are located in countries where the legislation offers video game producers incentives, such as public grants or tax credits. Income from these provisions are presented as reductions to research and development expenses in the Group's income statement. They are recorded as reductions in the cost of sale of internal software developments in the statement of financial position, so that they are recognized as a reduction in the amortization expense over the useful life of the internal software developments to which they are attached.

Some of these provisions may include conditions that must be complied with by the Group immediately or at a later date. These conditions are analyzed by the Group before their registration as a reduction in the asset's cost of sale.

NOTE 14 EMPLOYEE BENEFITS

Provisions for post-employment benefits

	Opening date	Provisions	Change in other comprehensive income *	Reversals	Change in scope	Foreign exchange gains and losses	Closing balance
Provisions for post-employment benefits	14,382	2,624	(1,087)	(126)	-	(23)	15,769
TOTAL AT 03/31/20	**14,382**	**2,624**	**(1,087)**	**(126)**	**-**	**(23)**	**15,769**
TOTAL AT 03/31/19	**10,289**	**2,392**	**2,020**	**(350)**	**-**	**31**	**14,382**

** The change is mainly due to the change in the discount rate assumption*

Assumptions

	Japan		Italy		France		India		Bulgaria	
	03/31/20	03/31/19	03/31/20	03/31/19	03/31/20	03/31/19	03/31/20	03/31/19	03/31/20	03/31/19
Annual wage growth	2.45%	2.07%	10%	3%	1.50% to 2%	1.50% to 2%	10% to 12%	10% to 12%	5%	5% to 12%
Turnover rate	3.80%	3.45%	Between 3% and 7%	Between 3% and 7%	< 49 years: 5.75% ≥ 49 years: 1%	< 49 years: 5.75% ≥ 49 years: 1%	< 30 years: 24% < 40 years: 14% ≥ 40 years: between 2% and 0%	< 30 years: 24% < 40 years: 14% ≥ 40 years: between 2% and 0%	< 30 years: 16% < 40 years: 8% ≥ 40 years: between 5% and 0%	< 30 years: 16% < 40 years: 8% ≥ 40 years: between 5% and 0%
Retirement age	60 years	60 years	67 years	66 years	67 years	67 years	60 years	60 years	61 years and 64 years	61 years and 64 years
Discount rate	1.42%	1.04%	1.42%	1.04%	1.42%	1.04%	6.80%	7.55%	0.6%	1%
Average remaining working life	16 years	16 years	27 years	27 years	32 years	32 years	33 years	33 years	25 years	25 years

Death rate assumptions are based on published statistics and tables.

The definition of and principles for the measurement and recognition of these benefit liabilities are presented below.

An increase of 50 basis points in the discount rate would result in a fall of 10% in the amount of the benefit liability.

An decrease of 50 basis points in the discount rate would result in an increase of 10% in the amount of the benefit liability.

ACCOUNTING PRINCIPLES

Post-employment obligations

Ubisoft contributes to pension, medical and termination benefit plans in accordance with the laws and practices of each country. These benefits can vary depending on a range of factors, including seniority, salary and payments to compulsory general plans.

These plans may be either defined contribution plans or defined benefit plans:

- with regard to ***defined contribution plans***, the pension supplement is determined by the cumulative capital due to employee and Company contributions into external funds. The expenses correspond to contributions paid during the period. The Group has no subsequent obligations to its employees. For Ubisoft, this generally involves public retirement plans and specific defined contribution plans;
- with regard to ***defined benefit plans***, the employee receives a fixed pension benefit from the Group, determined on the basis of several factors, including age, length of service and compensation level. Such plans are used by the Group in Japan, Italy, France, Bulgaria and India.

The employer's future obligations are measured on the basis of an actuarial calculation called the "projected unit credit method," in accordance with each plan's operating procedures and the information provided by each country. This method involves determining the value of likely discounted future benefits of each employee at the time of his/her retirement. In accordance with the revised IAS 19, actuarial gains and losses are recognized in other comprehensive income.

In Japan, Italy and France, the discount rate is determined on the basis of market rates for high-quality corporate bonds (IBBOX AA10+ rate, the average of the last 12 months of AA rated corporate bonds over 10 years or more).

In India and Bulgaria, the discount rate is based on the current yield rate for the government's bond market at the closing date.

NOTE 15 COMPENSATION IN SHARES AND EQUIVALENTS

Impact on the financial statements:

EQUITY AT 03/31/19	**243,424**
Personnel costs	**53,772**
Stock options	*5,047*
Free share grants	*39,301*
MMO - Massive Multishare Ownership	*9,424*
EQUITY AT 03/31/20	**297,196**

The impact of these stock-based compensation payments on reserves corresponds to all rights acquired by employees in respect of equity instruments issued by Ubisoft as at March 31, 2020 (*see section 6.1.1 Statement of changes in equity*).

Stock options

The fair value of share subscription or purchase options, subject to meeting presence and performance conditions, is estimated and set at the grant date. The expense is recognized over a four-year vesting period, but is not straight-line, given the vesting terms.

Subscription options

	28th plan	29th plan	30th plan	31st plan	32nd plan	33rd plan		34th plan	
Total number of shares granted	665,740	62,200	328,100	37,500	758,810	29,344		220,700	
Start of exercise period	09/24/15	12/16/15	09/23/16	May 2019 (1)	06/23/17 (1)	12/14/17 (1)		03/30/18	
Expiry date of options	09/23/19	12/15/19	09/22/20	12/15/20	06/22/21	12/13/21		03/29/22	
Maturity *(in years)*	5	5	5	5	5	5		5	
Volatility	42%	42%	42%	42%	42%	35%		35%	
Risk-free interest rate	0.50%	0.15%	0.13%	0.13%	0%	0%		0%	
Estimated dividend rate	0%	0%	0%	0%	0%	0%		0%	
Annual turnover rate	5%	5%	5%	0%	5%	0%		5%	
Strike price of options	€12.92	€14.22	€17.94	€26.85	€33.015	€31.955		€37	€39.03
Fair value of options after stock split *(€/share)*	€4.29	€4.62	€4.35	€8.73	€8.55 (2)	€8.72 (2)	€6.74	€12.10	€8.75
								France	World
Options at April 1, 2019	166,141	30,200	166,011	37,500	491,305	24,344		169,025	
Options granted during the period	-	-	-	-	-	-		-	
Options exercised during the period	166,141	30,200	94,273	25,000	83,585	-		39,400	
Options cancelled during the period	-	-	688	-	7,189	-		-	
Options outstanding at March 31, 2020	-	-	71,050	12,500	400,531	24,344		129,625	

(1) For Corporate Officers (Plans 31 and 33) and/or members of the Executive Committee (Plan 32: 1 beneficiary), the performance conditions to be met are spread over four financial years and based on the cumulative separate financial statements as of March 31. They may exercise their options only once the Nomination and Compensation Committee has confirmed that the performance conditions have been met following the approval of the financial statements in May of the fourth year (Plan 31: May 2019/Plans 32 and 33: May 2020)

(2) The fair value of the options granted to corporate executive officers and Members of the Executive Committee take into account assumptions related to performance conditions: achievement of an average Group EBIT assessed on the cumulative basis of four financial years

	35th plan		36th plan	37th plan	38th plan	39th plan		40th plan	
Total number of shares granted	418,500		11,000	2,500	11,500	19,579		188,454	
Start of exercise period	06/27/18		09/22/18	12/12/18	04/13/19	06/27/19		06/27/19 and 06/27/22 (3)	
Expiry date of options	06/26/22		09/21/22	12/11/22	04/12/23	06/26/23		06/26/23	
Maturity *(in years)*	5		5	5	5	5		5	
Volatility	35%		34%	34%	34%	34%		34%	
Risk-free interest rate	0%		0%	0%	0%	0%		0%	
Estimated dividend rate	0%		0%	0%	0%	0%		0%	
Annual turnover rate	5%		0%	0%	0%	0%		0%/5%	
Strike price of options	€50.02	€51.80	€57.26	€64.63	€73.86	€94.58		€94.58	
Fair value of options *(€/share)*	€14.06	€10.11	€13.02	€14.08	€14.60	€25.41	€19.69	€25.02/ €24.92 (4)	€19.10
	France	World				France	World	France	World
Options at April 1, 2019	366,375		11,000	2,500	11,500	19,579		186,318	
Options granted during the period	-		-	-	-	-		-	
Options exercised during the period	48,000		-	-	-	-		-	
Options cancelled during the period	12,500		3,000	2,500	1,500	-		6,988	
Options outstanding at March 31, 2020	305,875		8,000	-	10,000	19,579		179,330	

	41st plan	42nd plan		43rd plan	44th plan	Total
Total number of shares granted	56,031	330,678		67,743	21,515	
Start of exercise period	12/17/22 (3)	07/02/20 and 12/17/23 (3)		12/12/23 (3)	02/13/21	
Expiry date of options	12/16/23	07/01/24		12/11/24	02/12/25	
Maturity *(in years)*	5	5		5	5	
Volatility	34%	34%		34%	34%	
Risk-free interest rate	0%	0%		0%	0%	
Estimated dividend rate	0%	0%		0%	0%	
Annual turnover rate	0%	0%/5%		0%	0%	
Strike price of options	€68.59	€69.55	€69.70	€54.30	€73.80	
Fair value of options *(€/share)*	€18.18/€18.09 (4)	€14.99/€19.11/ €19.00 (4)	€14.93/€19.06/ €18.95 (4)	€15.42/€15.35 (4)	€15.09	
		France	World			
Options at April 1, 2019	56,031	-		-	-	1,737,829
Options granted during the period	-	330,678		67,743	21,515	419,936
Options exercised during the period	-	-		-	-	486,599
Options cancelled during the period	-	10,302		-	-	44,667
Options outstanding at March 31, 2020	56,031	320,376		67,743	21,515	1,626,499

(3) For the members of the Executive Committee (Plan 40: 1 beneficiary/Plan 42: 2 beneficiaries) and the corporate executive officers (Plans 41 and 43), the performance conditions to be met are spread over three financial or calendar years. They may exercise their options only once the Board of directors, upon the recommendation of the Nomination and Compensation Committee, has confirmed that the performance conditions have been met, i.e. from the fourth year of the plan (Plan 40: 06/27/22/Plan 41: 12/17/22/Plan 42: 07/02/23/ Plan 43: 12/12/23)

(4) The fair values of the options granted to the corporate executive officers and the Members of the Executive Committee vary according to the assumptions related to the performance conditions: achievement of an average Group EBIT assessed on the cumulative basis of three financial years and achievement of a Ubisoft TSR compared to the TSR of companies in the NASDAQ Composite Index assessed over three years

The average price of options exercised during the period was €24.06.

Free share grants settled in shares

Free share grants, which are subject to presence and performance conditions, are locked in for a three- or four-year period following the grant date. As the shares granted are ordinary shares in the same category as the existing shares that comprise the Company's share capital, employee shareholders receive dividends and voting rights on all their shares at the end of the vesting period.

The employee benefit expense corresponds to the value of instruments received by the beneficiary, which is equal to the value of shares being received, at the date of allocation to the beneficiaries, with the discounted value of dividends expected over the vesting period being zero.

	03/31/15	
Grant date	09/24/14	12/16/14
Maturity – vesting period *(in years)*	3 years	3 years
Fair value of the instrument in € *(per share)*	€7.45	€8.38
Percentage of operating targets reached	100%	100%
Number of instruments granted as at 04/01/19	352,216	69,861
Number of instruments granted during the period	-	-
Number of instruments cancelled during the period	-	-
Number of instruments exercised during the period	352,216	69,861
Number of instruments as at 03/31/20	-	-

			03/31/16		
Grant date	09/23/15	09/23/15	10/19/15	12/16/15	03/03/16
Maturity - Vesting period	4 years	3 years	4 years	3 years	4 years
Fair value of the instrument *(per share)*	€18.29	€11.61	€24.92	€15.45	€26.81
Percentage of operating targets reached	100%	100%	100%	100%	100%
Number of instruments granted as at 04/01/19	842,530	136,792	168,133	43,500	165,750
Number of instruments granted during the period	-	-	-	-	-
Number of instruments cancelled during the period	23,540	-	4,000	-	12,400
Number of instruments exercised during the period	818,990	-	164,133	-	153,350
Number of instruments as at 03/31/20	-	136,792	-	43,500	-

			03/31/17		
Grant date	04/19/16	06/23/16	06/23/16	12/14/16	12/14/16
Maturity - Vesting period	4 years	4 years	3 years	4 years	3 years
Fair value of the instrument *(per share)*	€27.29	€33.55	€20.10	€32	€17.63
Percentage of operating targets reached	100%	100%	100%	100%	100%
Number of instruments granted as at 04/01/19	302,500	856,255	205,140	10,300	11,820
Number of instruments granted during the period	-	-	-	-	-
Number of instruments cancelled during the period	-	31,380	-	-	-
Number of instruments exercised during the period	-	-	6,518	-	394
Number of instruments as at 03/31/20	302,500	824,875	198,622	10,300	11,426

	03/31/19					
Grant date	06/27/18		09/12/18	10/30/18	12/17/18	02/01/19
Maturity - Vesting period	4 years		4 years	4 years	4 years	4 years
Fair value of the instrument *(per share)*	€86.07/€95 (1) France	€95 World	€95.90	€80.98	€68.88	€76.82
Percentage of operating targets reached	100%		100%	100%	100%	100%
Number of instruments granted as at 04/01/19	592,479		8,631	3,708	77,151	31,791
Number of instruments granted during the period	-		-	-	-	-
Number of instruments cancelled during the period	28,837		679	-	7,190	720
Number of instruments exercised during the period	-		-	-	-	-
Number of instruments as at 03/31/20	563,642		7,952	3,708	69,961	31,071

(1) 4 beneficiaries (Executive Committee: Plan of 06/27/18) with Internal performance condition: 1/3 subject to achievement of an average non-IFRS Group EBIT (with acquisition by tier) assessed over three financial years/External performance condition: 1/3 subject to achievement of a Ubisoft TSR compared to the TSR of companies in the NASDAQ Composite Index (with acquisition by tier) assessed over three years/Individual performance condition: 1/3

	03/31/20					Total
Grant date	05/15/19	07/02/19 (2)	09/18/19	12/12/19	02/13/20	
Maturity - Vesting period	4 years	4 years	4 years	4 years	4 years	
Fair value of the instrument *(per share)*	€81.60	€62.56 and €69.70	€70.50	€56.00	€73.80	
Percentage of operating targets reached	100%	100%	100%	100%	100%	
Number of instruments granted as at 04/01/19	-	-	-	-	-	3,878,557
Number of instruments granted during the period	41,097	876,828	5,901	2,954	32,275	959,055
Number of instruments cancelled during the period	393	28,391	-	-	568	138,098
Number of instruments exercised during the period	-	123	-	-	-	1,565,585
Number of instruments as at 03/31/20	40,704	848,314	5,901	2,954	31,707	3,133,929

(2) 3 beneficiaries (Executive Committee: Plan of 07/2/19) with Internal performance condition: 1/3 subject to achievement of an average non-IFRS Group EBIT (with acquisition by tier) assessed over three financial years / External performance condition: 1/3 subject to achievement of a Ubisoft TSR compared to the TSR of companies in the Nasdaq Composite Index (with acquisition by tier) assessed over three years / Individual performance condition: 1/3

Group savings schemes

Group savings schemes – Massive Multishare Ownership

Ubisoft grants employee stock ownership plans for the benefit of a certain number of its employees.

The financial product associated with these plans comprises a guaranteed capital portfolio, with a share in any rise in the Ubisoft share price over a five-year period.

These plans were notably financed by Ubisoft via a 15% discount on the shares allocated to the operation. This discount is calculated compared to the average of the share trading prices over the 20 trading days prior to the Board of directors' meeting that approved the capital increase.

After a holding period, or before the end of this period in the event of early release, each beneficiary is also guaranteed to receive their initial investment in euros (comprising his/her personal contribution increased by the additional contribution) as well as a multiple of the possible average protected increase in the share price.

The assumptions used to value the guaranteed capital component and optional component are based on the estimated volatility of the security concerned, a risk-free discount rate, the estimated dividend rate and the anticipated exit rate.

The compensation is recognized in income on the plan grant date.

	03/31/20	03/31/19
Grant date	07/04/19	06/28/18
Reference price	€80.35	€83.41
Subscription price	€68.30	€70.90
Discount	15%	15%
Number of shares	1,549,391	1,671,481
Subscription amounts		
♦ Employees	€8,508 thousand	€5,974 thousand
♦ Additional contribution	€2,074 thousand	€5,877 thousand
IFRS 2 expense net of the additional contribution	€9,424 thousand	€20,564 thousand
Gross expense	€11,498 thousand	€26,441 thousand

ACCOUNTING PRINCIPLES

Stock option payment plans provide an additional incentive for employees to improve the Group's performance by allowing them to purchase a stake in the Company (stock options, free shares, Group savings scheme).

In accordance with IFRS 2, stock-based compensation is recognized as personnel expenses with, as counterparty:

- consolidated reserves, when they are settled by transfer of shares to the beneficiaries, valued at the fair value of the instrument assessed at the date of grant;
- a liability, when they are settled in cash, with this liability remeasured at fair value at each statement of financial position date.

This expense is spread over the vesting period, assuming presence on the vesting date and possibly performance conditions attached.

Stock option plans: compensation is recognized in income over the vesting period; however, the straight-line method is not used given the vesting terms set out in the various plan regulations; Ubisoft uses a binomial model to estimate the value of such instruments. This method is based on assumptions updated on the valuation date, such as estimated volatility of the security concerned, a risk-free discount rate, the estimated dividend rate and the likelihood of staff remaining in the Group and fulfilling performance conditions until they can exercise their rights.

Group savings scheme – Massive Multishare Ownership: the accounting expense is equal to the discount granted to employees valued according to the method used to assess the guaranteed component and the optional component. This expense is recognized immediately on the plan subscription date. Ubisoft uses a Monte Carlo model to estimate the value of such instruments. This method is based on assumptions updated on the valuation date, such as the estimated historic volatility of the security concerned, a risk-free discount rate, the estimated dividend rate and the likelihood of staff remaining in the Group.

Free share grants settled in shares: the fair value of the free allocated shares is estimated by referring to the share price on the allocation date less the discounted value of dividends expected over the vesting period (not applicable for free shares allocated at the closing date in the absence of dividends expected over the vesting period).

Free share grants settled in cash: free share grants settled in cash are recognized in income in return for a liability constituted as the vesting period progresses for the beneficiaries and based on the share price at the grant date. At each closing date, the liability is remeasured based on the share price at the closing date, and the change in fair value is recognized in income.

Free grant of preference shares settled in shares: compensation is recognized in income over the vesting period of the rights. Given the complexity of the vesting modalities attached to some of the shares, Ubisoft uses a model based on the Monte Carlo method to estimate the value of such instruments. This method is based on assumptions updated on the valuation date, such as the estimated historic volatility of the security concerned, a risk-free discount rate, the estimated dividend rate, the share price and the likelihood of staff remaining in the Group and fulfilling performance conditions until they can exercise their rights.

The dilutive effect of stock option plans and free share grants when the unwinding of the instrument involves the issue of Ubisoft shares and the vesting period is in progress, is reflected in the calculation of diluted earnings per share.

NOTE 16 COMPENSATION OF CORPORATE OFFICERS (RELATED PARTY TRANSACTIONS)

Compensation of corporate officers of the Company and of the controlling and/or controlled companies

Messrs. Guillemot are remunerated for their positions as Chairman and CEO or Executive Vice Presidents of Ubisoft Entertainment SA.

The compensation of Yves Guillemot, Chairman and Chief Executive Officer, for the financial year ended March 31, 2020, comprises the following components:

- fixed compensation, which amounts to €584,824 since April 1, 2019;
- annual variable compensation based on two quantitative criteria and two qualitative criteria, contingent on the approval of the General Meeting called to approve the financial statements for the past financial year;
- long-term variable compensation.

The compensation of each Executive Vice President for the financial year ended March 31, 2020 comprises the following components:

- fixed compensation of €65,621;
- long-term variable compensation.

Following the proposal by the Nomination and Compensation Committee, the Board of directors approved the long-term variable compensation which, for the financial year ended March 31, 2020, represented a grant of 50,683 share subscription options for the Chairman and Chief Executive Officer and 4,265 share subscription options for each of the Executive Vice Presidents.

The vesting of the share subscription options is conditional:

(i) for 50%, on average Group EBIT in value (not a strictly accounting-based indicator) calculated using the non-IFRS Group EBIT figures for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022; and

(ii) for 50%, on the positioning of the total shareholder return on Ubisoft Shares (the "Ubisoft TSR") compared to the TSR of companies in the NASDAQ Composite Index, with both TSRs being calculated from December 12, 2019 to December 12, 2022.

Achievement of these criteria is assessed over a period of three consecutive financial years or calendar years conditioning the acquisition of the long-term compensation. The share subscription option plan will be definitively vested after a vesting period of four years.

The amount of the total gross compensation due/paid to corporate executive officers during the financial year by companies controlled by the Company within the meaning of IAS 24.16 and in which they exercise duties was €1,735 thousand.

Corporate executive officers are not eligible for any severance or non-compete indemnity, nor a supplementary pension scheme in respect of their function in the Company.

Valuation of compensation for the financial year	03/31/20	03/31/19
Short-term benefits (1)	1,735	2,207
Post-employment benefits	-	-
Other long-term benefits (2)	(109)	260
Compensation for termination of employment contract	-	-
Stock-based compensation (3)	247	477
TOTAL	**1,873**	**2,944**

(1) Includes fixed and variable compensation, benefits in kind and directors' compensation in respect of their office recognized for the financial year
(2) Includes the fair value of long-term variable compensation, calculated according to IFRS 2
(3) Expense for the financial year in respect of stock-based compensation calculated in accordance with IFRS 2

Compensation of corporate officers

Directors receive compensation in respect of their corporate office (formerly called directors' fees) comprised of a fixed component and a variable component.

The compensation in respect of their corporate office paid to members of the Board of directors during the 2019/2020 financial year totals €577 thousand.

There are no agreements to compensate Board members if they resign or are dismissed without real cause, or if their employment is terminated due to a public offering.

Section 4.2 of this annual report contains a detailed description of the pay and benefits granted to the corporate executive officers of the Group.

No loans or advances were made to the Company's directors under article L. 225-43 of the French commercial code.

6.1.2.11 Goodwill

NOTE 17 GOODWILL IMPAIRMENT

Goodwill impairment recorded in the expenses for the financial year ended March 31, 2020 break down as follows:

CGU	03/31/20	03/31/19
Publishing/Production	**-**	**2,370**
Production/Distribution	**100,056**	**46,161**
Owlient Free to Play PC	-	3,500
Growtopia	-	12,261
Ketchapp	55,230	-
1492 Studio	44,826	30,400
TOTAL	**100,056**	**48,531**

As at March 31, 2020, impairment for the mobile activity of €55.2 million for Ketchapp and €44.8 million for 1492 Studio was recorded due to the prospects of insufficient short-term future flows due to the transition necessary following the departure of the founders.

NOTE 18 GOODWILL

In accordance with IAS 36 section 72, and as part of the analyses relating to the organization of studio production (for non-mobile games), the Company identified that the studios acquired work in collaboration with the other studios in accordance with the Group's integrated editorial and co-production strategy, with the exception of one studio. The scope of the Publishing/Production CGU is divided into several CGUs according to whether the acquired studios develop their own franchises without inter-studio collaboration or whether they collaborate with other Group studios on the development of their own franchises or the development of other Group franchises by being associated, through the contribution of their expertise, to the development of projects led by other studios.

This analysis led to two new CGUs being taken into account within the Publishing/Production CGU:

- Publishing/Production CGU – Mono Project;
- Publishing/Production CGU – Multi Projects, covering internal collaborations.

Following the acquisition of the i3D.net Group during the 2018/2019 financial year, a Cloud Gaming CGU was identified to analyze the specific cash flows for this activity.

The net carrying amount of Goodwill as at March 31, 2020 breaks down as follows:

	03/31/20			03/31/19
CGU	Gross value	Cumulative impairment losses	Net value	Net value
Publishing/Production (non-mobile games)	**61,348**	**-**	**61,348**	**60,360**
Mono Project (formerly Mono project C)	23,466	-	23,466	22,883
Multi Projects	37,882	-	37,882	37,477
Production/Distribution (mobile games)	**366,676**	**143,030**	**223,646**	**185,334**
Ketchapp	106,124	55,230	50,894	106,124
Kolibri Games	104,543	-	104,543	-
1492 Studio	85,721	75,227	10,494	55,321
Green Panda Games	33,782	-	33,782	-
Growtopia	26,944	12,573	14,371	14,014
Future Games of London	9,562	-	9,562	9,875
Cloud gaming	**49,565**	**-**	**49,565**	**45,026**
TOTAL	**477,589**	**143,030**	**334,558**	**290,721**

The change in Goodwill as at March 31, 2020 is allocated as follows:

	03/31/20	03/31/19
Gross value at the start of the period	**333,382**	**300,061**
Acquisitions	142,864	73,650
Foreign exchange gains and losses	1,343	6,140
Derecognitions	-	(46,468)
Gross value at the end of the period	**477,589**	**333,382**
Cumulative losses at the start of the period	**42,661**	**40,599**
Impairment losses	100,057	48,531
Foreign exchange gains and losses	312	-
Derecognitions	-	(46,468)
Cumulative losses at the end of the period	**143,030**	**42,661**
Net Goodwill	**334,558**	**290,721**

The change in Goodwill as at March 31, 2020 is mainly due to:

- the temporary calculation of Goodwill due to the acquisitions of Green Panda Games for €33.8 million and Kolibri Games for €104.5 million;
- the completion of the estimate of the acquisition price of i3D.net Group at March 31, 2020 for €4.5 million. The resulting Goodwill of €49.6 million is definitive;
- impairment recorded for the mobile activity of €55.2 million for Ketchapp and €44.8 million for 1492 Studio due to the prospects of insufficient short-term future flows related to the departure of key people.

Information relating to entries into the scope is detailed in Note 2.

NOTE 19 KEY ASSUMPTIONS USED TO CALCULATE RECOVERABLE VALUES

March 31, 2020

	Publishing/ Production	Production/Distribution				Cloud Gaming
		Future Games of London	Growtopia	Ketchapp	1492 Studio	i3D.net
Basis used for recoverable value	Value-in-use					
Source used	Internal plan					
Methodology	Discounted cash flows					
Discount rate	9.14%					
Perpetuity growth rate	1.50%	1.50%	1.00%	1.50%	1%	1.50%

March 31, 2019

	Publishing/ Production	Production/Distribution				
		Owlient (Free to Play PC)	Future Games of London	Growtopia	Ketchapp	1492 Studio
Basis used for recoverable value	Value-in-use					
Source used	Internal plan					
Methodology	Discounted cash flows					
Discount rate	8.84%					
Perpetuity growth rate	0 to 1.50%	0%	1.50%	1.00%	1.50%	1%

NOTE 20 SENSITIVITY OF RECOVERABLE AMOUNTS

On the basis of foreseeable events to date, the Group considers that potential changes in the key assumptions described in the accounting principles hereafter would not lead to a surplus in the carrying amount compared with the recoverable value.

The table below shows the discount rate and EBIT growth rate required for an impairment to be recognized for material CGUs, excluding acquisitions during the financial year, for which the estimated recoverable value is higher than the net carrying amount:

	Publishing/Production		Cloud Gaming
(in € millions)	Mono Project	Multi Projects	i3D.net
Estimated recoverable value of the tested CGU	328	1,737	129
Carrying amount of the tested CGU	23	196	50
Change in cash flows leading to an impairment	(93%)	(89%)	(62%)
Discount rate leading to an impairment	100%	56%	21%
Perpetuity growth rate leading to an impairment	Not sensitive	Not sensitive	Not sensitive

	Production/Distribution			
(in € millions)	Future Games of London	Ketchapp	Growtopia	1492 Studio
Estimated recoverable value of the tested CGU	14	51	15	10
Carrying amount of the tested CGU	10	51	15	10
Change in cash flows leading to an impairment	(69%)	Sensitive	Sensitive	Sensitive
Discount rate leading to an impairment	12%	Sensitive	Sensitive	Sensitive
Perpetuity growth rate leading to an impairment	Not sensitive	Sensitive	Sensitive	Sensitive

ACCOUNTING PRINCIPLES

Calculation of Goodwill

The Group applies the acquisition method to recognize business combinations. The acquisition price, also called "transferred counterparty," for the acquisition of a subsidiary is the sum of the fair values of the assets transferred and liabilities assumed by the acquiring company at the acquisition date and the equity instruments issued by the acquiring company. The acquisition price includes any additional payments assessed and recognized at their fair value at the acquisition date.

Goodwill recognized in assets in the statement of financial position includes the differences calculated:

- either based on the percentage of interest acquired (partial Goodwill);
- or based on 100%, with recognition of Goodwill for the portion relating to non-controlling investments (full Goodwill).

The direct costs related to the acquisition are recorded in expenses during the period in which they are incurred.

The Goodwill resulting from a business combination is equal to the difference between:

- the fair value of the acquisition price plus the amount of non-controlling interests (non-controlling investments) in the acquired company; and
- the fair value of the assets acquired and liabilities assumed at the acquisition date.

The initial assessment of the acquisition price and the fair values of the assets acquired and liabilities assumed is finalized within 12 months after the acquisition date and any adjustments are recognized as retroactive adjustments to Goodwill. After this 12-month period, all adjustments are directly recorded in the income statement.

Earn-out payments are initially recorded at their fair value and subsequent changes in value occurring after the 12-month period following the acquisition are systematically recognized as a counterparty to income.

Goodwill impairment methods

Goodwill on the statement of financial position of the Group may be associated with the acquisition of:

- production subsidiaries;
- production subsidiaries that also release their developments;
- subsidiaries that supply hosting solutions.

These are not amortized but are subject to impairment tests at least once a year and each time impairment indicators are identified.

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As the recoverable amount of this Goodwill cannot be determined individually, the Group has identified for each of them the smallest group of assets (cash generating unit – CGU) generating cash inflows that are independent of other group assets:

- for Goodwill of **production subsidiaries**:
  - concerning the studios acquired that develop their own franchises with or without collaboration with the Group's studios (mono project): the CGU corresponds to the project in question,
  - for the studios working in collaboration with the other studios in accordance with the Group's integrated editorial and co-production strategy (multi projects): the CGU corresponds to all production (internal studios) and publishing assets (parent company), with these two activities being interdependent;
- for the Goodwill of the **production/distribution subsidiaries**: the CGU corresponds to the subsidiary concerned as some games have their own market. Developments are, in the main, made by the acquired entity, which also provides sales and marketing. The acquired companies generate separate cash inflows for the mobile activity;
- for the Goodwill of **subsidiaries that supply hosting solutions**: the CGU corresponds to the subsidiary in question. These subsidiaries have their own market due to their independent activity.

The recoverable value of the CGU is the higher of fair value minus cost of sale (net fair value) and its value-in-use. The estimated value is defined as the sum of projected cash flows with CGU discounted based on a business plan at five years to which the asset belongs (including Goodwill), and the terminal value determined by projection to infinity of normative future cash flows.

When the recoverable value is less than the carrying amount of related assets of the CGU concerned (including Goodwill), an impairment loss is recognized. This is irreversible when it relates to Goodwill.

The business plans used for each CGU being tested for impairment are based on assumptions made by management of the Group in terms of variation of sales, level of profitability, and in particular foreign exchange. These are considered reasonable and consistent with market data available at the time of preparation of the Group's financial statements.

The discount rate applied to future cash flows is common to all CGU given the interdependence within the Group, of publishing, production and distribution activities on the one hand, and country risk comparable in the main distribution areas of the Group (North America and Western Europe). It corresponds to the estimate (updated annually) by the Group's management of the weighted average cost of capital based on available industry data, especially with regard to the financing structure (gearing) and beta coefficient on the equity market risk premium. It stood at 9.14% at March 31, 2020, (against 8.84% at March 31, 2019).

Regarding the current organization of the Group's activities, the allocation of Goodwill by CGU and the overall risk premium attached to the Group included in the discount rate, the use of a single rate for all CGUs was considered appropriate for the impairment test.

The terminal value applied for each CGU being tested for impairment corresponds to capitalization to infinity of normative cash flows at the weighted average cost of capital less the perpetuity growth rate. The perpetuity growth rate used differs according to the CGU.

6.1.2.12 Other intangible assets

NOTE 21 OTHER AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS

	03/31/20				
Other amortization and impairment of intangible assets	Total	Cost of sales	R&D costs	Marketing costs	Administrative and IT costs
Released commercial software	375,648	-	375,648	-	-
Commercial software in production	30,061	-	30,061	-	-
External developments	11,805	-	11,805	-	-
Office software	10,704	-	3,753	2,191	4,760
Brands	750	-	750	-	-
Movies being marketed	4,405	-	4,405	-	-
Movies in production	612	-	612	-	-
Other	898	-	850	-	48
TOTAL AT 03/31/20	**434,883**	-	**427,884**	**2,191**	**4,807**
TOTAL AT 03/31/19	**499,034**	-	**490,318**	**77**	**8,639**

NOTE 22 INVENTORY VALUE AND CHANGES IN OTHER INTANGIBLE ASSETS DURING THE FINANCIAL YEAR

	03/31/20			03/31/19
Other intangible assets	Gross	Depreciation and amortization	Net	Net
Released commercial software	722,431	(609,995)	112,436	252,354
Released external software developments	50,020	(46,570)	3,450	6,706
Commercial software in production	959,622	(75,726)	883,896	517,473
External software developments in production	13,668	-	13,668	11,237
Office software	78,948	(61,179)	17,769	17,438
Other intangible assets in progress	14,968	-	14,968	8,537
Brands	70,515	(12,183)	58,333	60,085
Movies being marketed	49,994	(48,212)	1,783	5,891
Movies in production	8,177	-	8,177	1,551
Other	4,288	(3,483)	805	1,653
TOTAL	**1,972,630**	**(857,347)**	**1,115,283**	**882,925**

Change in other intangible assets	Opening date	Increase	Decrease	Reclassification of software in production	Reclassifications	Change in scope	Foreign exchange gains and losses	Closing balance
Released commercial software	1,116,152	5,035	(653,943)	255,136	-	-	51	722,431
Released external software developments	60,590	5,954	(19,119)	2,595	-	-	-	50,020
Commercial software in production	587,579	627,178	-	(255,146)	-	10	-	959,622
External software developments in production	11,237	5,026	-	(2,595)	-	-	-	13,668
Office software	73,823	7,051	(5,725)	-	3,995	-	(197)	78,948
Other intangible assets in progress	8,537	10,751	(328)	-	(3,992)	-	1	14,968
Brands	71,333	-	-	-	(4)	4	(818)	70,515
Movies being marketed	50,733	(722)	(1,035)	-	1,018	-	-	49,994
Movies in production	5,440	8,134	(4,544)	-	(1,018)	-	164	8,177
Other	4,242	-	-	10	-	40	(4)	4,288
TOTAL AT 03/31/20	**1,989,666**	**668,407**	**(684,694)**	**-**	**-**	**54**	**(802)**	**1,972,630**
TOTAL AT 03/31/19	**1,689,972**	**597,299**	**(302,290)**	**-**	**9**	**391**	**4,284**	**1,989,666**

The increase in commercial software in production of €627,178 thousand and in released commercial software of €5,035 thousand can be explained by the capitalized production costs of €631,312 thousand, to which are added foreign exchange gains of €901 thousand.

Reclassifications between accounts result mainly from the transfer of intangible assets in progress.

Amortization and impairment of other intangible assets	Opening date	Increase	Decrease	Reclassifications	Change in scope	Foreign exchange gains and losses	Closing balance
Released commercial software	863,797	375,648	(653,943)	24,442	-	51	609,995
Released external software developments	53,884	11,805	(19,119)	-	-	-	46,570
Commercial software in production	70,107	30,061	-	(24,442)	-	-	75,726
Office software	56,385	10,704	(5,712)	(4)	-	(195)	61,179
Brands	11,248	750	-	-	-	185	12,183
Movies being marketed	44,842	4,405	(1,035)	-	-	-	48,212
Movies in production	3,889	612	(4,544)	-	-	43	-
Other	2,589	898	-	-	-	(4)	3,483
TOTAL AT 03/31/20	**1,106,740**	**434,883**	**(684,353)**	**(4)**	**-**	**81**	**857,347**
TOTAL AT 03/31/19	**907,570**	**499,034**	**(302,284)**	**-**	**60**	**2,362**	**1,106,740**

No intangible assets are used to secure any borrowings.

ACCOUNTING PRINCIPLES

Other intangible assets include:

- commercial software developments;
- engines and tools;
- external software developments;
- office software;
- information system developments;
- brands;
- films.

Commercial software comprises both commercial software and external software developments.

Recognition of other intangible assets (excluding brands)

The intangible assets of companies included in the scope of consolidation are recorded at their net carrying amount (historical acquisition cost less cumulated amortization and impairment losses).

In accordance with IAS 38 "Intangible assets," projects are only recognized as non-current assets if they meet the following criteria:

- the technical feasibility required for completion of the intangible asset leading to its commissioning or sale;
- the intention to complete the intangible asset and commission or sell it;
- the ability to commission or sell the intangible asset;
- the probability that the intangible asset will generate future economic benefits;
- the availability of suitable technical, financial and other resources to complete the development and commissioning or sale of the intangible asset;
- the ability to reliably measure the expenses attributable to the intangible asset during its development.

No borrowing costs are included in the costs of property, plant and equipment.

Development costs of commercial software (video games), whether outsourced to Group subsidiaries or externally, are recognized in "Commercial software and external software development in production" as development progresses. Once they are released, these costs are transferred to the "Released commercial software" or "Released external software developments" accounts.

Commitments made under external development contract agreements are recognized for the amount specified in the agreement including the portion not yet paid.

Recognition of brands

Acquired brands are recognized at their fair value in accordance with IFRS 3 as amended when they are acquired as part of a business combination, or if this is not the case, in accordance with IAS 38 on the acquisition of intangible assets.

Depreciation, amortization and value impairment of other intangible assets (excluding brands)

Within the context of IAS 38, the Group is requested to periodically revise its amortization periods based on the observed useful life.

The amortization of intangible assets with fixed useful lives begins:

- at the commercial launch for commercial software;
- at the date of first screening for films and series;
- at the date of commissioning for the other intangible assets with fixed useful lives.

Furthermore, for commercial software that is likely to be subject to rapid obsolescence once marketed, the Group performs impairment tests at the end of each financial year. The other intangible assets with fixed useful lives are subject to impairment tests in the event of an indicator of loss of value.

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Inventory value of intangible assets and impairment tests

Types of non-current assets	Depreciation method	Asset impairment method with a fixed useful life
Commercial software developments	1 to 8 years, straight-line, starting on the commercial release date	At the end of each financial year, the Company calculates the value-in-use of each commercial software that has been released or is in production with a release date of less than one year or for which an impairment indicator has been identified, by discounting the expected future cash flows over the entire duration of its operation. Impairment is recognized if the value-in-use is lower than the net carrying amount of the commercial software.
External developments	Depending on the royalty expenses due to third-party publishers	
Acquired brands	No amortization due to indefinite useful life	Impairment tests are carried out on brands at the end of each financial year or more frequently if there are indications of loss in value. The recoverable value of brands corresponds to the higher of the net fair value of disposal costs and the value-in-use (calculated by applying the royalty method to the forecasts of expected future revenue over a five-year period taking into account a final value). Impairment is recognized if the value-in-use is lower than the net carrying amount of the brand.
Movies	According to the ratio: net income acquired during the financial year/total net income discounted using a rate based on a valuation of the average cost of equity. The Group considers that the use of this amortization method, based on the income from these activities according to the estimated income method, is justified as there is a strong correlation between the products and consumption of the economic benefits associated with the works in question.	In the event that the total net investment amount resulting from the application of this method exceeds the forecast net income, an additional impairment is recognized for the asset concerned.
Engines and tools	3 years, straight-line	Value tested with commercial software developments.
Information system developments	3 to 5 years, straight-line	No impairment test in the absence of any indication of impairment.
Office software	3 years, straight-line	No impairment test in the absence of any indication of impairment.

NOTE 23 RECOVERABLE VALUE OF BRANDS

	03/31/20			03/31/19
Net values of brands	Gross value	Cumulative impairment losses	Net value	Net value
Driver	16,429	(7,433)	8,996	8,773
Tom Clancy	38,080	-	38,080	39,328
Other brands	16,005	(4,750)	11,255	11,983
TOTAL	**70,515**	**(12,183)**	**58,332**	**60,085**

Key assumptions used to calculate recoverable values

	Driver	Tom Clancy	Other brands
Basis used for recoverable value		Value-in-use	
Source used		Internal plan	
Methodology		Royalty method	
Discount rate		9.14%	
Perpetuity growth rate	None		0 to 1.5%

Sensitivity of recoverable amounts of other assets with indefinite useful lives (brands)

On the basis of foreseeable events to date, the Group considers that potential changes in the key assumptions would not lead to a surplus in the carrying amount compared with the recoverable value.

The recoverable value of brands is 10 times their net carrying amount.

6.1.2.13 Property, plant and equipment

NOTE 24 DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Depreciation of property, plant and equipment	Total	Cost of sales	R&D costs	Marketing costs	Administrative and IT costs
Buildings	589	-	414	41	134
Fixtures and fittings	10,575	6	7,418	739	2,411
Computer hardware and furniture	36,071	22	25,304	2,519	8,226
Transport equipment	89	-	62	6	20
TOTAL AT 03/31/20	**47,324**	**29**	**33,198**	**3,305**	**10,792**
TOTAL AT 03/31/19	**36,612**	**29**	**14,939**	**1,701**	**19,943**

NOTE 25 INVENTORY VALUE AND CHANGES IN PROPERTY, PLANT AND EQUIPMENT DURING THE FINANCIAL YEAR

Property, plant and equipment	On 03/31/20 Gross	On 03/31/20 Cumulative depreciation	On 03/31/20 Net	On 03/31/19 Net
Land	4,874	-	4,874	5,037
Land under finance lease [1]	-	-	-	3,460
Buildings	15,463	(2,303)	13,159	14,167
Buildings under finance lease [1]	-	-	-	11,299
Machines and equipment	10,254	(6,058)	4,196	4,897
Fixtures and fittings	94,105	(50,200)	43,905	39,561
Computer hardware and furniture	248,289	(170,841)	77,448	61,949
Development kits [1]	-	-	-	2,123
Transport equipment	653	(387)	266	311
Non-current assets in progress	30,545	-	30,545	17,152
TOTAL	**404,181**	**(229,788)**	**174,393**	**159,958**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

Change in property, plant and equipment	Opening date	First-time application of IFRS 16 [1]	Increase	Decrease	Reclassifications	Change in scope	Foreign exchange gains conversion	Closing balance
Land	5,037	-	-	-	-	-	(164)	4,874
Land under finance lease	3,460	(3,460)	-	-	-	-	-	-
Buildings	15,977	-	147	(86)	(18)	-	(558)	15,463
Buildings under finance lease	14,132	(14,132)	-	-	-	-	-	-
Machines and equipment	9,985	-	269	-	-	-	-	10,254
Fixtures and fittings	83,487	-	6,218	(2,031)	8,258	179	(2,007)	94,105
Computer hardware and furniture	204,116	-	53,301	(4,361)	(133)	586	(5,221)	248,289
Development kits	10,427	(10,427)	-	-	-	-	-	-
Transport equipment	625	-	105	(9)	(47)	-	(20)	653
Non-current assets in progress	17,152	-	23,515	(43)	(8,714)	2	(1,368)	30,545
TOTAL AT 03/31/20	**364,400**	**(28,019)**	**83,554**	**(6,530)**	**(655)**	**768**	**(9,338)**	**404,181**
TOTAL AT 03/31/19	**266,830**	**-**	**65,099**	**(10,987)**	**140**	**34,391**	**8,926**	**364,400**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

Depreciation of property, plant and equipment	Opening date	First-time application of IFRS 16 [1]	Increase	Decrease	Reclassifications	Change in scope	Foreign exchange gains and losses	Closing balance
Buildings	1,809	-	589	-	(19)	-	(77)	2,303
Buildings under finance lease	2,832	(2,851)	-	-	19	-	-	-
Machines and equipment	5,088	-	970	-	-	-	-	6,058
Fixtures and fittings	43,926	-	9,605	(2,111)	-	-	(1,220)	50,200
Computer hardware and furniture	142,167	-	36,071	(3,889)	(19)	25	(3,514)	170,841
Development kits	8,305	(8,305)	-	-	-	-	-	-
Transport equipment	315	-	89	(8)	-	-	(8)	387
TOTAL AT 03/31/20	**204,442**	**(11,157)**	**47,324**	**(6,009)**	**(19)**	**25**	**(4,818)**	**229,788**
TOTAL AT 03/31/19	**152,714**	**-**	**36,612**	**(10,635)**	**(131)**	**20,113**	**5,770**	**204,442**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

ACCOUNTING PRINCIPLES

Property, plant and equipment

Property, plant and equipment are measured at their acquisition cost (purchase price plus incidental expenses) minus rebates, discounts, and any investment subsidies granted.

Property, plant and equipment are then recorded at their net carrying amount (historical acquisition cost less cumulated amortization and impairment losses) at the time of their inclusion into the scope of consolidation.

No borrowing costs are included in the costs of property, plant and equipment.

Given the type of assets held, no component was identified.

Depreciation, and impairment of property, plant and equipment

The depreciation method used throughout the Group, is straight-line and the depreciation periods used for the various types of non-current assets are as follows:

Type of asset	Period *(in years)*
Buildings	15 to 25
Equipment	5
Fixtures and fittings	3 to 15
Computer hardware	3 to 4
Office furniture	10
Transport equipment	5

In accordance with IAS 16, the Group is led to periodically revise its depreciation period based on the observed useful life.

Concerning the period of depreciation of non-removable leasehold improvements, the enforceable term of lease contracts is taken into account to determine the period of depreciation of leasehold improvements.

No impairment test is performed in the absence of any indication of impairment.

Property

Ubisoft owns the following land and buildings:

- in Canada, 111 Chemin de la gare, Piedmont, Québec;
- in France, 8, rue de Valmy, Montreuil-sous-Bois (1st floor of the building);
- in Sweden, Ängelholmsgatan 1, 214 22 Malmo;
- in the United States, 2000 CentreGreen Way, Suite 300, Cary, North Carolina.

No property, plant or equipment is used to secure any borrowings.

As at March 31, 2020, no impairment test was performed because there was no indicator of impairment of property, plant and equipment.

NOTE 26 AMOUNTS DUE TO SUPPLIERS OF NON-CURRENT ASSETS

	Opening balance					Closing balance
	Gross	Movement	Reclassifications	Changes in scope	Foreign exchange gains and losses	Gross
Amounts due to suppliers of non-current assets	660	(204)	-	-	(1)	455
TOTAL AT 03/31/20	**660**	**(204)**	**-**	**-**	**(1)**	**455**
TOTAL AT 03/31/19	**536**	**126**	**-**	**-**	**(2)**	**660**

6.1.2.14 Right-of-use assets

NOTE 27 DEPRECIATION OF LEASE RIGHT-OF-USE ASSETS

Depreciation of lease right-of-use assets	Total	Cost of sales	R&D costs	Marketing costs	Administrative and IT costs
Lease right-of-use assets	36,948	298	27,606	4,734	4,310
TOTAL DEPRECIATON AND AMORTIZATION 03/31/20	**36,948**	**298**	**27,606**	**4,734**	**4,310**

NOTE 28 INVENTORY VALUE AND MOVEMENTS DURING THE FINANCIAL YEAR IN LEASE RIGHT-OF-USE ASSETS

Change in gross lease right-of-use assets	Opening date	First-time application of IFRS 16 (1)	Increase	Decrease	Reclassifications	Changes in scope	Foreign exchange gains and losses	Closing balance
Lease right-of-use assets	-	191,373	92,334	(4,695)	617	771	(5,058)	275,342
TOTAL AT 03/31/20	**-**	**191,373**	**92,334**	**(4,695)**	**617**	**771**	**(5,058)**	**275,342**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

Change in depreciation of gross lease right-of-use assets	Opening date	First-time application of IFRS 16 (1)	Increase	Decrease	Reclassifications	Changes in scope	Foreign exchange gains and losses	Closing balance
Depreciation of lease right-of-use assets	-	11,374	36,948	(1,986)	-	-	(900)	45,436
TOTAL AT 03/31/20	**-**	**11,374**	**36,948**	**(1,986)**	**-**	**-**	**(900)**	**45,436**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

ACCOUNTING PRINCIPLES

Lease right-of-use assets

The main accounting positions relative to the application of IFRS 16 from April 1, 2019 are detailed in the dedicated transition note (*see Section 6.1.2.6*).

The Group qualifies a lease as soon as it gives the lessee the right to control the use of a given asset for a particular period, including when a service contract contains a lease component.

The Group has defined three large families of leases:

- land and buildings: they concern commercial leases and parking lots;
- IT equipment: this mainly concerns space in data centers;
- other: this mainly concerns vehicles.

The Group applies the two exemptions proposed by IFRS 16, namely exclusion of leases:

- where the duration is less than 12 months;
- where assets have a low value.

The leases to which one of these two exemptions apply are presented in "Off-balance-sheet commitments" and an expense is recognized in "Current operating expenses" in the income statement.

The recognition of all leases results, in the balance sheet, in the recognition of an asset covering the right to use leased assets with, as counterparty, a liability for the associated lease obligations (*see Notes 28 and 37*).

Depreciation of lease right-of-use assets

On the income statement, amortization of usage rights (*see Note 27*) is presented separately from the interest expense on lease debts.

The period of depreciation of these right-of-use assets is determined according to the estimated duration of the lease, with the exception of finance leases, for which the period of depreciation of the right-of-use assets may be greater than the duration of the lease.

On the statement of cash flows, depreciation of these right-of-use assets is restated in relation to the cash flows from operating activities.

6.1.2.15 Tax

NOTE 29 ANALYSIS OF TAX EXPENSES/SAVINGS

	03/31/20	03/31/19
Current tax	(71,626)	(68,583)
Deferred tax	25,939	20,165
TOTAL	**(45,685)**	**(48,418)**

Within the Group, there are four tax consolidation groups:

- in France,
  - Ubisoft Entertainment SA consolidates all French companies held at more than 95% with the exception of those created and acquired during the financial year. As at March 31, 2020, the tax group's loss carryforwards totaled €825,069 thousand, including €994,665 thousand in accelerated depreciation relating to the application of article 236 of the CGI (French general tax code) for software development expenses,
  - Green Panda Games SAS consolidates three companies. As at March 31, 2020, the tax group had generated a current income tax expense of €1,298 thousand;
- in the United States, the tax group consolidates five companies: Ubisoft Inc., Red Storm Entertainment Inc., Blue Mammoth Games LLC., Ubisoft LA Inc. and Script Movie Inc. As at March 31, 2020, the tax consolidation group had generated a payable income tax expense of €34,543 thousand, of which €26,768 thousand related to the tax reform implementing the incremental tax in the United States;
- in the United Kingdom, the tax consolidation group includes four companies: Ubisoft Ltd, Ubisoft Reflections Ltd, Future Games of London Ltd and Ubisoft CRC Ltd. As at March 31, 2020, the tax group had generated a current income tax expense of €9,108 thousand.

Deferred tax is recognized at the tax rate applicable in each country over the financial years in which its use is expected.

NOTE 30 RECONCILIATION BETWEEN THE THEORETICAL INCOME TAX LIABILITY AND THE RECOGNIZED INCOME TAX LIABILITY

	03/31/20
Profit (loss) for the period	(124,242)
Total income tax	45,685
Consolidated earnings, excluding tax	(78,557)
Theoretical tax (34.43%)	**(27,050)**
Payments of tax deferred from previous years:	
Impact of changes in the rate on the tax basis	*28,063*
Other adjustments	*254*
Impact of permanent differences between net income and consolidated earnings:	
Cancellation of provisions for impairment of goodwill	*33,732*
Cancellation of studio margin	*(7,320)*
Additional salary payment IFRS 2	*14,990*
Other permanent differences	*(242)*
Impact of permanent differences between net income and taxable income:	2,045
Taxation of foreign companies at different tax rates:	(15,915)
Other adjustments	
Impact of the US tax reform (incremental tax)	*26,768*
Tax credits	*(9,053)*
Other	*(587)*
TOTAL INCOME TAX	**45,685**
EFFECTIVE TAX RATE	**-57.98%**

NOTE 31 DEFERRED TAX

Breakdown by nature of tax on the statement of financial position and income statement

	03/31/19	Change in income	Change in other comprehensive income	Change in equity	Foreign exchange gains and losses	Other reclassifications	03/31/20
Intangible assets							
Elimination of margin on intangible assets (1)	*24,696*	*11,205*	-	-	-	-	*35,901*
Capitalized losses and tax credits							
Losses	-	*475*	-	-	-	-	*475*
Investment tax credit	*33,221*	*223*	-	-	*(1,551)*	*(811)*	*31,082*
Hedging derivatives	59	16	-	-	-	-	75
Other							
Temporary tax differences (2)	*110,526*	*(8,419)*	*(273)*	-	*(107)*	*80*	*101,807*
Other consolidation adjustments	*(59)*	*59*	-	-	-	-	-
TOTAL DEFERRED TAX ASSETS	**168,443**	**3,559**	**(273)**	**-**	**(1,658)**	**(731)**	**169,338**
Intangible assets	-	-	-	-	-	-	-
Brands	*(2,427)*	*(380)*	-	-	*(73)*	-	*(2,880)*
Other intangible assets	*(109)*	-	-	-	-	-	*(109)*
Tax credits	(34,769)	(366)	-	-	1,469	-	(33,667)
Hedging derivatives	(198)	53	-	-	-	-	(145)
Other financial instruments	(7,461)	755	-	(5,421)	-	-	(12,127)
Accelerated depreciation and amortization	(78,406)	25,045	-	-	-	-	(53,361)
Other	(4,532)	(2,720)	-	-	10	-	(7,242)
TOTAL DEFERRED TAX LIABILITIES	**(127,902)**	**22,387**	**-**	**(5,421)**	**1,406**	**-**	**(109,530)**
TOTAL NET DEFERRED TAXES	**40,540**	**25,945**	**(273)**	**(5,421)**	**(252)**	**(731)**	**59,808**

(1) Corresponds to the elimination of the internal margin invoiced by the production studios to the parent company on capitalized commercial software developments

(2) The main differences relate to:

- *IFRS 15: €57.4 million*
- *Provisions for credit notes by sales and marketing subsidiaries in respect of price protection: €5.9 million*
- *Provision for personnel expenses (bonus, paid leave, pension provisions): €8.9 million*

Breakdown by expiry of net deferred taxes

(in € thousands)	Deferred tax assets Short-term	Deferred tax assets Long-term	Deferred tax liabilities Short-term	Deferred tax liabilities Long-term
Net accelerated depreciation and amortization [(1)]	-	-	(58,223)	-
Losses of other subsidiaries	475	-	-	-
Elimination of margin on intangible assets	21,534	13,919	-	-
Investment tax credit	8,085	22,996	(2,102)	(28,780)
Deferred revenue	31,510	25,203	-	-
Provision for post-employment liabilities	-	3,552	-	-
Temporary differences and other consolidation adjustments	28,740	13,325	(10,567)	(6,979)
Brands	-	-	-	(2,879)
TOTAL	**90,344**	**78,994**	**(70,893)**	**(38,638)**

(1) Deferred tax on losses has been reclassified as deducted from accelerated depreciation

Deferred tax assets

Because of a transfer price policy implemented by the Group, the distribution companies and companies fulfilling support functions systematically report operating profits. Similarly, the studios invoice developer salaries with a margin that includes their overheads.

Deferred income tax assets are recognized if their recovery is likely, particularly when taxable profit is expected during the period of validity of the deferred tax assets.

The forecast period used to determine the recovery time on capitalized losses is four to five years, a period that is considered reasonable by management. The entirety of the losses carried forward for the tax group for which Ubisoft Entertainment SA is the head of the Group therefore remains capitalized as at March 31, 2020.

The use of tax losses capitalized as at March 31, 2020 is not limited in time.

Taxes on capitalized/non-capitalized losses

(in € thousands)	03/31/20 Capitalized losses	03/31/20 Non-capitalized losses	03/31/20 Total	03/31/19 Capitalized losses	03/31/19 Non-capitalized losses	03/31/19 Total
French tax group [(1)]	-	-	-	-	-	-
Tax on deficits prior to the consolidation of French subsidiaries	-	1,272	1,272	-	1,272	1,272
Tax on deficits of foreign subsidiaries	475	6,251	6,726	-	-	-
TOTAL	**475**	**7,523**	**7,998**	**-**	**1,272**	**1,272**

(1) Deferred tax on accelerated depreciation has been reclassified as deducted from loss carryforwards

Investment tax credit

	03/31/20	03/31/19
Capitalized investment tax credit	31,082	33,221
TOTAL	**31,082**	**33,221**

Ubisoft Entertainment Inc. benefits from tax credits contingent upon the generation of taxable income. These tax credits recoverable on future income taxes have a life of 20 years. The future use of these tax credits is subject to tax planning at the local level and at the Group level. They are recognized as assets of the Group since their recoverability horizon is reasonable (five years).

The Group shall ensure that, at each annual accounting period, the deferred tax assets relating to tax losses and tax credits recoverable only by deduction from future tax, shall be recovered within a reasonable timeframe based on its estimates of future taxable income. The assumptions used for tax planning are consistent with those of the business plans made by management of the Group for the implementation of impairment testing of intangible assets with indefinite lives.

Deferred tax liabilities

Grants and tax credits

Ubisoft Entertainment Inc. benefits from multimedia credits and investment tax credits.

The Company has recorded a future tax liability relative to the recognition of multimedia credits and investment tax credits, as the taxation of these elements is effective at the moment of collection.

Accelerated depreciation and amortization (article 236 of the French general tax code)

According to the provisions of article 236 of the French general tax code, Ubisoft Entertainment SA can opt for the immediate deductibility of software development expenses for which design began during the financial year. On March 31, 2020, a provision of €154 million for commercial software and a reversal of €3 million for external developments were recognized. In accordance with IAS 12, the cancellation of the accelerated tax depreciation generates a deferred tax liability, which is then reclassified under loss carryforwards.

ACCOUNTING PRINCIPLES

Income tax (income or expense) includes the current tax expense (or income) and deferred tax expense (or income). Tax is recognized in profit or loss, unless it relates to items that are recognized directly in other comprehensive income; in which case it is recognized in other comprehensive income.

Current tax

Current tax is the estimated amount of tax owed on taxable income for an accounting period. It is determined using the tax rates applicable at the closing date.

Deferred tax

Deferred income tax is measured using the statement of financial position liability method for all temporary differences between the carrying amount of the assets and liabilities and their tax value.

Measurement of deferred tax assets and liabilities depends on the way in which the Group expects to recover or settle the carrying amount of the assets and liabilities using the tax rates applicable at the statement of financial position date.

A deferred tax asset is recognized if it is probable that the Group will have future taxable profits, assessed on the basis of tax forecasts, against which this asset can be offset within a reasonable time period.

Otherwise, the deferred tax assets are reduced accordingly.

The impact of possible changes in tax rates on previously recorded deferred tax is recognized in profit or loss except where it relates to an item recognized in other comprehensive income.

Deferred tax is shown in the statement of financial position separately from current tax assets and liabilities and is classified as a non-current item.

6.1.2.16 Miscellaneous other assets and liabilities

NOTE 32 OTHER RECEIVABLES

Other receivables	Opening date	First-time application IFRS 16 (1)	Change	Reclassifications	Change in scope	Foreign exchange gains and losses	Closing balance
Advances and prepayments made	2,506	-	219	-	28	(13)	2,741
VAT	93,906	-	(61,537)	-	710	(488)	32,592
Grants receivable (2)	39,027	-	(1,431)	1,101	-	(1,405)	37,292
Other tax and social charge receivables	2,904	-	293	-	1	(35)	3,163
Other	11,649	-	2,276	(4)	3	(444)	13,481
Prepaid expenses (3)	29,991	(576)	9,025	-	331	(583)	38,188
TOTAL AT 03/31/20	**179,982**	**(576)**	**(51,155)**	**1,097**	**1,073**	**(2,967)**	**127,457**
TOTAL AT 03/31/19	**208,778**	**-**	**(37,136)**	**1,771**	**874**	**5,696**	**179,982**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16
(2) Of which €29.6 million in grants to be received in Canada
(3) See details Note 12

A receivable amount for subsidies to be received of €59.5 million was de-consolidated following the signature of a factoring contract covering the multimedia title credits in Canada (*see Note 33: Transfers of financial assets*).

All other receivables are due in less than one year. None were subject to impairment.

ACCOUNTING PRINCIPLES

Other receivables (excluding grants to be received)

Other receivables linked to operating activity are recorded at amortized cost – in most cases the same as nominal value – minus any loss of value recorded in a special impairment account. As receivables are due in under a year, they are not discounted.

Grants receivable

In some countries, video game production operations qualify for public grants.

These grants are presented in the financial statements of the studios as a reduction in production costs for commercial software developments or the R&D costs to which they are attached.

Any claims on the public body that awarded the grant are classified as “Loans and Receivables” as per IFRS 9.

NOTE 33 TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets not derecognized in their entirety

In March 2014, the production subsidiary Ubisoft Entertainment Inc. concluded a factoring agreement for claims relating to the unvested rights of Investissement Québec under the so-called “CTMM” grant (income tax credit for the production of multimedia titles). An amendment was signed on September 24, 2019 modifying the discount rate and the maximum authorized limit.

The risks associated with these receivables are transferred to the counterparty of the factoring agreement; the receivables are derecognized from the statement of financial position of the Group.

Ubisoft Entertainment Inc. receives 85% of the sale price of the receivables transferred at the transfer date. The remaining 15% is collected at the time of actual payment of the grant by Investissement Québec, the counterparty of the factoring agreement. As the risks and benefits associated with 15% of transferred receivables were retained by the Group, a portion of 15% of outstanding claims relating to unvested rights of the organization Investissement Québec under the so-called “CTMM” grant remains on the Group’s balance sheet.

Data *(in € millions)*	Factoring agreement covering the subsidy “CTMM”-Ubisoft Entertainment Inc.
Nature of assets transferred	Debt owed by a public organization relative to the right to receive a public subsidy
Nature of risks and benefits attached to the ownership of the transferred assets	Risk of default Risk of late payment
Total carrying amount of the initial assets before the transfer	€70.0 million
Carrying amount of residual assets	€10.5 million
Carrying amount of associated liabilities	-
Nature of the relationship between the assets transferred and the associated liabilities	-
Restrictions on the use of transferred assets resulting from the transfer	Legal ownership of the receivable transferred to the counterparty

Financial assets derecognized

None

NOTE 34 OTHER LIABILITIES

Other liabilities

	Opening date	First-time application of IFRS 16 (1)	Change	Reclassifications	Changes in scope	Foreign exchange gains and losses	Closing balance
Other non-current liabilities	-	-	59,569	-	-	-	59,569
Social charge debts	163,414	-	(32,467)	-	3,907	(1,876)	132,977
Other tax liabilities	53,956	-	(35,133)	-	600	(160)	19,263
Other liabilities	65,916	(15,251)	18,580	20 582	1	708	90,536
Deferred income (2)	381,335	-	(87,499)	(21,039)	-	2,158	274,955
TOTAL AT 03/31/20	**664,618**	**(15,251)**	**(76,951)**	**(456)**	**4,507**	**829**	**577,299**
TOTAL AT 03/31/19	**321,934**	-	**328,210**	-	**1,337**	**13,137**	**664,618**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16
(2) See Note 6

In the context of the acquisitions of Green Panda Games and Kolibri Games, the other non-current liabilities correspond in particular to sales options held by non-controlling interests.

Other liabilities mainly include:

- €51.5 million in prepayments received;
- €20.5 million in earn out provisioned for the acquisition of Blue Mammoth Games;
- €15.5 million of debts corresponding to the retention of part of the acquisition price of Kolibri.

ACCOUNTING PRINCIPLES

The other debts are recorded at amortized cost, with the exception of sales options held by non-controlling interests, which are valued at fair value (*see Note 2*). Subsequent changes to the fair value of the debt are recognized against the equity of the Group except for the part related to presence conditions, which is recognized as personnel expenses.

Cash flows linked to short-term recoverable amounts are not discounted.

Provisions

	Opening balance Gross	Provisions	Reclassifications	Reversals (Provision used)	Reversals (Provision unused)	Foreign exchange gains and losses	Closing balance Gross
Provisions for other financial risks (1)	2,364	426	290	(60)	-	(128)	2,891
Other provisions for risks	105	200	-	(105)	-	-	200
TOTAL AT 03/31/20	**2,469**	**626**	**290**	**(165)**	-	**(128)**	**3,091**
TOTAL AT 03/31/19	**3,074**	**34**	**80**	-	**(847)**	**128**	**2,469**

(1) The provision for other financial risks corresponds to the risk on the CTMM (multimedia titles credit) at Ubisoft Entertainment Inc.

There has not been any change to the main disputes identified on March 31, 2019, which would compromise the assessment of risk by the Group, nor any new disputes for which the assessment of risk by the Group would have led to a significant provision on March 31, 2020.

ACCOUNTING PRINCIPLES

A provision is recorded when:

- the Company has a current obligation (legal or implicit) resulting from a past event;
- it is likely that an outflow of resources (without counterparty) representing economic benefits will be required to settle the obligation;
- the amount of the obligation can be measured reliably.

It these conditions are not met, no provision is recorded.

Contingent liabilities

Tax audits underway for which proposed adjustments have been received:

- Ubisoft Entertainment Inc.: the audit began in June 2017 and relates to the transfer price policy for the FY14 to FY16 financial years. Discussions are underway between the Canadian and French administrations in order to avoid any double taxation problems within the Ubisoft Group. To date the Group considers that the risk of final adjustment is very low and, therefore, has not recognized a provision in the financial statements;
- Ubisoft SA (Spain): the audit, which began in December 2018, concerns the financial years FY12, FY13, FY15 and FY16. The Company contests all the proposed adjustments relating to the transfer pricing policy and consequently no provision has been recognized in the financial statements.

Tax audits underway for which no proposed adjustments have been received:

- Ubisoft Entertainment SA (France): the audit began in February 2020 and concerns the financial years FY16 to FY19;
- Ubisoft EMEA SAS (France): the audit began in January 2020 and concerns the financial years FY15 to FY19.

NOTE 35 RELATED PARTY TRANSACTIONS

The services provided by the parent company to related parties are conducted according to normal market conditions:

- production subsidiaries billing the parent company for development costs based on the progress of their projects;
- the parent company invoicing sales and marketing subsidiaries for a contribution to development costs;
- the implementation of cash agreements allowing for centralized management at parent company level of the bank accounts of the majority of the Group companies.

The transactions invoiced by related parties are conducted according to normal competition conditions.

No transactions exist with the corporate officers, with the exception of their compensation for their duties as Chief Executive Officer and Executive Vice Presidents (*see Note 16 Compensation of the corporate officers*).

Ubisoft Entertainment SA has not bought own shares from related parties.

There are no other significant transactions with related parties.

6.1.2.17 Financial assets, financial liabilities and net financial income

NOTE 36 PROFIT AND LOSS RELATIVE TO FINANCIAL ASSETS AND LIABILITIES

	03/31/20	03/31/19
Income from cash	4,189	2,780
Interest on borrowings [1]	(18,121)	(20,920)
Net borrowing cost	**(13,933)**	**(18,140)**
Foreign exchange gains	33,425	50,449
Foreign exchange losses	(37,212)	(55,760)
Result from foreign exchange operations	**(3,787)**	**(5,311)**
Other financial income	132	23,565
Fair value of the share swap agreement [2]	-	12,950
Financial income	**132**	**36,515**
Other financial expenses	(1,474)	(23,941)
Financial expenses	**(1,474)**	**(23,941)**
TOTAL	**(19,061)**	**(10,877)**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

(2) Over the financial year 2018/2019, the change in fair value concerns the exchange contract relative to Ubisoft shares. This fair value was fixed on November 9, 2018, the date at which Ubisoft received the shares following early settlement

During the previous financial year:

- the variation in the fair value on the exchange contract relating to 3,045,455 shares is mainly explained by the increase in the price of the share between March 31, 2018 and November 9, 2018;
- the other financial expenses include €23.4 million related to the revision of price supplement estimates after the period of valuation of the business combination;
- the other financial income of €23.5 million corresponds to the revision of estimates of price supplements after the period of valuation of the business combination.

ACCOUNTING PRINCIPLES

Financing costs and other financial income and expenses

The cost of net financial debt includes income and expenses linked to cash and cash equivalents, interest expenses on borrowings which include the sale of investment securities, creditor interest and the cost of ineffective currency hedging.

Other financial income and expenses include the sale of non-consolidated securities, capital gains or losses on disposals and impairment of financial assets (other than trade receivables), income and expenses linked to the discounting of assets and liabilities, and foreign exchange gains and losses on unhedged items.

The impact on profit and loss of measuring financial instruments used:

- in the management of foreign exchange risks is recognized in operating income;
- in respect of the share swap agreement is recognized in net financial income.

The changes related to the estimates of future results included in the potential return for the acquisition price, after the business combination's evaluation period, are recognized in other financial income and expenses.

NOTE 37 FINANCIAL DEBT

Net financial debt is part of the indicators used by the Group. This aggregate, which is not defined in the IFRS repository, may not be comparable to the indicators referred to by other companies. This is an additional information that should not be considered as a substitute for analysis of all of the assets and liabilities of the Group.

On March 31, 2020, financial debt was €1,423 million and, including liquid assets and investment securities available in the short-term, net debt stood at €344 million.

	03/31/20			03/31/19		
	Current	Non-Current	Total	Current	Non-Current	Total
Bank borrowings	2,073	819	2,892	53,292	3,400	56,692
Bonds	1,077	973,593	974,670	1,077	876,161	877,239
OCEANE 2016	-	-	-	-	*377,788*	*377,788*
OCEANE 2019	-	*474,803*	*474,803*			
Bond [(1)]	1,077	498,790	499,867	1,077	498,374	499,451
Borrowings resulting from the restatement of finance leases [(2)]	-	-	-	1,650	10,804	12,454
Borrowings resulting from the restatement of IFRS 16 leases [(2)]	41,209	201,786	242,995	-	-	-
Commercial papers	110,000	-	110,000	226,000	-	226,000
Bank overdrafts and short-term loans	91,646	-	91,646	170,714	-	170,714
Accrued interest	624	-	624	476	-	476
Foreign exchange derivatives [(3)]	234	-	234	89	-	89
Total borrowings (A)	**246,863**	**1,176,198**	**1,423,061**	**453,299**	**890,366**	**1,343,664**
Cash and bank balances	1,074,954	-	1,074,954	1,044,828	-	1,044,828
Investments of less than 3 months [(4)]	4,243	-	4,243	4,975	-	4,975
Total positive cash and cash equivalents (B)	**1,079,197**	**-**	**1,079,197**	**1,049,803**	**-**	**1,049,803**
TOTAL NET DEBT (A-B)			**343,864**			**293,861**
TOTAL NET DEBT (EXCLUDING DERIVATIVES)			**343,630**			**293,772**
Fixed-rate debt			1,330,791			1,160,516
Variable-rate debt			92,270			183,148

(1) The amount for bonds is increased by accrued interest
(2) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16
(3) Valued at fair value (level 2, IFRS 7 hierarchy)
(4) UCITS measured at fair value (level 1, IFRS 7 hierarchy)

Issue of bonds with option to convert and/or exchange for new and/or existing shares (OCEANE)

On September 24, 2019, Ubisoft issued bonds with the option for conversion and/or exchange for new and/or existing shares (OCEANE) for an amount of €500 million.

Number and nominal amount:	4,361,859 bonds with a par value of €114.63
Conversion rate:	1 share for 1 bond
Issue price:	105.25% of par, representing €526 million
Date of dividend entitlement and settlement:	September 24, 2024
Bond duration:	5 years
Interest:	zero coupon

OCEANE is considered as a composite instrument containing an equity component and a financial debt component. The amount of financial debt on the date of issue after deduction of expenses was valued at €472 million. The optional component recognized in equity was valued at €50 million, representing €36 million after the deferred tax effect.

Early redemption of bonds maturing in 2021 with the option of their conversion into and/or exchange for new or existing shares

On September 27, 2016, Ubisoft issued 7,307,270 bonds with the option for conversion and/or exchange for new and/or existing shares (OCEANE) for a total nominal amount of €400 million.

On September 17, 2019, the Company decided to redeem the bonds early (*see Note 1*).

- **Main characteristics of the bond issued in January 2018:**

The Board of directors' meeting of January 24, 2018, acting on the authorization of the Extraordinary General Meeting of September 22, 2017, approved the issuance of bonds amounting to €500 million. These bonds were admitted to trading on Euronext Paris.

Number and nominal amount:	5,000 bonds of €100,000 nominal
Date of dividend entitlement and settlement:	January 30, 2023
Bond duration:	5 years
Interest:	1.289%

Change in borrowings

Current and non-current financial liabilities	Opening date	First-time application of IFRS 16 (1)	Increase	Decrease	Change in scope	Foreign exchange gains and losses	Closing balance
Bank borrowings	56,691	-	-	(53,800)	-		2,892
Bonds	877,239	-	475,219	(377,788)	-	-	974,670
Borrowings resulting from the restatement of leases (finance leases and operating leases) (1)	12,454	175,560	97,441	(38,286)	771	(4,946)	242,995
Commercial papers	226,000	-	413,000	(529,000)	-	-	110,000
Bank overdrafts and short-term loans	170,713	-	-	(79,041)	-	(26)	91,646
Accrued interest	476	-	145	-	3	-	624
Foreign exchange derivatives	89	-	145	-	-	-	234
TOTAL AT 03/31/20	**1,343,664**	**175,560**	**985,950**	**(1,077,915) (2)**	**774**	**(4,972)**	**1,423,061**
TOTAL AT 03/31/19	**1,295,167**	**-**	**621,095**	**(574,861)**	**2,205**	**59**	**1,343,664**

(1) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16
(2) The financing statement entry "repayment of borrowing" includes the €2.6 million cash repayment of the OCEANE 2016 only

Borrowings resulting from the restatement of leases by currency

Borrowings resulting from the restatement of leases *(in € equivalent)*	CAD	EUR	USD	GBP	Other currencies	Total
BALANCE IN € EQUIVALENT	**102,037**	**98,577**	**14,816**	**8,890**	**18,674**	**242,995**

All of the borrowings in currencies result from the restatement of leases.

ACCOUNTING PRINCIPLES

Financial liabilities include:

- bank borrowings, equity and bonds;
- obligations relating to finance leases and operating leases;
- commercial paper;
- bank overdrafts and short-term loans;
- derivatives with a negative market value.

Financial liabilities are presented as "non-current" except those with a maturity of less than 12 months from the closing date, which are classified as "current liabilities."

Bank overdrafts are included in cash and cash equivalents as they are an integral part of the Company's cash management.

They are presented in liabilities, but are also offset against cash in the cash flow statement.

Recognition and measurement of financial liabilities

Borrowings and other financial liabilities

Bank borrowings, bond issues without an equity component and other financial liabilities are measured at amortized cost calculated based on the effective interest rate. Financial interests accrued on borrowings are included in "Current financial liabilities" in the balance sheet.

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Bond issuance with an equity component

In accordance with IAS 32 – "Financial Instruments: Presentation," if a financial instrument includes different components which relate for certain characteristics to liabilities and for other characteristics to equity, these different component parts must be accounted for and presented separately according to their type.

The component presented in financial debt is assessed, at the date of issue, on the basis of the future contractual cash flows discounted at the market rate (taking into account the issuer's credit risk) for a debt with similar characteristics but not including an option for conversion or repayment in shares.

The value of the conversion option is calculated by the difference between the bond's issue price and the fair value of the liability component. This amount is recognized in "Consolidated reserves" in equity (*see Section 6.1.1 Change in equity*).

At each closing date, an interest expense is calculated according to the market interest rate for a similar bond, but without a conversion option, with, in return, an increase in the financial liability representing the bond. Thus, at the maturity date, the carrying amount of the bond will be equal to its repayment value.

Borrowings resulting from the restatement of leases (finance leases and operating leases)

The Group recognizes a liability (lease debt) on the date of availability of the underlying asset. This lease debt corresponds to the discounted value of the fixed rents, and the rents fixed in substance remaining to be paid, to which are added the amounts that Ubisoft is reasonably certain to pay at the end of the contract, such as the exercise price of purchase options (when they are reasonably certain to be exercised), the penalties due to the lessor in case of termination (and for which termination is reasonably certain).

The Group systematically determines the duration of the lease contract as being the period during which the contract cannot be terminated, to which is added the intervals covered by every extension option that the lessee is reasonably certain to exercise and every option to terminate that the lessee is reasonably certain not to exercise. In the specific case of "3/6/9" leases in France, an assessment of the duration to be applied is made contract by contract.

The definition of this duration also takes into account laws and practices specific to each jurisdiction or sector of activity in matters of firm lease commitment granted by lessors. This is the case with indeterminate-period leases, for which Ubisoft generally applies the notice period as the enforceable period. However, the Group assesses, according to the circumstances of each contract, the enforceable period, taking into account certain indicators, such as the existence of significant penalties in case of termination by the lessee. In particular, to determine the duration of this enforceable period, the Group considers the economic importance of the leased asset.

When non-movable adaptations have been undertaken on leased assets, the Group assesses, contract by contract whether they provide an economic advantage to determine the enforceable period of the lease contract.

When a lease contract includes a purchase option, the Group adopts, as the enforceable period, the useful life of the underlying asset when it is reasonably certain to exercise the purchase option.

For each contract, the discount rate used is determined from the yield rates of government bonds in the lessee's country, according to the maturity of the contract, to which is added the Group's credit spread.

After the start date of the contract, the amount of the rental debt may be revalued to reflect changes arising from the following main cases:

- a change of duration arising from an amendment to the contract or a change of assessment concerning reasonable certainty of exercising a renewal option or not exercising a termination option;
- a change in the amount of rent, for example in application of a new index or rate for a variable rent;
- a change in assessment concerning the exercise of a purchase option;
- any other contractual change, for example a modification of the extent of the contract and its underlying asset.

Derivatives

The Group holds financial derivatives to manage its exposure to foreign exchange risks. To this end, Ubisoft Entertainment SA hedges these risks with forward purchase and sale contracts and currency options.

Derivatives are recognized at fair value and those with a negative market value are presented in financial liabilities.

NOTE 38 FINANCIAL ASSETS

Non-current financial assets	On 03/31/20 Gross	On 03/31/20 Cumulative depreciation	On 03/31/20 Net	On 03/31/19 Net
Deposits and sureties	9,396		9,396	6,644
Other long-term financial assets	4,148		4,148	1,884
Other non-current receivables	166		166	132
TOTAL	**13,710**		**13,710**	**8,660**

Non-current financial assets	Opening date	Increase	Decrease	Reclassifications	Change in scope	Foreign exchange Foreign exchange	Closing balance
Deposits and sureties	6,644	3,751	(1,023)	-	144	(120)	9,396
Other long-term financial assets	1,884	3,510	(1,040)	-	-	(206)	4,148
Other non-current receivables (1)	133	209,475	(209,475)	-	29	4	166
TOTAL AT 03/31/20	**8,661**	**216,736**	**(211,538)**	-	**173**	**(322)**	**13,710**
TOTAL AT 03/31/19	**106,895**	**43,816**	**(142,056)**	**(216)**	**18**	**204**	**8,661**

(1) The change reflects purchases and sales of own shares held under the liquidity agreement

Current financial assets	03/31/20 Gross	03/31/20 Impairment	03/31/20 Net	03/31/19 Net
Foreign exchange derivatives (1)	453	-	453	184
TOTAL	**453**	-	**453**	**184**

(1) Derivatives whose market value at the year-end is positive are reported at fair value (level 2, IFRS 7 hierarchy, see analysis in Note 46)

The financial assets below are presented in more detail in specific notes:

- trade receivables in Note 5,
- inventory in Note 10.

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ACCOUNTING PRINCIPLES

Financial assets include:

- short-term and long-term loans and advances;
- derivatives with a positive market value;
- investment securities;
- positive cash and cash equivalents;
- deposits and sureties;
- trade receivables.

Financial assets are presented as "non-current," except those with a maturity of less than 12 months from the year-end date. These are presented as "current assets" or "cash equivalents".

Recognition and measurement of financial assets

In accordance with IFRS 9 – "Financial Instruments: Classification," financial assets held by the Group are analyzed according to the economic model and their objectives:

- **assets valued at amortized cost**: financial assets held with a view to receiving contractual cash flows;
- **assets valued at fair value**: financial assets held for resale and with a view to receiving contractual cash flows.

Classification depends on the nature and objective of each financial asset; it is determined when first recognized.

The breakdown of financial assets by category is as follows:

IFRS 9	
Categories	**Ubisoft**
Assets at FV through profit and loss	♦ Cash and equivalent: ♦ demand deposits (paid or unpaid) ♦ term deposits ♦ short-term investments (SICAV/UCITS) ♦ fixed securities (non-consolidated)*
Option: Assets at fair value through OCI	♦ Fixed securities (non-consolidated)*
Assets at their amortized cost	♦ Deposits and sureties ♦ Grants ♦ Trade receivables
Liabilities at their amortized cost	♦ Bank loans and overdrafts ♦ Trade and other payables
Liabilities at FV through profit and loss	Non applicable to Group

* Case-by-case analysis according to the intent with which the securities are held

Assets measured at amortized cost

They include security deposits and trade receivables.

These assets are recognized at amortized cost using the effective interest rate method. Impairment is recognized as of initial recognition in order to materialize the credit losses expected at one year, then a review is carried out at the end of each reporting period to analyze whether the risk has changed significantly and to set aside a provision for the expected credit losses over the residual life of the financial instrument, if any.

Assets measured at fair value

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposit accounts with maturity generally under three months which can be easily liquidated or sold on very short notice, can be converted into cash and present negligible risks of change in value. Short-term investments are measured at net asset value at each statement of financial position date. Changes in this market value are recognized in financial profit or loss.

Derivatives

The Group holds financial derivatives:

- with a view to managing its exposure to foreign exchange risk. To this end, Ubisoft Entertainment SA hedges these risks with forward purchase and sale contracts and currency options

Derivatives are recognized at fair value and those with a positive market value are presented in financial assets. Changes in fair value are recognized in net financial income.

NOTE 39 CASH FLOW HEDGING AND OTHER DERIVATIVE INSTRUMENTS

Equity impacts of the hedge accounting

The hedging reserve includes the effective and ineffective part of the cumulative net change in the fair value of cash flow hedge instruments attributable to hedged transactions that have not yet materialized. For hedged transactions that have materialized, the amounts are reclassified in income.

The portion reclassified under profit or loss is recognized under current operating income for the effective portion and net financial income for the ineffective portion.

On March 31, 2020, the hedge positions taken during the financial year were reclassified to profit/loss, so there was no impact on equity.

ACCOUNTING PRINCIPLES

Recognition and valuation of financial derivatives

The Group holds financial derivatives exclusively to manage its exposure to foreign exchange risks. To this end, Ubisoft Entertainment SA hedges these risks with forward purchase and sale contracts and currency options.

Derivatives are initially recorded at fair value; associated transaction costs are recognized in profit or loss when incurred. After initial recognition, derivatives are measured at fair value while resulting changes are recorded using the principles outlined below.

Cash flow hedging

The Group applies hedge accounting (Cash Flow Hedge model) for transactions in US dollars and Canadian dollars. Management believes this method better reflects its hedging policy in the financial statements.

Hedge accounting applies if:

- the hedging relationship is clearly defined and documented on the date it is established;
- the effectiveness of the hedging relationship is proven from the outset and for as long as it lasts.

Application of cash flow hedge accounting under IFRS 9 has the following consequences:

- the effective and ineffective portions of the change in fair value of the hedging instrument are recognized in other comprehensive income until the hedged item is recognized;
- when reclassified under profit or loss, the ineffective portion of the change in fair value is recognized in financial income.

When the hedging instrument no longer meets the criteria for hedge accounting, reaches maturity, is sold, cancelled or exercised, hedge accounting is no longer applied. The profit or loss accumulated is held in other items of comprehensive income until the completion of the planned transaction. When the hedged item is a non-financial asset, the profit or loss accumulated is removed from other comprehensive income and included in the initial cost. In other cases, related profits and losses that have been recognized directly in other comprehensive income are reclassified under profit or loss for the period in which the hedged item impacts the result.

The fair value of assets, liabilities and derivatives is determined on the basis of market prices at the closing date.

Hierarchy and levels of fair value

In accordance with IFRS 7 (revised), financial assets and liabilities held by the Group and measured at fair value have been classified according to the fair value levels specified by the standard:

- **Level 1:** the fair value corresponds to the market value of instruments listed on an active market;
- **Level 2:** the fair value is determined on the basis of observable data.

Note 46 specifies the fair value level for each category of assets and liabilities measured at fair value.

The Group did not carry out any transfers between levels 1 and 2 during the financial year.

6.1.2.18 Information relating to market risks and to the fair value of financial assets and liabilities

In the context of its activity, the Group may be more or less exposed to financial risks (notably interest rate, liquidity, foreign exchange and financing risk), to counterparty risk and to equity risk.

The Group has put in place a policy for managing these risks, which is described below.

NOTE 40 INTEREST RATE RISK

Interest rate risk is mainly incurred through the Group's interest-bearing debt. This debt is essentially euro-denominated and centrally managed. Interest rate risk management is primarily designed to minimize the cost of the Group's borrowings and reduce exposure to this risk. For this purpose, the Group primarily uses fixed-rate loans for its long-term financing needs and variable-rate loans to finance specific needs relating to increases in working capital during particularly busy periods.

On March 31, 2020, the Group's debt was mainly composed of bonds at fixed rates, loans, short-term negotiable securities (NEU CP) and bank overdrafts.

NOTE 41 LIQUIDITY RISK

To finance specific requirements related to the increase in working capital requirements during periods of high activity, the Group had the following as at March 31, 2020:

- unused credit lines for €365.1 million (*see Commitments received, Note 54*);
- funding obtained, including short-term negotiable securities (NEU CP) for €110 million (on a program for a maximum amount of €300 million), OCEANE issued for €500 million, a bond of €500 million and bank loans for €2.89 million.

Analysis of financial liabilities by maturity

	03/31/20		Schedule			
	Carrying amount	Total contractual cash flows (1)	< 1 year	1 to 2 years	2 to 5 years	> 5 years
Current and non-current financial liabilities						
Bank borrowings	2,892	2,894	2,073	819	-	-
Commercial papers	110,000	110,000	110,000	-	-	-
Bonds	974,670	1,018,158	1,077	-	973,593	-
Borrowings resulting from the restatement of leases (finance leases and operating leases) (2)	242,995	273,079	41,209	26,419	66,718	108,649
Trade payables	139,208	139,208	138,840	191	178	-
Other operating liabilities (3)	577,299	577,299	474,131	35,855	67,108	205
Current tax liabilities	15,140	15,140	15,140	-	-	-
Cash liabilities	91,646	91,646	91,646	-	-	-
Derivative liabilities						
Non-hedge derivatives	234	29,559	234	-	-	-
TOTAL	**2,154,084**	**2,256,982**	**874,350**	**63,284**	**1,107,596**	**108,854**

(1) Liabilities are presented at the closing exchange rate, while variable-rate interest is calculated based on the closing spot rate

(2) See 6.1.2.6 Comparability of financial statements: first-time application of IFRS 16

(3) Other operating debts at more than one year are mainly related to the deferred payments of consideration transferred as part of business combinations

NOTE 42 COVENANTS

Under the terms of the syndicated loan and bilateral lines, the Company is required to comply with the following financial ratios (covenants):

Consolidated IFRS annual financial statements	2019/2020	2018/2019
Net debt restated for assigned receivables/equity restated for goodwill <	0.80	0.80
Net debt restated for assigned receivables/EBITDA <	1.5	1.5

As at March 31, 2020, the Company is in compliance with all these ratios and expects to remain so during the 2020/2021 financial year.

Other borrowings are not governed by covenants.

NOTE 43 FOREIGN EXCHANGE RISK

Given its international presence, the Group is exposed to foreign exchange risk on its cash flows from operating activities and on its investments in foreign subsidiaries.

The Group only hedges its exposures on operating cash flows in the main significant foreign currencies (US dollar, Canadian dollar). Its strategy is to hedge only one year at a time, so the hedging horizon never exceeds 18 months.

The Group first uses natural hedges provided by transactions in the other direction (development costs in foreign currency offset by royalties from subsidiaries in the same currency). The parent company uses foreign currency borrowings, futures or foreign exchange options to hedge any residual exposures and non-commercial transactions (such as inter-company loans in foreign currencies).

Derivatives for which documentation on the hedging relationship does not meet the requirements of IFRS 9 are not referred to as accounting hedges.

As at March 31, 2020, foreign exchange transactions denominated in Canadian dollars, US dollars and pounds sterling meet the cash flow hedging requirements under IFRS 9.

Hedging commitments are made by the parent company's treasury department in France. No hedging is taken out directly at subsidiaries in France or abroad.

The Group uses foreign currency derivatives, measured at fair value, only with standard banking institutions. These are top tier banking institutions. As a result, the "Credit Value Adjustment" (entity's own risk) is deemed to be immaterial.

At closing, the fair value of foreign exchange derivatives is as follows:

	03/31/20					03/31/19					
(in € thousands)	USD	CAD	GBP	RUB	SEK	USD	CAD	GBP	JPY	RUB	SEK
Forward hedges (1)	(234)	35	198	19	201	(24)	119	(2)	65	(7)	(56)
FOREIGN EXCHANGE DERIVATIVES QUALIFYING AS HEDGES	**(234)**	**35**	**198**	**19**	**201**	**(24)**	**119**	**(2)**	**65**	**(7)**	**(56)**
of which in fair value (impact on income)	**(234)**	**35**	**198**	**19**	**201**	**(24)**	**119**	**(2)**	**65**	**(7)**	**(56)**
of which in cash flow hedge (impact on OCI)	-	-	-	-	-	-	-	-	-	-	-
Forward hedges (1)	-	-	-	-	-	-	-	-	-	-	-
FOREIGN EXCHANGE DERIVATIVES NOT QUALIFYING AS HEDGES	-	-	-	-	-	-	-	-	-	-	-

(1) Mark-to-market, level 2 in the negotiable hierarchy under IFRS 7

Nominal amount of hedges *(in thousands of currency units)*	Subscription date	Maturity date	Hedged price	Type of instrument
USD				
2,000	March 20	May 20	1.11908	Forward sales
500	March 20	May 20	1.1195	Forward sales
30,000	March 20	Apr-20	1.09793	Forward sales
GBP				
6,500	March 20	Apr-20	0.90911	Forward purchases
CAD				
35,000	March 20	Apr-20	1.56258	Forward purchases
SEK				
423,200	March 20	May 20	10.8965	Forward sales
29,000	March 20	May 20	11.0722	Forward sales
21,000	March 20	May 20	10.8959	Forward sales
RUB				
85,000	March 20	May 20	85.2241	Forward sales

The amount of ineffective derivative instruments qualifying for hedge accounting under IFRS 9 is recognized in financial income.

Exposure to foreign exchange risk

(in thousands of currency units)	USD	GBP	CAD
Net position before hedging [(1)]	740,987	(33,894)	(568,151)
Futures contracts [(2)]	(30,000)	6,500	35,000
Net position after hedging	710,987	(27,394)	(533,151)

(1) Estimated transaction position from any operation triggering a payment or future earnings maturing in FY 2020/2021

(2) Hedging in place as at 03/31/2020 maturing during the 2020/2021 financial year. Significant flow for these three currencies will be hedged in accordance with the Group's foreign exchange strategy

Impact of a +/-1% fluctuation in the main currencies on sales and operating income

Currency	Impact on sales	Impact on operating income
USD	8,796	5,645
GBP	319	286
CAD	298	4,607

Impact of a +/-1% fluctuation in the main currencies on goodwill and brands

Currency	Impact on equity
USD	532
GBP	483

NOTE 44 CREDIT AND COUNTERPARTY RISK

	Notes	03/31/20 Carrying amount	03/31/20 Provisions	03/31/20 Net carrying amount	03/31/19 Net carrying amount
Trade receivables	5	309,180	(2,120)	307,060	476,641
Other current trade receivables	32	127,457	-	127,457	179,982
Foreign exchange derivatives	38	453	-	453	184
Current tax assets		41,034	-	41,034	39,555
Cash and cash equivalents	37	1,079,197	-	1,079,197	1,049,803

Exposure to credit risk

Credit risk reflects the risk of financial loss to the Group in the event that a customer or counterparty to a financial asset (*see Counterparty risk*) fails to meet its contractual obligations. This risk is mainly incurred on trade receivables and investment securities.

The Group's exposure to credit risk is mainly influenced by customer-specific factors. The statistical profile of customers, notably including the risk of bankruptcy for each sector of activity and country in which customers operate, has no real influence on credit risk.

Ubisoft's main customers are spread out worldwide. They are structured in particular by:

- digital distributors (representing 84.6% of the total sales of the Group):

  In the digital market, there are few customers, but with worldwide distribution. The Company considers that given the quality of the counterparties, the counterparty risk on digital sales is limited;
- physical distributors (representing 12.3% of the total sales of the Group):

  In order to protect itself against the risk of default, the Group's main subsidiaries, which generate around 86% of physical sales, are covered by credit insurance.

Exposure to counterparty risk

All cash must remain highly liquid by limiting capital risk exposure as much as possible. This should therefore be invested in products with a high degree of security, very low volatility and a negligible risk of changes in value. All instruments in which the Group invests meet the requirements of IFRS 7.

For instance, some prudential rules must be respected for the Group's cash investments:

- never hold more than 5% of a fund's assets;
- never invest more than 20% of total cash in the same vehicle.

The Group diversifies its investments with top tier counterparties and monetary instruments with less than three months' maturity.

As at March 31, 2020, investments consisted of UCITS, accounts and term deposits and interest-bearing accounts.

NOTE 45 SECURITIES RISK

Risk to the Company's shares

In accordance with its share buyback policy and under the authorization granted by the General Meeting, the Company may decide to buy back its own shares. The fluctuations in the price of shares bought in this way have no impact on the Group's results. Own shares are deducted from equity at cost of sale.

Legal framework

The Combined General Meeting of July 2, 2019 renewed the authorizations previously granted to the Board of directors allowing the Company in accordance with article L. 225-209 of the French commercial code to:

General Meeting Resolution	Conclusion	Duration of authorization
16th resolution	Buy back or have bought back by the Company its own shares	18 months
17th resolution	Reduce the capital by cancellation of shares	18 months

On March 20, 2018, Ubisoft Entertainment SA signed a prepaid forward contract with CACIB for 4,545,454 of its own shares, settled by the delivery of securities maturing in 2021 or in advance at a price of €66. According to IAS 32, this contract is qualified as an equity instrument that reduces the Group's equity.

Ubisoft Entertainment SA has signed a liquidity contract with EXANE BNP PARIBAS that came into force on January 1, 2019.

As at March 31, 2020, the Company held 53,253 treasury shares with a value of €3,377 thousand.

Risk to the Company's other shareholdings

The Group does not hold any significant shareholdings in non-consolidated companies.

NOTE 46 FAIR VALUE HIERARCHIES OF FINANCIAL ASSETS AND LIABILITIES

Reconciliation by accounting class and category

			03/31/20		03/31/19	
	Notes	IFRS 7 hierarchy	Amortized cost	Fair value	Amortized cost	Fair value
Assets at fair value through profit or loss						
Foreign exchange derivatives	38	2		453		184
Ubisoft share derivatives	38	2		-		-
Net investment securities	37	1		4,243		4,975
Cash	37		1,074,954		1,044,828	
Assets at fair value through OCI (1)						
Equity investments in non-consolidated companies	38	2		-		-
Assets at their amortized cost						
Trade receivables	5		307,060		476,641	
Other trade receivables	32/12		127,457		179,982	
Current tax assets			41,034		39,555	
Deposits and sureties	38		9,396		6,644	
Other long-term financial assets	38		4,148		1,884	
Other non-current receivables	38		166		132	
Liabilities at fair value through profit or loss						
Foreign exchange derivatives	37	2		(234)		(89)
Other operating liabilities	6/34			(26,056)		
Liabilities at fair value through OCI (1)						
Other operating liabilities	6/34			(54,423)		
Liabilities at their amortized cost						
Borrowings	37		(1,422,827)		(1,343,575)	
Trade payables	11/26		(139,208)		(188,787)	
Other operating liabilities	6/34		(496,820)		(664,617)	
Current tax liabilities			(15,140)		(26,918)	

(1) OCI: (Other Comprehensive Income) corresponds to other elements of comprehensive income

No changes in the fair value hierarchy have been carried out in the measurement of assets and liabilities at fair value over the past year.

6.1.2.19 Equity

NOTE 47 CAPITAL

On March 31, 2020, the capital of Ubisoft Entertainment SA was €9,373,710.10 divided into 120,951,098 shares with a par value of €0.0775.

Voting rights double those conferred on other shares, based on the proportion of the share capital they represent, are granted to all fully paid-up shares that are shown to have been registered in the name of the same shareholder for at least two years.

Preference shares have no voting rights.

NOTE 48 NUMBER OF UBISOFT ENTERTAINMENT SA SHARES

AS AT 04/01/19	**111,611,887**
Exercise of subscription options	486,599
Conversion of OCEANE	6,265,677
Capital increase reserved for employees	1,021,350
Free share grants	1,565,585
AS AT 03/31/20	**120,951,098**

The maximum number of shares to be created is 9,122,287:

- 1,626,499 through the exercise of stock options;
- 3,133,929 through the allocation of free shares;
- 4,361,859 through the conversion of OCEANE bonds into shares.

The details of stock options and allocations of free shares are given in Note 15.

NOTE 49 DIVIDENDS

No dividend was paid in respect of earnings for the 2018/2019 financial year.

NOTE 50 OWN SHARES

Occasionally, in accordance with the legal framework, the Group buys its own shares on the market.

As at March 31, 2020, the Company held 53,253 own shares, recognized as a deduction to equity:

	03/31/20		03/31/19	
Own shares by objective	Number of shares	Valuation *(€K)*	Number of shares	Valuation *(€K)*
Liquidity agreement	53,253	3,377	35,485	2,793
Employee stock ownership coverage	-	-	1,522,727	100,500
TOTAL	**53,253**	**3,377**	**1,558,212**	**103,293**

On March 20, 2018, Ubisoft Entertainment SA signed a prepaid forward contract with CACIB for 4,545,454 of its own shares, settled by the delivery of securities maturing in 2021 or in advance at a price of €66. According to IAS 32, this contract is qualified as an equity instrument that reduces the Group's equity.

The changes mainly relate to the operations below:

- as part of the MMO transaction, 528,041 shares were delivered at a value of €68.30 (€36,065 thousand) with an acquisition price of €66, i.e. a capital gain of €1,214 thousand;
- as part of the redemption of the OCEANE issued on September 27, 2016, 994,686 shares acquired at €66 were delivered for the converted bonds, at a value of €54.74 (€54,449 thousand), i.e. a capital loss of €11,200 thousand.

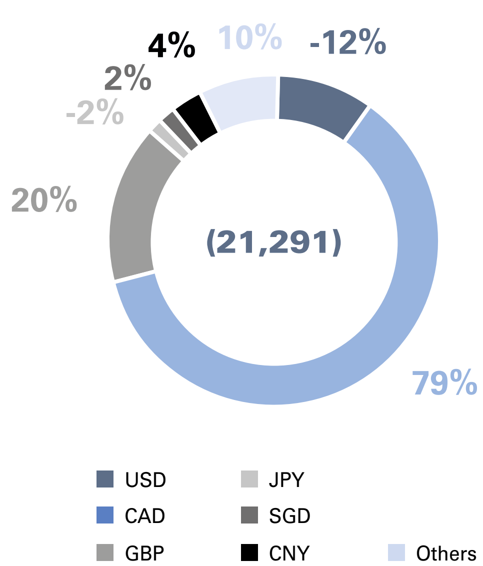
NOTE 51 TRANSLATION RESERVE

The translation reserve includes all foreign exchange gains and losses resulting from the translation of the financial statements of foreign subsidiaries.

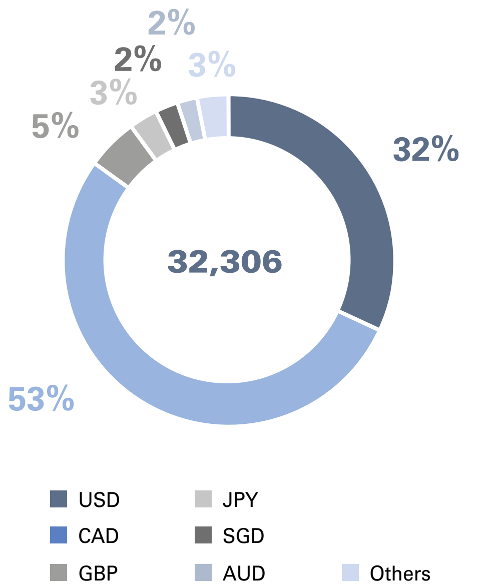
The foreign exchange gains and losses in "Equity attributable to owners of the parent company" fell by €21.3 million between March 31, 2019 and March 31, 2020. This change is due primarily to the following currencies:

Currency	Closing rate 03/31/20	Closing rate 03/31/19	Impact
USD	1.096	1.124	2,626
CAD	1.562	1.500	(16,784)
GBP	0.886	0.858	(4,272)
SGD	1.563	1.521	(426)
JPY	118.900	124.450	470
CNY	7.778	7.5397	(850)
Other			(2,055)
TOTAL			**(21,291)**

CHANGE IN TRANSLATION RESERVE AT MARCH 31, 2020



CHANGE IN TRANSLATION RESERVE AT MARCH 31, 2019



ACCOUNTING PRINCIPLES

The operating currency of Ubisoft Group's foreign subsidiaries is their local currency, in which they record most of their transactions. The assets and liabilities of Group companies whose operating currency is not the euro are translated into euros at the exchange rate prevailing at the end of the accounting period.

The income and expenses of these companies, along with their cash flows, are translated at the average exchange rate over the year. Differences arising from this translation are recognized directly in consolidated equity, as a separate item under "foreign exchange gains and losses".

Goodwill and fair value adjustments resulting from the acquisition of a foreign entity are considered to belong to the foreign entity and are therefore expressed in the entity's operating currency. They are translated at the closing rate prevailing at the end of the accounting period.

The Group does not operate in countries suffering from hyperinflation.

NOTE 52 NON-CONTROLLING INVESTMENTS

	03/31/20	03/31/19
Net income attributable to non-controlling interests		-
of which the Green Panda Games Group (30%)	*821*	-
of which Kolibri Games (25%)	*561*	-
TOTAL SHARE OF NET EARNINGS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**1,382**	**-**

	03/31/20	03/31/19
Equity attributable to non-controlling interests		-
of which the Green Panda Games Group (30%)	*2,068*	
of which Kolibri Games (25%)	*5,122*	-
TOTAL EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**7,190**	**-**

NOTE 53 EARNINGS PER SHARE

NET EARNINGS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY AS AT MARCH 31, 2020	**(125,624)**
Weighted average number of shares in circulation	112,050,132
NET EARNINGS PER SHARE AS AT MARCH 31, 2020	**(1.121)**
DILUTED NET EARNINGS PER SHARE AS AT MARCH 31, 2020 (1)	**(1.121)**

(1) Instruments giving deferred rights to capital (share options, free shares and OCEANE) are considered anti-dilutive because they cause an increase in the net earnings per share (reduction of the loss per share) and were therefore not considered in calculating the diluted earnings per share. Consequently, the diluted earnings per share are identical to the basic earnings per share

ACCOUNTING PRINCIPLES

Methods of calculating earnings per share

Earnings per share

Basic earnings per share are equal to net earnings divided by the weighted average number of shares in circulation minus treasury shares.

Diluted earnings per share

Diluted earnings per share are equal to:

- net earnings before dilution, plus the after-tax amount of any savings in financial expenses resulting from the conversion of the dilutive instruments divided by;
- the weighted average number of ordinary shares in circulation, minus treasury shares, plus the number of shares that would be created as a result of the conversion of instruments convertible into shares and the exercise of rights.

6.1.2.20 Unrecognized contractual commitments

NOTE 54 OFF-BALANCE SHEET COMMITMENTS RELATED TO THE FINANCING OF THE COMPANY

Off-balance sheet commitments related to Company financing

Summary

(in € thousands)	03/31/20	03/31/19
Commitments given by Ubisoft Entertainment SA		
Financial guarantees	111,210	36,133
Commitments received by Ubisoft Entertainment SA		
Lines of credit received and not used	365,100	389,000

Breakdown of commitments of over €10 million

(in € thousands)	Expiry date	03/31/20
Commitments given by Ubisoft Entertainment SA		
Financial guarantees		
Ubisoft Blue Byte GmbH	07/17/31	26,246
Ubisoft Toronto Inc.	04/30/31	38,335
Ubisoft Srl	07/18/29	15,902
Commitments received by Ubisoft Entertainment SA		
Lines of credit received and not used		
Syndicated loan	07/18/24	300,000
Committed lines of credit	05/13/21	10,000
Credit lines with banks (if > €10 million)		26,000

Off-statement of financial position commitments related to hedging instruments

Summary

(in € thousands)	03/31/20	03/31/19
Foreign exchange hedges (1)	103,489	60,348

(1) Fair value measured at the guaranteed price

NOTE 55 OFF-BALANCE-SHEET COMMITMENTS TO EMPLOYEES OF THE GROUP

To ensure the stability of Ubisoft's activities, 0.45% of the Group's employees at March 31, 2020 benefited from amendments to their employment contracts between June and September 2016: in the event of a change of control, and at the initiative of the employee or the Company, beneficiaries will be able to receive compensation within a period not exceeding two years after the change of control.

The estimated maximum amount of benefits to be paid would be approximately €43.4 million gross.

NOTE 56 LEASES

The commitments mainly include real estate leases relating to contracts for which the underlying asset will be available after March 31, 2020.

The amount of the associated lease liability will be around €162 million.

NOTE 57 OTHER COMMITMENTS

Investment administered by White Star Capital

Ubisoft Entertainment Inc. supports the development of local start-ups in the techno-creative sector via a program associated with a budget of US$ 4 million in the form of venture capital. The funds provided are administered by White Star Capital. Over the 2019/2020 financial year, US$ 1.4 million was paid to White Star Capital, representing US$ 3.4 million overall.

Earn out for the Tom Clancy brand

The acquisition contract relative to the right to use the Tom Clancy brand provides for the payment of an earn out, according to the achievement of an annual sales figure.

No trigger threshold was reached during the 2019/2020 financial year.

Green Panda Games purchase promises

The majority equity investment of the Group in the capital of Green Panda Games is accompanied by three purchase options granted to the Group, which may be exercised according to a period defined in the shareholders' agreement.

For Ubisoft, the options correspond to a right, and not an obligation, to acquire the remaining shares at fair value without the non-controlling shareholders being able to object to this.

Kolibri Games purchase promises

The majority equity investment of the Group in the capital of Kolibri Games is accompanied by four purchase options granted to the Group, which may be exercised according to a period defined in the shareholders' agreement.

For Ubisoft, the options correspond to a right, and not an obligation, to acquire the remaining shares at fair value without the non-controlling shareholders being able to object to this.

6.1.2.21 Events after the reporting period

On May 14, 2020, the date of the financial statements, the COVID-19 crisis does not pose any business continuity risk and has had no significant impact on the financial structure of Ubisoft. Nevertheless, the Group is closely monitoring the development of this situation as the current context calls for caution. While the Group considers itself able to deliver its main games for the financial year 2020/2021, the postponement of one of the five AAA titles until the next financial year cannot be excluded.

6.1.2.22 Professional fees of the Statutory Auditors and members of their networks

	KPMG			
	Amount (excluding tax)		%	
(in € thousands)	2019/2020	2018/2019	2019/2020	2018/2019
Statutory audit, certification, and review of the separate and consolidated financial statements				
♦ Issuer	307	217	37%	27%
♦ Fully consolidated subsidiaries	452	520	56%	65%
Services other than audits [(1)]				
♦ Issuer	82	69	10%	8%
TOTAL	**841**	**806**	**100%**	**100%**

(1) The services assigned to the Statutory Auditors other than audits of the financial statements concern services required by the laws and regulations and additional audit procedures

	MAZARS			
	Amount (excluding tax)		%	
(in € thousands)	2019/2020	2018/2019	2019/2020	2018/2019
Statutory audit, certification, and review of the separate and consolidated financial statements				
♦ Issuer	293	189	53%	42%
♦ Fully consolidated subsidiaries	218	206	38%	47%
Services other than audits [(1)]				
♦ Issuer	39	55	7%	11%
TOTAL	**551**	**450**	**100%**	**100%**

(1) The services assigned to the Statutory Auditors other than audits of the financial statements concern services required by the laws and regulations and additional audit procedures

6.1.3 OTHER ACCOUNTING PRINCIPLES

Measurement bases

The consolidated financial statements were prepared using the historical cost method, with the exception of the following assets and liabilities, which were measured at fair value: derivatives, financial instruments held for trading and available-for-sale financial assets.

Operating and presentation currency

The consolidated financial statements are presented in euros, which is the parent company's operating currency.

Consolidation principles

SUBSIDIARIES

A subsidiary is defined as an entity controlled by Ubisoft Entertainment SA.

Control of an entity is based on three criteria:

- power over the entity, i.e. the ability to manage the activities that have the most impact on its profitability;
- exposure to the variable returns of the entity, which may be positive (e.g. dividends or any other economic benefit), or negative;
- and the relationship between the power and these returns, i.e. the ability to exercise power over the entity in such a way as to influence the returns achieved.

In practice, the companies in which the Group directly or indirectly owns the majority of voting rights, conferring upon it the power to manage their operational and financial policies, are generally considered controlled and thus consolidated according to the full consolidation method.

In order to determine control, Ubisoft Entertainment performs an in-depth analysis of the established governance arrangements and an analysis of the rights held by other shareholders.

Ubisoft consolidates special purpose entities in which the Company does not hold a direct or indirect interest but that it controls in substance.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained to the date at which such control ends.

If necessary, the accounting principles of subsidiaries are amended to align them with those adopted by the Group.

TRANSACTIONS ELIMINATED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position amounts and income and expenses resulting from intra-group transactions are eliminated during the preparation of the consolidated financial statements.

Gains resulting from transactions with associates are eliminated for the Group's percentage interest in the Company.

Losses are eliminated, but only to the extent that they are not indicative of impairment.

TRANSLATION OF TRANSACTIONS DENOMINATED IN FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated by applying the exchange rate prevailing on the date of the transaction.

At the closing date, all monetary assets and liabilities denominated in foreign currencies (excluding derivatives) are translated into euros at the closing exchange rate. Any resulting foreign exchange gains and losses are recorded in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Derivatives are measured and recognized in accordance with the methods described in the note on financial instruments.

INVESTMENTS IN ASSOCIATES

Investments in associates include the Group's share of the equity held in companies accounted for under the equity method, together with any related goodwill.

OPERATING PROFIT (LOSS) AND OPERATING PROFIT (LOSS) FROM CONTINUING OPERATIONS

Operating income includes all revenues and costs directly linked to Group activities, whether these revenues and costs are recurrent or resulting from one-off decisions or operations. Extraordinary items, defined as revenues and expenses that are unusual in their frequency, nature and/or amount, belong to operating income. Current operating income is equal to operating income before inclusion of items whose amount and/or frequency are unpredictable by nature.

6.2 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of one of the statutory auditors' report on the consolidated financial statements issued in French language and it is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

Financial year ended March 31, 2020

To the General Meeting of the company Ubisoft Entertainment,

OPINION

As mandated by your General Meetings, we conducted the audit of the consolidated financial statements of Ubisoft Entertainment S.A. in respect of the financial year ended March 31, 2020, as attached to this report.

The financial statements were approved by the Board of directors on May 14, 2020 based on the elements available at that date in the evolving context of the Covid-19 health crisis.

We hereby certify that, from the standpoint of IFRS standards as adopted in the European Union, the consolidated financial statements give a true and fair view of the operations for the financial year just ended, as well as the assets, financial position and results of the Group comprising the consolidated persons and entities.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

BASIS FOR THE OPINION

Audit Guidelines

We conducted our audit in accordance with accepted professional standards in France. It is our view that the elements that we collected are sufficient and adapted to base our opinion.

Our responsibilities under these standards are indicated in the section "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" in this report.

Independence

We conducted our audit in accordance with the applicable rules of independence, over the period from April 1, 2019 to the date of issue of our report, and notably, did not provide services prohibited by Article 5, paragraph 1 of the (EU) Regulation No. 537/2014 or by the Statutory Auditors' Code of Ethics.

COMMENTS

Without calling into question the opinion expressed above, we draw your attention to note 6.1.2.6 "Comparability of financial statements" in the notes to the consolidated financial statements where the impact of the first-time application of IFRS 16 "Leases" at April 1, 2019 is presented.

BASIS FOR OUR ASSESSMENT – KEY POINTS OF THE AUDIT

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the basis for our assessments, we call your attention to the key points of the audit regarding the risks of material misstatements which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the financial year, together with the responses we provided to these risks.

Our assessments were made within the context of our audit of the consolidated financial statements as a whole, approved under the conditions recalled above, and provided a basis for the opinion expressed previously. We do not express an opinion on the items in the consolidated financial statements taken separately.

Assessment of the commercial software developed internally – impairment tests
Note 22 of the notes to the consolidated financial statements

Risk identified	Response provided
As at March 31, 2020, the net carrying amount for the commercial software developed internally amounted to €996 million for a total statement of financial position of €3,605 million. The intangible assets resulting from the development of commercial software, once released, are amortized on a straight-line basis starting on the commercial release date for a duration of 1 to 8 years. Moreover, as indicated in Note 22 "Inventory value and changes in other intangible assets during the financial year", in the notes to the consolidated financial statements, the Group subjects the released commercial software to an impairment test at each closing date. Commercial software in production with a planned release date within 12 months after the closing date, or for which an impairment loss indicator is identified is also subject to an impairment test. These tests involve comparing the net carrying amount of the commercial software (after normally recognized linear depreciation) to the expected future cash flows from the sale of the game. Impairment is recognized if the value-in-use is lower than the net carrying amount of the commercial software. We have considered the impairment tests on commercial software developed internally as a key point of the audit, given the particularly significant amount and the significant degree of judgment required by the Group to determine the value-in-use bases on forecasts of discounted cash flows for which achievement is inherently uncertain.	We have examined the procedures for conducting these impairment tests. Our work notably consisted in: (1) taking note of the internal control relating to the implementation of these impairment tests and testing by sampling the key controls implemented by the Group for these processes. Our procedure tests consisted in: ♦ assessing the implementation of editorial control by the Group's Executive Management, ♦ assessing the portfolio review of software in production which aims to control the exhaustive accounting translation of editorial discontinuation decisions, ♦ ensuring that the Board of directors has approved the 3-year business plan; (2) our substance tests mainly consisted in: ♦ conducting a retrospective analysis of the impairment tests carried out by the Group over the previous financial years, ♦ comparing sales and profitability forecasts for the commercial software used in the impairment tests with those underlying the Group's 3 year business plan approved by the Board of directors, ♦ assessing the consistency of the future sales forecasts with regard to available data or comparables (previous opus within the same franchise, another similar commercial software with the same comparable levels of functions, taking into account the level of pre-orders for example). We also assessed the relevant nature of the information provided in Note 22 "Inventory value and changes in other intangible assets during the financial year" in the notes to the consolidated financial statements.

Assessment of goodwill and brands
Notes 17 to 23 of the notes to the consolidated financial statements

Risk identified	Response provided
Goodwill and brands present significant net carrying amounts at March 31, 2020 of respectively €335 million and €58 million. All brands indicated as assets in the Group's statement of financial position have an indefinite life. At least once a year, and more regularly in the event of impairment loss indicators, the Group ensures that the net carrying amount of these assets does not exceed their recoverable value. The procedures for the impairment tests implemented by the Group are described in Notes 20 (Goodwill) and 22 (Brands) in the notes to the consolidated financial statements; they include a significant number of judgments and assumptions, notably covering: ♦ future cash flow forecasts; ♦ the perpetuity growth rates selected for the forecast flows; ♦ the discount rate applied to the estimated cash flows. Consequently, a change in these assumptions would significantly affect the recoverable value of these assets and require an impairment to be recognized. We consider the assessment of goodwill and brands to be a key point of the audit, due to the high degree of judgment required by the Group in the choice of the assumptions required to determine their recoverable value, based on discounted cash flow forecasts for which achievement is inherently uncertain.	We have analyzed the compliance of the methodologies applied by the Group with current accounting standards, and specifically those used to estimate the recoverable value. (1) we have also conducted a critical assessment of the way in which this methodology is implemented, and have specifically: ♦ assessed the effective implementation of the internal approval and validation process for the business plans prepared by the Group and used for the impairment tests, ♦ checked the implementation of the reconciliation of the business plans used for the impairment tests with the Group business plan approved by the Board of directors, ♦ tested the implementation of the consistency control between the equity value from the Group's business plan with the stock market capitalization; (2) our substance tests mainly consisted in: ♦ conducting a critical review of the business plans based notably on discussions with the Administration Department, ♦ checking the arithmetical accuracy of the impairment tests of goodwill and brands, ♦ analyzing the perpetuity growth rates and the discount rate of the future cash flows by our own experts, ♦ measuring the sensitivity of the impairment tests to the discount rate and growth rate of sales, ♦ assessing the relevant nature of the information provided in the notes to the consolidated financial statements.

Assessment of revenue from sales of video games including a "Live Service" type component and from license and distribution agreements
Notes 4 and 6 of the notes to the consolidated financial statements

Risk identified	Response provided
As part of its video game production and distribution activities, Ubisoft Group generates its revenue mainly from: ♦ sales of video games without associated services (Digital and Retail); ♦ sales of video games including a "Live Services" online functionality; ♦ license contracts and distribution contracts relating to video games or works of cinema. As at March 31, 2020, deferred income related to the application of IFRS 15 amounted to €249 million. The application of IFRS 15 had an impact on the recognition of revenue from the sales of video games including a "Live Services" type "service" component. Ubisoft identifies two obligations on these types of games: ♦ an initial obligation associated with the digital or physical delivery of the content, where revenue associated with this initial obligation shall be recognized at the date of delivery of the content; ♦ a performance obligation corresponding to the provision of a set of services to the end user (the player) including in particular rights over unspecified future content (updates, corrections, improvements, maintenance and potentially any delivery of free content) and functionalities enabling online access to this content. The revenue associated with this service obligation is recognized in accordance with a linear spread profile over the expected lifetime of the game for final users. The modalities for calculating the weight of the "service" component, the amount of revenue to defer and its estimated duration are complex and require judgments and estimates according to the game categories and the level of online service that the player benefits from. IFRS 15 also had an impact on the recognition of license and distribution agreements signed with third-party customers. The standard proposes an analysis grid on licenses (both for video games and cinema works), which notably separates the right of access (recognition of revenue over time) and the right of use (recognition of revenue when the licensed content is transferred to the customer). The application modalities for the accounting standards with regard to these agreements may be complex and require judgments and estimates. Given the complexity of the IT systems and the judgments and estimates that enter into the calculation of revenue, we have considered that the assessment of revenue from the sales of video games including a "Live Services" type component and for license and distribution agreements is a key point of our audit.	We have taken into account the high level of integration of the different information systems involved in the recognition of revenue, by including in our team members with specific skills in information systems and by testing the design, implementation and effectiveness of the automated key controls in the systems that affect recognition of sales. As part of our work on the "Live Services" type "service" component, our work notably consisted in: ♦ analyzing the modalities used by the Group to recognize revenue; ♦ identifying the different contracts in force within Ubisoft Group; ♦ identifying and analyzing the different implicit and explicit service obligations within these contracts, in order to determine the transaction price; ♦ analyzing the management rules applied by the Group to allocate the selected transaction price, and assessing whether these defined rules are applied correctly; ♦ assessing compliance of the main judgments and estimates selected associated with the calculation of the weighting of the Service component and its duration; ♦ recalculating in a comprehensive way the impact of the expected closing balance in application of the management rules defined by the Group, by including our IT experts in the approach; ♦ comparing our own estimates of the revenue to be recognized for the financial year with the recognized sales. With regard to significant distribution and license contracts signed with third-party customers, our work notably consisted in: ♦ examining all contractual documentation and the analyses carried out by Ubisoft Group's management team; ♦ identifying and analyzing the different service obligations within these contracts; ♦ examining the accounting treatment applied; ♦ appraising the main judgments and estimates made. We also appraised the appropriate nature of the information presented in Notes 4 and 6 of the notes to the consolidated financial statements.

SPECIFIC VERIFICATIONS

In accordance with the professional standards applicable in France, we have also carried out the specific verifications required by regulatory and legal texts of the information on the Group provided in the Board of directors' Management Report approved on May 14, 2020.

We have no matters to report regarding the accuracy of this information and its consistency with the consolidated financial statements.

With regard to the events and elements known after the date of the financial statements on the effects of the Covid-19 crisis, the General Management has indicated to us that a communication will be made to the General Meeting called to approve the financial statements.

We certify that the consolidated statement of non-financial performance stipulated in Article L. 225-102-1 of the French Commercial Code is included in the information on the Group provided in the Management Report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have not verified the true and fair nature of the information contained in this statement or its consistency with the consolidated financial statements, and this information should be subject to a report by an independent third-party organization.

INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors for Ubisoft Entertainment by your General Meeting of June 27, 2003 for KPMG Audit and of September 29, 2016 for MAZARS.

As at March 31, 2020, KPMG Audit was in its 17th year of uninterrupted term and MAZARS in its 4th year of uninterrupted term.

RESPONSIBILITIES OF THE MANAGEMENT TEAM AND THE PEOPLE COMPRISING THE CORPORATE GOVERNANCE WITH REGARD TO THE CONSOLIDATED FINANCIAL STATEMENTS

The management team is responsible for preparing consolidated financial statements that present a true and fair view, in accordance with the IFRS as adopted by the European Union, and implementing the internal control it considers necessary for preparing consolidated financial statements that do not include material misstatements, resulting either from fraud or errors.

When preparing the consolidated financial statements, the management team is responsible for assessing the Company's ability to continue its operations, and presenting in these financial statements, if applicable, the information on the continuation of operations, and applying the accounting going-concern convention, unless it plans to liquidate the Company or cease its activity.

The Audit Committee is responsible for monitoring the financial information preparation process and the effectiveness of the internal control and risk management systems, as well as, if applicable, internal audit, with respect to the procedures for the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Audit objective and approach

We are responsible for preparing a report on the consolidated financial statements. Our aim is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not include material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, guaranteeing that an audit conducted in accordance with professional standards would systematically detect all material misstatements. Misstatements from fraud or resulting from errors are considered to be material when we can reasonably expect that they may, taken individually or cumulatively, influence economic decisions that users of the financial statements may take based on them.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist in guaranteeing the viability or the management quality of your Company.

As part of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises his/her professional judgment throughout the audit. Moreover:

- he/she identifies and assesses the risks that the consolidated financial statements include material misstatements from fraud or resulting from errors, defines and implements audit procedures faced with these risks and collects the elements that he/she considers sufficient and appropriate on which to base his/her opinion. The risk of non-detection of a material misstatement resulting from fraud is higher than that of a misstatement resulting from an error, as the fraud may involve collusion, falsification, voluntary omissions, false declarations or circumvention of internal control;
- he/she takes note of the relevant internal control for the audit in order to define the relevant audit procedures, and not with the aim of expressing an opinion on the effectiveness of the internal control;
- he/she assesses the appropriate nature of the selected accounting principles and the reasonable nature of the accounting estimates made by the management team, as well as the information on them provided in the consolidated financial statements;
- he/she assesses the relevant nature of the application of the going-concern accounting convention by the management team, and, depending on the elements collected, the existence of a significant uncertainty with regard to the events or circumstances likely to call into question the Company's ability to continue its operations. This assessment is based on the elements collected up to the date of his/her report, it being recalled that subsequent circumstances or events may call into question the continuation of operations. If he/she concludes that there is a significant uncertainty, he/she calls the readers' attention to the information provided in the consolidated financial statements on the subject of this uncertainty, or, if this information is not provided or is not relevant, he/she formulates a certification with reserves or refuses to certify;
- he/she assesses the overall presentation of the consolidated financial statements and assesses if the consolidated financial statements reflect the underlying operations and events, in order to provide a true and fair view;
- with regard to the financial information of the scope of consolidation comprising the consolidated persons and entities, he/she collects the elements that he/she considers sufficient and appropriate in order to express an opinion on the consolidated financial statements. He/she is responsible for managing, supervising and conducting the audit of the consolidated financial statements as well as the opinion expressed on these financial statements.

Report to the Audit Committee

We provide a report to the Audit Committee presenting notably the scope of the audit work and the work program implemented, as well as the conclusions resulting from our work. We also draw its attention, if applicable, to the significant weaknesses of the internal control that we have identified with respect to the procedures for the preparation and processing of accounting and financial information.

Amongst the elements communicated to the Audit Committee are the risks of material misstatements that we have considered to be the most important for the audit of the consolidated financial statements, and that constitute as such the key points of the audit, which we are responsible for describing in this report.

We also provide the Audit Committee with the declaration provided for by Article 6 of (EU) Regulation No. 537-2014 confirming our independence under the meaning of the rules applicable in France as set notably by Articles L. 822-10 to L. 822-14 of the French Commercial Code, and the Statutory Auditors' Code of Ethics. If applicable, we discuss with the Audit Committee the risks weighing on our independence and the safeguard measures applied.

Rennes and Vannes, June 2, 2020

Statutory Auditors

KPMG Audit *Department of KPMG S.A.*	**MAZARS**
Vincent BROYÉ *Partner*	**Julien MAULAVÉ** *Partner*

6.3 Separate financial statements of Ubisoft Entertainment SA for the year ended March 31, 2020

6.3.1 STATEMENT OF FINANCIAL POSITION

Assets

(in € thousands)	Notes	Gross	Depreciation and amortization/ impairment	03/31/20 Net	03/31/19 Net
Intangible assets	19	1,973,679	830,171	1,143,508	883,464
Property, plant and equipment	21	14,761	8,807	5,953	6,071
Non-current financial assets	23	630,527	209,371	421,156	461,204
Non-current assets		**2,618,967**	**1,048,350**	**1,570,617**	**1,350,739**
Advances and prepayments made	11	17,049	-	17,049	14,741
Trade receivables	5	261,495	-	261,495	405,405
Other receivables	6	206,374	-	206,374	119,077
Investment securities	24	4,242	3	4,239	105,471
Cash instruments	24	373,559	-	373,559	411,067
Cash	24	545,844	-	545,844	471,082
Current assets		**1,408,564**	**3**	**1,408,561**	**1,526,843**
Prepaid expenses and deferred charges	9	11,173	-	11,173	14,562
TOTAL ASSETS		**4,038,704**	**1,048,353**	**2,990,351**	**2,892,144**

Liabilities

(in € thousands)	Notes	03/31/20	03/31/19
Capital	29	9,374	8,650
Premiums		472,718	49,813
Reserves		215,626	56,466
Earnings for the period		(301,147)	159,159
Regulated provisions		945,365	793,852
Equity	**28**	**1,341,936**	**1,067,940**
Provisions	17	309	1,090
Borrowings (1) (2)	25	1,002,585	985,667
Other financial liabilities	25	385,077	572,004
Trade payables		189,601	198,583
Fiscal and social liabilities		15,130	27,369
Liabilities on non-current assets		83	4
Other liabilities	15	14,474	33,128
Liabilities		**1,606,950**	**1,816,755**
Prepaid expenses and deferred charges	16	41,156	6,359
TOTAL EQUITY AND LIABILITIES		**2,990,351**	**2,892,144**
(1) Including current portion of borrowings		*2,585*	*84,412*
(2) Including current bank credit facilities and bank credit balances		*254*	*32,054*

6.3.2 INCOME STATEMENT

(in € thousands)	Notes	03/31/20 (12 months)	03/31/19 (12 months)
Production for the period	3	1,540,345	1,741,415
Other operating income and reinvoiced costs	4	460,626	477,499
Total operating income		**2,000,971**	**2,218,914**
Other purchases and external expenses	10	1,254,627	1,094,863
Taxes and duties		1,615	2,455
Personnel costs		1,269	2,504
Other expenses	4	14,962	24,947
Depreciation, amortizations and provisions	18/20	870,145	958,870
Total operating expenses		**2,142,618**	**2,083,639**
OPERATING INCOME		**(141,647)**	**135,275**
Financial income from investments		139,664	78,290
Other interest received		12,986	7,743
Reversals of provisions and reinvoiced costs		2,075	47,008
Foreign exchange gains		9,482	14,643
Net proceeds on sale of investment securities		-	249
Total financial income		**164,208**	**147,933**
Other interest paid		12,457	13,297
Provisions		147,971	27,331
Foreign exchange losses		10,259	14,309
Net expenses on sales of investment securities		10	10
Total financial expenses		**170,697**	**54,947**
NET FINANCIAL INCOME	**22**	**(6,489)**	**92,986**
NET INCOME FROM CONTINUING OPERATIONS		**(148,136)**	**228,261**
NON-RECURRING ITEMS	**26**	**(161,809)**	**(67,634)**
NET INCOME BEFORE TAX		**(309,945)**	**160,627**
Income tax	27	8,798	(1,468)
PROFIT (LOSS) FOR THE PERIOD		**(301,147)**	**159,159**

6.3.3 CASH FLOW STATEMENT

(in € thousands)	Notes	03/31/20	03/31/19
Cash flows from operating activities			
Earnings		(301,147)	159,159
Net depreciation and amortization of property, plant and equipment and intangible assets	4/18	471,881	528,073
Changes in provisions [(1)]		297,408	62,176
(Gains) losses on disposal of treasury shares		10,019	-
Net cash from operation		**478,161**	**749,408**
Trade receivables	5	143,910	(71,947)
Advances and prepayments made [(2)]		(3,685)	3,212
Other assets		(82,420)	(29,019)
Trade payables [(3)]		(8,306)	(9,904)
Other liabilities		(22,346)	37,130
Total changes in working capital		**27,153**	**(70,528)**
Net cash generated by operating activities		**505,315**	**678,880**
Cash flows from investment activities			
Acquisitions of intangible assets [(4)]	19	(729,867)	(656,789)
Acquisitions of property, plant and equipment	21	(1,160)	(456)
Acquisitions of equity investments	23	(104,627)	(65,179)
Acquisitions of other non-current financial assets	23	(386,199)	(73,796)
Repayment of loans and other financial assets	23	385,969	71,380
Buyback of own shares for their cancellation [(5)]	23	-	(100,500)
Security deposit relating to CACIB swap contract [(6)]	23	-	100,000
Net cash used by investment activities		**(835,884)**	**(725,340)**
Cash flows from financing activities			
Increase in capital [(7)]	28	117	182
Increase in issue premium [(7)]	28	81,781	131,727
New medium-term borrowings	25	939,250	602,676
Repayment of medium-term borrowings [(7)]	25	(583,148)	(572,108)
Deferred expenses	9	(4,544)	(89)
Change in current accounts	25	(70,627)	117,916
Change in cash instruments		37,508	(103,549)
Buyback of own shares for stock-based compensation plans [(5)]		-	(100,500)
Delivery of own shares for stock-based compensation plans	28	36,065	-
Net cash generated by financing activities		**436,401**	**76,255**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**105,832**	**29,797**
Net cash position at beginning of the fiscal year		444,000	414,203
Net cash position at end of the fiscal year	24	549,832	444,000

(1) Of which €(177) thousand relating to changes in personnel expenses

(2) Including €(1,378) thousand linked to commitments guaranteed but not paid in advances and prepayments made

(3) Including €597 thousand linked to commitments guaranteed but not paid in trade payables

(4) Including €781 thousand linked to commitments guaranteed but not paid in intangible assets

(5) Of which €201 million relating to the buyback of the Company's own shares following the settlement of the CACIB swap contract on November 9, 2018

(6) During the 2018/2019 financial year, €100 million was reimbursed in respect of the security deposit relating to the swap contract of March 31, 2018

(7) The changes relating to the conversion of the OCEANE bonds issued on September 27 were restated in the amount of €397,432 thousand for loan repayments, €486 thousand for capital increases and €341,245 thousand for issue premium increases (see Note 1)

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6.3.4 NOTES TO THE SEPARATE FINANCIAL STATEMENTS

CONTENTS

6.3.4.1 Description of the business and basis of preparation of the financial statements

NOTE 1 HIGHLIGHTS AND GENERAL PRINCIPLES

Financial year highlights

- **July 2019: "MMO" employee stock ownership plan**

The Company's Board of directors decided to carry out, on February 1, 2019, a capital increase reserved for employees other than members of the Group savings plan. Beneficiaries were offered the option of acquiring Company shares with a 15% discount as part of a leveraged Group savings scheme via a company mutual fund (FCPE) or stock appreciation rights (SAR). The latter benefited from an additional contribution equal to three times their personal contribution, capped at €300 per holder. After a five-year period, or before the end of this period in the event of early release, each beneficiary is also guaranteed to receive their initial investment in euros (comprising his/her personal contribution increased by the additional contribution) as well as a multiple of the possible average protected increase in the share price.

On July 4, 2019, Ubisoft Entertainment delivered 528,041 shares (FCPE formula) and created 1,021,350 shares (SAR formula) at a price of €68.30.

- **June 2019 to March 2020: Dividends received**

Certain French and foreign subsidiaries carried out dividend payments or prepayments to Ubisoft Entertainment SA for a total of €139,664 thousand.

- **September 2019: Issue of bonds with an option for conversion into new shares and/or for exchange for new and/or existing shares ("OCEANEs") and early redemption of existing OCEANEs issued on September 27, 2016**

On September 24, 2019, Ubisoft Entertainment SA issued 4,361,859 bonds maturing in 2024 with the option of their conversion into and/or exchange for new or existing shares (OCEANE bonds) for a total nominal amount of €500 million. The bonds have a par value of €114.63 each, with an issue premium of 65%. The issue price amounts to €526 million, with a price of €120.65 per bond. OCEANEs do not bear interest and will be redeemed at par.

Concurrently with the issue, on September 17, 2019, Ubisoft announced its decision to exercise its early redemption option with respect to the OCEANE bonds issued on September 27, 2016 in the amount of €400 million. On October 18, 2019, the Company therefore proceeded with the early cash redemption, at par, i.e. €54.74 per bond, of all bonds outstanding at that date. 99.36% of bondholders opted to convert their OCEANEs into shares. The redemption of the €400 million debt involved:

- the repayment of €2.6 million in cash,
- the creation of 6,265,677 shares, i.e. a capital increase of €342.5 million,
- the delivery of 994,686 treasury shares for €54.4 million.

- **October 2019: Update of the financial objectives and game release schedule for financial year 2019-2020**

The consolidated financial statements take into account the consequences of the press release of October 24, 2019, which pointed to a sharp drop in expected revenues from *Ghost Recon Breakpoint* and, to a lesser extent, from *The Division 2*, along with the decision to extend the development period for *Gods & Monsters*, *Rainbow Six Quarantine* and *Watch Dogs Legion*, now set be released in financial year 2020-2021.

- **March 2020: Potential impact of the COVID-19 coronavirus epidemic on business and results for financial year 2019-2020**

Faced with the current health crisis, the Group has taken the necessary measures to protect its employees and ensure the continuity of its business. The Group is closely monitoring the development of this pandemic. A dedicated crisis management unit has been put in place at Group level and is in permanent contact with the different entities.

With the end of the lockdown period, engagement with our games has increased significantly and this has had a positive impact on our financial performance. It is impossible as of the date hereof to determine whether this impact is sustainable.

The Group has introduced procedures for the continual monitoring of the consequences of the pandemic may have on its business activities, in particular, the business of physical distribution of its games.

In addition, a large majority of the Group's developers are now working remotely, and significant measures have been taken to keep up high levels of productivity, in particular, via the use of the streaming solutions which had already been successfully tested in the past.

The transition to remote working has nevertheless had an impact of a few weeks on our production which, to date, the Company considers manageable.

General information

The financial year is a 12-month period from April 1, 2019 to March 31, 2020.

General principles

The separate financial statements of Ubisoft Entertainment SA were prepared in accordance with ANC accounting regulation 2014-03, amended by regulations 2015-05 of July 2, 2015, 2015-06 of November 23, 2015, 2016-07 of November 4, 2016, 2018-01 of April 20, 2018 and 2018-02 of July 6, 2018.

The general accounting conventions were applied in accordance with the principle of financial prudence and the following basic rules: going-concern assumption, continuity of accounting principles from one financial year to the next, independence of financial years, fair presentation, consistency and accuracy, and in accordance with the general rules governing the preparation and presentation of separate financial statements.

The basic method used to measure items in the financial statements was historical cost.

The accounting methods applied are consistent with industry practice.

Unless otherwise stated, the financial data are presented in thousands of euros, without decimals. The rounding of the figures to the nearest thousand euros may result in non-material differences in the totals and sub-totals shown in the tables.

NOTE 2 COMPARABILITY OF FINANCIAL STATEMENTS

Change in estimation

None.

Change in method

None.

6.3.4.2 Sales

NOTE 3 PRODUCTION FOR THE PERIOD

Production for the period comprises:

- sales, essentially made up of intra-Group invoicing of contributions;
- capitalized production reflecting development costs outsourced to subsidiaries and external developers.

	03/31/20	03/31/19
Sales	811,610	1,087,084
Capitalized production costs for commercial software developments	726,464	649,242
Capitalized production costs for external software developments	2,270	5,089
PRODUCTION FOR THE PERIOD	**1,540,345**	**1,741,415**

The breakdown of sales by geographic region was as follows:

	03/31/20		03/31/19	
	(in € thousands)	*(%)*	*(in € thousands)*	*(%)*
Europe	418,572	52%	606,382	56%
North America	394,939	48%	472,625	43%
Asia	1,354	0%	9,460	1%
Rest of the world	(3,255)	0%	(1,383)	0%
SALES	**811,610**	**100%**	**1,087,084**	**100%**

NOTE 4 OTHER OPERATING INCOME AND REINVOICED COSTS

	03/31/20	03/31/19
Reversals of provisions for impairment of commercial software developments (1)	397,824	416,563
Reversals of provisions for impairment of external software developments	133	371
Reversal on provisions for operating foreign exchange risk	133	451
Reinvoiced costs	47,678	38,024
Foreign exchange gains on forward instruments and commercial transactions (2)	14,391	21,511
Miscellaneous operating income	466	579
TOTAL	**460,626**	**477,499**

(1) See details in Note 18

(2) The foreign exchange gain on forward instruments and commercial transactions amounted to €586 thousand at March 31, 2020 (versus a loss of €2,441 thousand at March 31, 2019), with €14,391 thousand recognized in the income statement under "Other operating income and reinvoiced costs," and €13,805 thousand recognized under "Other expenses"

Reinvoiced costs essentially correspond to the rebilling of development kits, payments received under agreements with third parties, general expenses, etc.

NOTE 5 TRADE RECEIVABLES

			03/31/20	03/31/19
(in € thousands)	Gross	Impairment	Net	Net
Trade receivables	95,654	-	95,654	72,416
Related accounts	165,841	-	165,841	332,989
TOTAL	**261,495**	**-**	**261,495**	**405,405**

"Trade receivables" basically consists of intra-Group receivables.

Customer payment terms

	Article D. 441 I.-2: Invoices issued but outstanding at the financial year closing date with overdue payment				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment brackets					
Number of invoices concerned					108
Total amount of invoices concerned (pre-tax)	163,106	38,802	3,216	7,690,109	7,895,233
Percentage of sales and reinvoiced costs for the financial year (pre-tax)	0.02%	0.01%	0.01%	0.95%	0.99%
(B) Invoices excluded from (A) relating to disputed or unrecognized receivables					
Number of invoices excluded					0
Total amount of invoices excluded (pre-tax)					0
(C) Benchmark payment terms used (contractual or legal times – article L. 441-6 or article L. 443-1 of the French commercial code)					
Payment terms used to calculate late payments	Contractual deadlines: 30 days end of month				

NOTE 6 OTHER RECEIVABLES

(in € thousands)	Gross	Impairment	03/31/20 Net	03/31/19 Net
Suppliers – Credit notes to receive	19,172	-	19,172	13,932
Government (VAT credit, tax)	40,283	-	40,283	36,723
Partner current account advances	145,516	-	145,516	67,764
Other miscellaneous debtors	1,404	-	1,404	658
TOTAL	**206,374**	-	**206,374**	**119,077**

The change in the "State" item is mainly due to the tax credits generated during the financial year.

The change in partner current account advances corresponds to the advances made to subsidiaries to finance their specific business needs.

NOTE 7 STATEMENT OF RECEIVABLES

(in € thousands)	Gross amount	< 1 year	> 1 year
Receivables on non-current assets	**900**		
Deposits and sureties	900	282	618
Receivables on current assets	**489,037**		
Advances and prepayments made	17,049	17,049	
Trade receivables	261,495	261,495	
Government (VAT credit, sundry)	40,283	40,283	
Group and associates	145,516	145,516	
Suppliers – credit notes to receive	19,172	19,172	
Other miscellaneous debtors	1,404	1,404	
Prepaid expenses	4,118	3,960	158
TOTAL	**489,937**	**489,161**	**776**

ACCOUNTING PRINCIPLES

Receivables are valued at their par value. Impairment is recorded when the inventory value of a receivable is below its par value and/or when collection difficulties are clearly identified at the closing date.

NOTE 8 ACCRUED INCOME

	03/31/20	03/31/19
Associated company – credit notes to receive	19,172	13,932
Income not yet invoiced [(1)]	165,841	332,989
Interest receivable from banks	533	497
Other	221	256
TOTAL	**185,767**	**347,674**

(1) Mainly relate to transactions with related parties

NOTE 9 PREPAID EXPENSES AND DEFERRED CHARGES

	Opening date	Increase	Decrease	Closing balance
Prepaid expenses	9,395	4,118	9,395	4,118
Credit line issuance costs	1,079	75	226	928
Loan issuance costs	3,797	4,469	2,829	5,437
Foreign exchange gains and losses (assets)	291	690	291	690
TOTAL 03/31/20	**14,562**	**9,352**	**12,741**	**11,173**
TOTAL 03/31/2019	**17,540**	**9,775**	**12,753**	**14,562**

6.3.4.3 Purchases and other expenses

NOTE 10 OTHER PURCHASES AND EXTERNAL EXPENSES

	03/31/20	03/31/19
Production services subcontracted to subsidiaries	999,226	877,934
Production services subcontracted to external developers	2,888	7,876
Other purchases and external expenses	252,513	209,053
TOTAL	**1,254,627**	**1,094,863**

Other purchases and external expenses consist mainly of administration subcontracting expenses, royalties, advertising expenses, and operating expenses.

NOTE 11 ADVANCES AND PREPAYMENTS MADE

The sum of €17,049 thousand in "Advances and prepayments made" is primarily comprised of guaranteed advances on license agreements which break down as follows:

(in € thousands)	03/31/20	03/31/19
Net at opening	**14,466**	**17,920**
New guarantees	7,929	8,627
Depreciation and amortization - impairment	7,164	12,081
NET AT YEAR-END	**15,231**	**14,466**

ACCOUNTING PRINCIPLES

Advances and prepayments primarily involve distribution and reproduction rights (licenses) acquired from other software publishers. License agreements commit Ubisoft to an amount of guaranteed royalties. This amount is registered in the statement of financial position under "Advances and prepayments made," whether or not it has been paid at the closing date. The guaranteed amounts are recognized in the income statement on the basis of the agreements signed with software publishers (either by the unit or based on gross profit or on revenue) or amortized on a straight-line basis for agreements with fixed royalty payments (flat fees).

At the end of the financial year, the net accounting value is compared with sales projections on the basis of the terms and conditions of the agreement. If they are insufficient, depreciation is recognized.

NOTE 12 SUPPLIER PAYMENT TERMS

	Article D. 441 I.-1: Invoices received but outstanding at the financial year closing date with overdue payment				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment brackets					
Number of invoices concerned					67
Total amount of invoices concerned (pre-tax)	240,101	78,167	29,938	296,311	644,517
Percentage of the total amount of purchases during the financial year (pre-tax)	0.02%	0.01%	0.01%	0.02%	0.06%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables					
Number of invoices excluded					0
Total amount of invoices excluded (pre-tax)					0
(C) Benchmark payment terms used (contractual or legal times – article L. 441-6 or article L. 443-1 of the French commercial code)					
Payment terms used to calculate late payments	Contractual deadlines: Cash payment/30 days end of month/10 days date of invoice				

NOTE 13 STATEMENT OF LIABILITIES

(in € thousands)	Gross amount	< 1 year	> 1 year
Bonds	1,001,077	1,077	1,000,000
Bank borrowings and debts	1,508	1,508	
Other borrowings and financial liabilities	385,077	385,077	
Trade payables	189,601	189,307	294
Fiscal and social liabilities	15,130	15,130	
Other liabilities	14,474	9,935	4,539
Liabilities on non-current assets	83	83	
TOTAL	**1,606,950**	**602,117**	**1,004,833**

NOTE 14 ACCRUED EXPENSES

	03/31/20	03/31/19
Bank charges payable	140	152
Accrued interest on bonds	1,077	1,077
Accrued interest on bank borrowings	-	29
Interest accrued on current accounts	72	253
Trade payables, invoices not yet received (1)	62,906	103,075
Credit notes to be issued (1)	6,552	10,115
Fiscal and social liabilities	4,314	6,437
TOTAL	**75,061**	**121,138**

(1) Mainly relate to transactions with subsidiaries

NOTE 15 OTHER LIABILITIES

	03/31/20	03/31/19
Trade receivables – credit notes to issue (1)	6,552	10,115
Other liabilities (2)	7,922	23,013
TOTAL	**14,474**	**33,128**

(1) Credit notes to issue relate to associated companies

(2) Other liabilities mainly concern positive customer balances in respect of related parties and the balance to be paid for the acquisition of i3D.net

NOTE 16 PREPAID EXPENSES AND DEFERRED CHARGES

	Opening date	Increase	Decrease	Closing balance
Deferred income (1)	6,024	39,891	5,281	40,634
Conversion rate adjustment (liabilities)	243	522	243	522
Remeasurement of cash instruments (liabilities)	92	-	92	-
TOTAL 03/31/20	**6,359**	**40,413**	**5,616**	**41,156**
TOTAL 03/31/2019	**170**	**6,359**	**170**	**6,359**

(1) Deferred income consists of:

- *contracts for the financing of assets. The consumption of this deferred income will start on the commissioning of the underlying assets*
- *since the issue price of the OCEANE bond issued in September 2019 was higher than the redemption price, the difference was recognized in deferred income in the amount of €26 million and will be reported as financial income on a straight-line basis over the remaining duration of the bond (see Note 25)*

NOTE 17 PROVISIONS IN THE STATEMENT OF FINANCIAL POSITION

			Reversals		
	03/31/19	Provisions	Provision used	Provision unused	03/31/20
Provisions for risks					
For foreign exchange risks	133	309	133	-	309
For subsidiary risks	780	-	-	780	-
Impairments					
On equity investments (1)	64,314	146,065	-	1,106	209,273
On own shares	188	99	188	-	99
On UCITS	1	3	1	-	3
TOTAL 03/31/20	**65,416**	**146,476**	**322**	**1,886**	**209,684**
TOTAL 03/31/2019	**86,970**	**25,905**	**528**	**46,931**	**65,416**

(1) See details in Note 23

Details of the changes in equity investment impairments are provided in Note 23 “Non-current financial assets”.

Details of the changes in regulated provisions are provided in Note 26 “Statement of changes in equity”.

ACCOUNTING PRINCIPLES

A provision is recorded when:

- the Company has a current obligation (legal or implicit) resulting from a past event;
- it is likely that an outflow of resources (without counterparty) representing economic benefits will be required to settle the obligation;
- the amount of the obligation can be measured reliably.

It these conditions are not met, no provision is recorded.

Provisions mainly correspond:

- to provisions for exchange losses recognized, in respect of unrealized exchange losses on the statement of financial position arising in non-hedged foreign currencies, and, if applicable, for the negative fair value of non-hedged foreign exchange derivatives;
- to provisions to cover subsidiaries' negative equity.

6.3.4.4 Intangible assets

NOTE 18 AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS

Amortization and impairment of intangible assets	03/31/20	03/31/19
Released commercial software developments [1]	745,697	853,138
Released external software developments	4,774	8,334
Commercial software in progress [1]	115,960	80,113
Goodwill	-	13,730
Other	2,130	2,182
TOTAL	**868,561**	**957,497**

(1) Net reversals (see Note 19) on commercial software and external software developments amount to €463,833 thousand and €4,641 thousand respectively

NOTE 19 INVENTORY VALUE AND CHANGES IN INTANGIBLE ASSETS DURING THE FINANCIAL YEAR

			03/31/20	03/31/19
	Gross	Amortization and impairment	Net	Net
Released commercial software developments	802,175	678,026	124,149	262,329
Released external software developments	12,217	12,217	-	3,476
Commercial software in progress	1,105,997	115,960	990,037	589,226
External software developments in progress	1,886	-	1,886	-
Brands and operating licenses	9,116	-	9,116	9,116
Goodwill	27,900	13,730	14,170	14,170
Other	14,388	10,238	4,150	5,147
TOTAL	**1,973,679**	**830,171**	**1,143,508**	**883,464**

Gross value of intangible assets	Opening date	Increase	Decrease	Reclassifications	Closing balance
Released commercial software developments	1,246,343	5,035	733,974	284,772	802,175
Released external software developments	15,390	24	4,338	1,141	12,217
Commercial software in progress	669,339	721,429	-	(284,772)	1,105,997
External software developments in progress	-	3,027	-	(1,141)	1,886
Brands and operating licenses	9,116	-	-	-	9,116
Goodwill	27,900	-	-	-	27,900
Other	13,255	1,133	-	-	14,388
TOTAL 03/31/20	**1,981,343**	**730,648**	**738,312**	**-**	**1,973,679**
TOTAL 03/31/19	**1,641,370**	**653,486**	**313,513**	**-**	**1,981,343**

The €726,464 thousand increase in commercial software is solely the result of capitalized production.

The decrease in commercial software and external software developments is explained primarily by the removal from assets of software for which the net accounting value is zero at the year-end.

Depreciation and amortization of intangible assets	Opening date	Increase	Decrease	Reclassifications	Closing balance
Released commercial software developments	984,014	401,632	733,974	26,354	678,026
Released external software developments	11,914	4,641	4,338	-	12,217
Commercial software in progress	80,113	62,201	-	(26,354)	115,960
Goodwill	13,730	-	-	-	13,730
Other	8,108	2,130	-	-	10,238
TOTAL 03/31/20	**1,097,879**	**470,604**	**738,312**	**-**	**830,171**
TOTAL 03/31/19	**870,830**	**540,561**	**313,512**	**-**	**1,097,879**

ACCOUNTING PRINCIPLES

Intangible assets include:

- commercial software developments;
- engines and tools;
- external software developments;
- acquired brands;
- goodwill;
- office software;
- information system developments.

Accounting and subsequent valuation

Commercial software and external software developments:

Commercial software and external software developments are capitalized when they meet the definition of an asset as per CRC regulation 2004-06 and are valued at production cost, only projects meeting the following criteria are recognized in non-current assets:

- the technical feasibility required for completion of the intangible asset leading to its commissioning or sale;
- the intention to complete the intangible asset and commission or sell it;
- the ability to commission or sell the intangible asset;
- the probability that the intangible asset will generate future economic benefits;
- the availability of suitable technical, financial and other resources to complete the development and commissioning or sale of the intangible asset;
- the ability to reliably measure the expenses attributable to the intangible asset during its development.

No borrowing costs are included in the costs of property, plant and equipment.

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Development costs, whether they are subcontracted to Group studios or made externally, are recognized as subcontracting expenses and transferred to "Intangible assets in progress" via a capitalized production costs account.

On their release date, the development costs recognized as "Intangible assets in progress," as development progresses, are transferred to "Released commercial software developments" or "Released external software developments" for amortization and impairment, where applicable.

Brands

Acquired brands are recognized at acquisition cost and tested for impairment at least annually according to the method described below.

Inventory value and impairment tests of intangible assets

According to the regulations on amortization and impairment of assets, the Company is required to periodically revise its amortization periods based on the observed useful life.

The amortization of intangible assets with fixed useful lives begins:

- at the commercial launch for commercial software;
- at the date of commissioning for the other intangible assets with fixed useful lives.

Types of non-current assets	Depreciation method	Impairment method
Commercial software developments	1 to 8 years, straight-line, starting on the commercial release date	At the end of each financial year, the Company calculates the value-in-use of each commercial software that has been released or is in production with a release date of less than one year or for which an impairment indicator has been identified, by discounting the expected future cash flows over the entire duration of its operation. Impairment is recognized if the value-in-use is lower than the net carrying amount of the commercial software.
External developments	Depending on the royalty expenses due to third-party publishers	
Engines and tools	3 years, straight-line	Value is tested with commercial software developments.
Acquired brands	No amortization due to indefinite useful life	Impairment tests are carried out on brands at the end of each financial year or more frequently if there are indications of loss in value. The recoverable value of brands corresponds to the higher of the net fair value of disposal costs and the value-in-use (calculated by applying the royalty method to the forecasts of expected future revenue for the tested brand taking into account a final value). Impairment is recognized if the value-in-use is lower than the net carrying amount of the brand.
Goodwill	No amortization due to indefinite useful life	At the end of each financial year, projected cash flows are calculated using the five-year business plan. When these flows are below the net accounting value of the software, impairment is recognized.
Office software	According to estimated useful life, from 1 to 3 years	No impairment test in the absence of any indication of impairment.
Information system developments	5 years, straight-line	No impairment test in the absence of any indication of impairment.

Provisional data is updated using a rate based on a valuation of the average cost of equity, which stood at 9.14% at March 31, 2020, against 8.84% at March 31, 2019.

6.3.4.5 Property, plant and equipment

NOTE 20 DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Depreciation and impairment of property, plant and equipment	03/31/20	03/31/19
Buildings	38	38
Fixtures and fittings	1,053	1,068
Computer hardware and furniture	178	126
Transport equipment	8	8
TOTAL	**1,277**	**1,240**

NOTE 21 INVENTORY VALUE AND CHANGES IN PROPERTY, PLANT AND EQUIPMENT DURING THE FINANCIAL YEAR

			03/31/20	03/31/19
	Gross	Depreciation and amortization	Net	Net
Buildings	765	279	486	525
Fixtures and fittings	12,402	7,768	4,634	5,128
Computer hardware and furniture	1,428	710	718	399
Transport equipment	61	50	11	19
Non-current assets in progress	105	-	105	-
TOTAL	**14,761**	**8,807**	**5,953**	**6,071**

Gross value of property, plant and equipment	Opening date	Increase	Decrease	Reclassifications	Closing balance
Buildings	765	-	-	-	765
Fixtures and fittings	11,848	160	5	398	12,402
Computer hardware and furniture	931	484	-	13	1,428
Transport equipment	61	-	-	-	61
Non-current assets in progress	-	516	-	(411)	105
TOTAL 03/31/20	**13,606**	**1,160**	**5**	**-**	**14,761**
TOTAL 03/31/2019	**13,158**	**457**	**9**	**-**	**13,606**

Depreciation and amortization of property, plant and equipment	Opening date	Increase	Decrease	Reclassifications	Closing balance
Buildings	240	38	-	-	279
Fixtures and fittings	6,720	1,053	5	-	7,768
Computer hardware and furniture	533	178	-	-	710
Transport equipment	42	8	-	-	50
TOTAL 03/31/20	**7,535**	**1,277**	**5**	**-**	**8,807**
TOTAL 03/31/2019	**6,304**	**1,240**	**9**	**-**	**7,535**

ACCOUNTING PRINCIPLES

Property, plant and equipment are measured at their acquisition cost (purchase price plus incidental expenses) minus rebates and discounts.

Given the type of assets held, no component was identified.

Depreciation, and impairment of property, plant and equipment

The depreciation method used is straight-line and the depreciation periods used for the various types of non-current assets are as follows:

Type of asset	Period *(in years)*
Buildings	20
Fixtures and fittings	10
Computer hardware	3
Furniture	10
Equipment	5

At the end of the financial year, if there is an indication of impairment, an impairment loss is recognized if the asset's current value is lower than its net carrying amount.

6.3.4.6 Financial assets and liabilities and net income

NOTE 22 NET FINANCIAL INCOME

	03/31/20	03/31/19
Financial income		
Financial income from investments	139,664	78,290
Other interest received	12,986	7,743
Reversals of provisions and reinvoiced costs	2,075	47,008
Foreign exchange gains	9,482	14,643
Net proceeds on sale of investment securities	-	249
	164,208	**147,933**
Financial expenses		
Other interest paid	12,457	13,297
Amortization and provisions	147,971	27,331
Foreign exchange losses	10,259	14,309
Net expenses on sales of investment securities	10	10
	170,697	**54,947**
NET FINANCIAL INCOME	**(6,489)**	**92,986**

Foreign exchange risk

The Company's exposure to foreign exchange risk stems from operating cash flows and its investments in foreign subsidiaries.

The Company only hedges its exposures on cash flows from operating activities in the main foreign currencies (US dollar and Canadian dollar). Its strategy is to hedge only one financial year at a time, so the hedging horizon never exceeds 18 months.

The Company first uses natural hedges provided by transactions in other directions (development costs in a foreign currency offset by contributions from subsidiaries in the same currency). The parent company uses foreign currency borrowings, forward sales or foreign exchange options to hedge any residual exposures and non-commercial transactions (such as inter-company loans in foreign currencies).

At March 31, 2020, the amounts hedged giving rise to forward purchases and sales of foreign currencies amounted to €103,489 thousand (*see note 30 "Off-statement of financial position commitments"*).

ACCOUNTING PRINCIPLES

Foreign currency transactions

Foreign currency transactions are recognized based on daily exchange rates. For hedged transactions, the resulting component of the hedged item is revalued at the hedged price per "Hedging Instruments" counterpart in the statement of financial position.

Liabilities, receivables and cash denominated in foreign currencies are converted at rates prevailing on March 31, 2020.

Unrealized gains and losses on receivables and liabilities are recognized in the statement of financial position as foreign exchange gains and losses if they are hedged. A provision for foreign exchange risks is recognized if the conversion shows an unrealized loss. In the case of hedged transactions, unrealized losses are not provisioned.

Conversion rate adjustments on cash and current accounts in foreign currencies are immediately recognized as foreign exchange income/loss.

Foreign exchange hedges

Ubisoft uses financial derivatives to reduce its exposure to market risks linked to movements in exchange rates.

As part of the hedging implemented, the result from the hedging is recognized in operating or financial income, according to the item hedged.

NOTE 23 NON-CURRENT FINANCIAL ASSETS

			03/31/20	03/31/19
(in € thousands)	Gross	Impairment	Net	Net
Equity investments and equivalent	626,143	209,272	416,871	457,204
Other non-current investments	3,484	99	3,385	2,610
Deposits and sureties	900	-	900	1,390
TOTAL	**630,527**	**209,371**	**421,156**	**461,204**

Non-current assets (Gross value)	Opening date	Increase	Decrease	Closing balance
Equity investments and equivalent	521,517	104,627	1	626,143
Other non-current investments	2,798	385,947	385,261	3,484
Deposits and sureties	1,390	252	742	900
TOTAL 03/31/20	**525,705**	**490,826**	**386,004**	**630,527**
TOTAL 03/31/19	**642,955**	**239,475**	**356,725**	**525,705**

The change in equity investments is mainly due to the increase in capital via the incorporation of receivables of the subsidiary Ubisoft Mobile Games SARL totaling €100 million.

The change in other non-current investments reflects purchases and sales of own shares held under the liquidity agreement and share buyback programs (*See breakdown in 6.3.4.9*).

Provisions	Opening date	Increase	Decrease	Closing balance
Equity investments	64,313	146,065	1,106	209,272
Own shares	188	99	188	99
TOTAL 03/31/20	**64,501**	**146,164**	**1,294**	**209,371**
TOTAL 03/31/19	**84,701**	**25,771**	**45,970**	**64,501**

The change in provisions for impairment of equity investments is due to the change in the value-in-use of the companies' securities. An amount of €146 million was recognized at March 31, 2020, of which €132 million relating to Ubisoft Mobile Games, the subsidiary in charge of the mobile game business.

ACCOUNTING PRINCIPLES

Equity investments are valued at their historical cost plus all related acquisition costs. Any additional payments are recognized in the acquisition price as soon as they can be measured with sufficient reliability.

If the value of the securities exceeds their value-in-use, depreciation is recognized for the difference.

The value-in-use is measured at the end of each financial year according to:

- medium-term profitability prospects. A method has been determined to establish the future cash flows of the Group's various businesses. They are discounted using a rate based on the valuation of the average cost of equity which stood at 9.14% at March 31, 2020;
- the net position if it is higher than the value determined through the discounted future cash flows.

Own shares are valued at the lower of cost or market value (average of the last 20 trading sessions).

Deposits and sureties are recognized on the basis of the amounts paid.

NOTE 24 INVESTMENT SECURITIES, CASH INSTRUMENTS AND CASH

Type	Gross value	Fair value	Provision	Net value
UCITS	4,242	4,239	3	4,239
TOTAL	**4,242**		**3**	**4,239**

Type	Gross value	Provision	Net value
Cash instruments [1]	373,559	-	373,559
Cash	545,844	-	545,844
TOTAL	**919,403**	-	**919,403**

(1) Of which €302,550 thousand corresponding to the payment made as part of the prepaid forward contract for the buyback of Ubisoft shares (see Note 29 Own shares)

The cash breakdown is as follows:

	03/31/20
UCITS	4,242
Cash	545,844
Bank overdrafts and short-term loans	(254)
TOTAL	**549,832**

ACCOUNTING PRINCIPLES

Investment securities consist of interests in mutual funds and short-term investments and are measured at the lower of cost or market value.

NOTE 25 BORROWINGS

	03/31/20	03/31/19	
Bonds [1]	1,000,000	900,000	
Medium and long-term bank borrowings [2]	1,255	52,507	
Accrued interest [3]	1,217	1,258	
Bank overdrafts and short-term loans	113	31,902	
Borrowings	**1,002,585**	**985,667**	
Fixed-rate debt	1,002,331	953,613	
Variable-rate debt	254	32,054	
	< 1 YEAR	**FROM 1 TO 5 YEARS**	**> 5 YEARS**
Amounts payable at 03/31/20	2,585	1,000,000	-

(1) €500 million bond and €500 million OCEANE
(2) Bank borrowings of €1.3 million
(3) At the closing date, accrued interest of €1,077 thousand for the bonds and €140 thousand in respect of bank overdrafts

Change in borrowings

Current and non-current financial liabilities	Opening date	Increase	Decrease	Closing balance
OCEANE 2019 [1]	-	500,000	-	500,000
OCEANE 2016 [2]	400,000	-	400,000	-
Bonds	500,000	-	-	500,000
Bank loan maturing in March 2020	50,000	-	50,000	-
Bank loan maturing in March 2021	2,506	-	1,251	1,255
Accrued interest	1,258	-	41	1,217
Bank overdrafts and short-term loans	31,902	-	31,789	113
Other financial liabilities				
Current account advances by related parties	345,704	-	70,627	275,077
Bpifrance participatory loans	300	-	300	-
Commercial papers	226,000	413,000	529,000	110,000
TOTAL AT 03/31/20	**1,557,671**	**913,000***	**1,083,008****	**1,387,662**
TOTAL AT 03/31/19	**1,404,076**	**738,816**	**585,221**	**1,557,671**

** the financing table entry "new medium- and long-term borrowing" includes the issue price of €526 million for the 2019 OCEANE*
*** the financing table entry "repayment of long- and medium-term borrowing" only includes the €2.6 million cash repayment of the 2016 OCEANE*

(1) Main characteristics of the bond issuance: OCEANE

On September 9, 2019, the Board of directors, acting on the authorization of the Extraordinary General Meeting of July 2, 2019, approved the issuance of bonds with a conversion and/or exchange option for new or existing Company shares (OCEANE bonds) for €500 million.

Number and nominal amount: 4,361,859 bonds with a par value of €114.63

Conversion ratio: 1 share for 1 bond

Issue price: 105.25% of par, i.e. €526 million

Date of dividend entitlement and settlement: September 24, 2024

Bond duration: 5 years

Interest: zero coupon

(2) Early redemption of bonds maturing in 2021 with the option of their conversion into and/or exchange for new or existing shares.

On September 27, 2016, Ubisoft issued 7,307,270 bonds with the option for conversion and/or exchange for new and/or existing shares (OCEANE) for a total nominal amount of €400 million.

On September 17, 2019, the Company decided on the early redemption of the bonds (*see Note 1*).

The redemption of the €400 million debt involved:

- the repayment of €2.6 million in cash,
- the creation of 6,265,677 shares, i.e. a capital increase of €342.5 million,
- the delivery of 994,686 treasury shares for €54.4 million.

(3) Main characteristics of the bond issued in January 2018

At its meeting of January 24, 2018, the Board of directors, acting on the authorization of the Extraordinary General Meeting of September 22, 2017, approved the issuance of bonds for a total amount of €500 million. These bonds were admitted to trading on Euronext Paris.

Number and nominal amount:	5,000 bonds of a nominal value of €100,000
Date of dividend entitlement and settlement:	January 30, 2023
Bond duration:	5 years
Interest:	1.289%

- Borrowings are mainly in euros.

ACCOUNTING PRINCIPLES

Borrowings are recorded at their nominal repayment amount. Unused agreements at the statement of financial position date are listed in the off-statement of financial position commitments.

Debt issuance costs are capitalized (in deferred expenses) and amortized on a straight-line basis over the lifetime of the borrowings concerned.

Concerning issuance costs for convertible bonds:

- until the conversion date, the debt issuance costs are capitalized (in deferred expenses) and amortized on a straight-line basis over the lifetime of the convertible bonds concerned;
- on the conversion date, non-amortized costs are considered as capital increase costs and deducted from the issue premium (after tax). If the amount of the issue premium is insufficient, they are recognized as expenses.

6.3.4.7 Non-recurring items

Article 14 of the Decree of November 29, 1983, defines non-recurring items as those that are not related to the normal operations of a company.

NOTE 26 NON-RECURRING ITEMS

	03/31/20	03/31/19
Non-recurring income		
Non-recurring income from capital transactions	4,893	1,205
Non-recurring reversals	320,049	276,695
Non-recurring expenses		
Non-recurring expenses on management transactions	273	6
Non-recurring expenses on capital transactions	14,913	569
Non-recurring provisions	471,564	344,959
NON-RECURRING ITEMS	**(161,809)**	**(67,634)**

At the end of March 2020, non-recurring items mainly comprised:

- €(471,562) thousand in allocations for accelerated depreciation on development expenditure for software;
- €320,049 thousand in reversals for accelerated depreciation on development expenditure for software;
- gains/losses on disposals of own shares for a net impact of €(10,020) thousand.

ACCOUNTING PRINCIPLES

Non-recurring items

Non-recurring income and expenses include extraordinary items, or items relating to prior periods, and items that by nature are classed as non-recurring under accounting legislation (chiefly the proceeds from asset disposals).

Regulated provisions

Regulated provisions relate only to the accelerated depreciation on:

- acquisition costs incorporated in the cost price of equity investments. These costs are deducted in tax terms over five years by means of accelerated depreciation;
- development expenditure of software. In accordance with the provisions of article 236 of the French general tax code (CGI), the Company may opt to either depreciate expenses for the development of software or deduct them from the income for the financial year in which they occur.

6.3.4.8 Income tax

At March 31, 2020, the tax group included Ubisoft Entertainment SA (holding company), and all subsidiaries more than 95% owned and having their registered offices in France, with the exception of those created or acquired during the financial year.

NOTE 27 TAX

On a standalone basis (disregarding the tax consolidation group), Ubisoft Entertainment SA's figures were as follows:

	03/31/20	03/31/19
Net income before tax from continuing operations	(148,136)	228,261
Non-recurring items	(161,809)	(67,634)
Net income before tax	(309,945)	160,627
Corporation tax	8,798	(1,468)
Net accounting income	(301,147)	159,159
Taxable income	(298,994)	39,751

	Net income before tax	(Income tax payable)/ saving	Net income
Current	(148,136)	(136)	(148,272)
Non-recurring	(161,809)	-	(161,809)
Income tax of fully consolidated subsidiaries for the financial year		*8,934*	*8,934*
TOTAL	**(309,945)**	**8,798**	**(301,147)**

Income tax comprised:

- an income tax expense during the financial year of €467 thousand;
- tax credits to the head of the tax group for €331 thousand;
- cancellation of the income tax expense recognized by the subsidiaries of the tax consolidation group in the amount of €8,934 thousand.

The tax group losses carried forward at March 31, 2020, amounted to €825,069 thousand, including €944,665 thousand of accelerated tax depreciation related to the application of article 236 of the CGI (French general tax code).

ACCOUNTING PRINCIPLES

Ubisoft Entertainment SA is the head of the consolidated tax group it forms with its French subsidiaries more than 95% owned.

For subsidiaries within the consolidated tax group, the amount of their tax liability had they not been consolidated counts towards the income tax expense of the entire group.

The additional income tax expense or saving resulting from the difference between the tax due from the consolidated subsidiaries and the tax calculated for the entire Group is recognized by Ubisoft Entertainment SA as head of the Group.

6.3.4.9 Equity

NOTE 28 STATEMENT OF CHANGES IN EQUITY

			Capital increase			Regulated provisions		
(in € thousands)	03/31/2019	Allocation Of 2018/2019 earnings	by cash contribution	by deduction from premiums	Earnings for the period	Provisions	Reversal	03/31/20
Capital	8,650		603	121				9,374
Premiums	49,813		423,026	(121)				472,718
Legal reserve	865							865
Other reserves	55,601	159,159						214,760
Earnings for the period	159,159	(159,159)			(301,147)			(301,147)
Regulated provisions	793,852					471,562	(320,049)	945,365
TOTAL	**1,067,940**	**-**	**423,629**	**-**	**(301,147)**	**471,562**	**(320,049)**	**1,341,935**

NOTE 29 CAPITAL

Capital increases and issue premiums break down as follows:

	Capital	Premiums
Exercise of subscription options	38	11,670
Capital increase reserved for employees	79	69,679
Conversion of OCEANE bonds	486	341,677

At the end of March 2020, Ubisoft Entertainment SA's capital of €9,373,710.10 was composed of 120,951,098 shares.

Number of Ubisoft Entertainment SA shares

AS AT 04/01/19	**111,611,887**
Exercise of subscription options	486,599
Conversion of OCEANE bonds	6,265,677
Capital increase reserved for employees	1,021,350
Free share grants	1,565,585
AT 03/31/2020	**120,951,098**

The maximum number of shares to be created is 9,122,287:

- 1,626,499 through the exercise of stock options;
- 3,133,929 through the allocation of free shares;
- 4,361,859 through the conversion of OCEANE bonds into shares.

Stock options

The conditions of exercise, subject to satisfaction of attendance and performance requirements for corporate officers and to the satisfaction of attendance requirements for employee beneficiaries of stock option plans, are as follows:

Subscription options

	28th plan	29th plan	30th plan	31st plan	32nd plan	33rd plan	34th plan	35th plan	36th plan
Total number of shares granted	665,740	62,200	328,100	37,500	758,810	29,344	220,700	418,500	11,000
Start of exercise period	09/24/15	12/16/15	09/23/16	May 2019 (1)	06/23/17 (1)	12/14/17 (1)	03/30/18	06/27/18	09/22/18
Expiry date of options	09/23/19	12/15/19	09/22/20	12/15/20	06/22/21	12/13/21	03/29/22	06/26/22	09/21/22
Strike price of options	€12.92	€14.22	€17.94	€26.85	€33.015	€31.955	€37.00 (France) €39.03 (World)	€50.02 (France) €51.80 (World)	€57.26
Options at April 1, 2019	166,141	30,200	166,011	37,500	491,305	24,344	169,025	366,375	11,000
Options granted during the period	-	-	-	-	-	-	-	-	-
Options exercised during the period	166,141	30,200	94,273	25,000	83,585	-	39,400	48,000	-
Options cancelled during the period	-	-	688	-	7,189	-	-	12,500	3,000
Options outstanding at March 31, 2020	-	-	71,050	12,500	400,531	24,344	129,625	305,875	8,000

(1) For Corporate Officers (Plans 31 and 33) and/or members of the Executive Committee (Plan 32: 1 beneficiary), the performance conditions to be met are spread over four financial years and based on the cumulative separate financial statements as of March 31. They may exercise their options only once the Nomination and Compensation Committee has confirmed that the performance conditions have been met following the approval of the financial statements in May of the fourth year (Plan 31: May 2019/Plans 32 and 33: May 2020)

	37th plan	38th plan	39th plan	40th plan	41st plan	42nd plan		43rd plan	44th plan	Total
Total number of shares granted	2,500	11,500	19,579	188,454	56,031	330,678		67,743	21,515	
Start of exercise period	12/12/18	04/13/19	06/27/19	06/27/19 and 06/26/23 (2)	12/17/22 (2)	07/02/20 and 12/17/23 (2)		12/12/23 (2)	02/13/21	
Expiry date of options	12/11/22	04/12/23	06/26/23	06/27/23	12/16/23	07/01/24		12/11/24	02/12/25	
Strike price of options	€64.63	€73.86	€94.58	€94.58	€68.59	€69.55 (France)	€69.70 (World)	€54.30	€73.80	
Options at April 1, 2019	2,500	11,500	19,579	186,318	56,031	-		-	-	1,737,829
Options granted during the period	-	-	-	-	-	330,678		67,743	21,515	419,936
Options exercised during the period	-	-	-	-	-	-		-	-	486,599
Options cancelled during the period	2,500	1,500	-	6,988	-	10,302		-	-	44,667
Options outstanding at March 31, 2020	-	10,000	19,579	179,330	56,031	320,376		67,743	21,515	1,626,499

(2) For members of the Executive Committee (Plan 40: 1 beneficiary/Plan 42: 2 beneficiaries) and Corporate Officers (Plans 41 and 43), the performance conditions to be met are spread over three financial years. They may exercise their options only once the Board of directors has confirmed, on the recommendation of the Nomination and Compensation Committee, that the performance conditions have been met, i.e. from the fourth year of the plan (Plan 40: on 06/27/2022, Plan 41: on 12/17/2022, Plan 42: on 07/02/2023, Plan 43: on 12/12/2023)

The Company has not recognized a liability as the exercise of stock options involves the creation of new shares.

Free share grants settled in shares

Free share grants, which are subject to performance conditions, are locked in for a two, three, or four-year period following the grant date. As the shares granted are ordinary shares in the same category as the old shares that comprise the Company's share capital, employee shareholders receive dividends and voting rights on all their shares at the end of the vesting period.

	03/31/15	
Grant date	09/24/14	12/16/14
Maturity – Vesting period *(in years)*	3 years	3 years
Number of instruments granted as at 04/01/19	352,216	69,861
Number of instruments granted during the period	-	-
Number of instruments cancelled during the period	-	-
Number of instruments exercised during the period	352,216	69,861
Number of instruments as at 03/31/20	-	-

	03/31/16				
Grant date	09/23/15	09/23/15	10/19/15	12/16/15	03/03/16
Maturity – Vesting period *(in years)*	4 years	3 years	4 years	3 years	4 years
Number of instruments granted as at 04/01/19	842,530	136,792	168,133	43,500	165,750
Number of instruments granted during the period	-	-	-	-	-
Number of instruments cancelled during the period	23,540	-	4,000	-	12,400
Number of instruments exercised during the period	818,990	-	164,133	-	153,350
Number of instruments as at 03/31/20	-	136,792	-	43,500	-

	03/31/2017				
Grant date	04/19/16	06/23/16	06/23/16	12/14/16	12/14/16
Maturity – Vesting period *(in years)*	4 years	4 years	3 years	4 years	3 years
Number of instruments granted as at 04/01/19	302,500	856,255	205,140	10,300	11,820
Number of instruments granted during the period	-	-	-	-	-
Number of instruments cancelled during the period	-	31,380	-	-	-
Number of instruments exercised during the period	-	-	6,518	-	394
Number of instruments as at 03/31/20	302,500	824,875	198,622	10,300	11,426

	03/31/19				
Grant date	06/27/18	09/12/18	10/30/18	12/17/18	02/01/19
Maturity – Vesting period *(in years)*	4 years	4 years	4 years	4 years	4 years
Number of instruments granted as at 04/01/19	592,479	8,631	3,708	77,151	31,791
Number of instruments granted during the period	-	-	-	-	-
Number of instruments cancelled during the period	28,837	679	-	7,190	720
Number of instruments exercised during the period	-	-	-	-	-
Number of instruments as at 03/31/20	563,642	7,952	3,708	69,961	31,071

	03/31/20					
Grant date	05/15/19	07/02/19	09/18/19	12/12/19	02/13/20	Total
Maturity – Vesting period *(in years)*	4 years	4 years	4 years	4 years	4 years	
Number of instruments granted as at 04/01/19	-	-	-	-	-	3,878,557
Number of instruments granted during the period	41,097	876,828	5,901	2,954	32,275	959,055
Number of instruments cancelled during the period	393	28,391	-	-	568	138,098
Number of instruments exercised during the period	-	123	-	-	-	1,565,585
Number of instruments as at 03/31/20	40,704	848,314	5,901	2,954	31,707	3,133,929

Group savings scheme

Group savings scheme – Massive Multishare Ownership

Ubisoft grants employee stock ownership plans for the benefit of a certain number of its employees.

The financial product associated with these plans comprises a guaranteed capital portfolio, with a share in any rise in the Ubisoft share price over a five-year period.

These plans were notably financed by Ubisoft via a 15% discount on the shares allocated to the operation. This discount is calculated compared to the average of the share trading prices over the 20 trading days prior to the Board of directors' meeting that approved the capital increase.

After a holding period, or before the end of this period in the event of early release, each beneficiary is also guaranteed to receive their initial investment in euros (comprising his/her personal contribution increased by the additional contribution) as well as a multiple of the possible average protected increase in the share price.

	03/31/20	03/31/19
Grant date	07/04/19	06/28/18
Maturity – Vesting period *(in years)*	5 years	5 years
Reference price	€80.35	€83.41
Subscription price	€68.30	€70.90
Discount	15%	15%
Number of shares	1,549,391	1,671,481
Subscription amounts		
♦ Employees	€8,508 thousand	€5,974 thousand
♦ Additional contribution	€2,074 thousand	€5,877 thousand

Own shares

As at March 31, 2020, the Company held 53,253 own shares.

Own shares by objective	03/31/20 Number of shares	03/31/20 Valuation (€ thousands)	03/31/19 Number of shares	03/31/19 Valuation (€ thousands)
Liquidity agreement	53,253	3,377	35,485	2,793
Employee stock ownership coverage [(1)]	-	-	1,522,727	100,500
TOTAL	**53,253**	**3,377**	**1,558,212**	**103,293**

(1) The changes mainly relate to the operations below:

- under the MMO operation, 528,041 shares were delivered for a unit value of €68.30 (€36,065 thousand) against an acquisition price of €66, representing a capital gain of €1,214 thousand;
- as part of the redemption of the OCEANE bonds issued on September 27, 2016, 994,686 shares with an acquisition price of €66 were delivered for the bonds converted into shares at a value of €54.74 (€54,449 thousand), representing a capital loss of €11,200 thousand.

6.3.4.10 Unrecognized contractual commitments

NOTE 30 FINANCIAL COMMITMENTS AND OTHER INFORMATION

Off-balance sheet commitments related to Company financing

Summary

Type	03/31/20	03/31/19
Commitments given by Ubisoft Entertainment SA		
Financial guarantees	111,210	36,133
Commitments received by Ubisoft Entertainment SA		
Lines of credit received and not used	365,100	389,000

Breakdown of commitments of over €10 million

Type		Expiry date	03/31/20
Commitments given by Ubisoft Entertainment SA			
Financial guarantees			
Ubisoft Blue Byte GmbH	Rent guarantees	07/17/31	26,246
Ubisoft Toronto Inc.	Rent guarantees	04/30/31	38,335
Ubisoft Srl	Rent guarantees	07/18/29	15,902
Commitments received by Ubisoft Entertainment SA			
Lines of credit received and not used			
	Syndicated loan	07/18/24	300,000
	Committed lines of credit	05/13/21	10,000
	Bank credit facilities		26,000

With regard to the syndicated loan and bilateral credit lines, the following covenants must be complied with (determined on the basis of the IFRS consolidated annual financial statements):

	2019/20	2018/19
Net debt restated for assigned receivables/equity restated for goodwill <	0.80	0.80
Net debt restated for assigned receivables/EBITDA <	1.5	1.5

As at March 31, 2020, the Company is in compliance with all these ratios and expects to remain so during the 2020/2021 financial year.

Other borrowings are not governed by covenants.

Off-statement of financial position commitments related to hedging instruments

Summary

(in € thousands)	Description	03/31/20	03/31/19
Foreign exchange hedges (1)		103,489	60,348
Contract on Ubisoft shares (2)		300,000	300,000

(1) Fair value valued at the guaranteed price

(2) On March 20, 2018, Ubisoft signed a prepaid forward contract with Crédit Agricole Corporate and Investment Bank (CACIB) for 4,545,454 of its own shares, settled by the delivery of securities maturing in 2021 or in advance at a price of €66

Breakdown of unsettled instruments at the closing date

Nominal hedging amount in thousands of currency units	Subscription date	Maturity date	Hedged price	Type of instrument
USD				
2,000	March 2020	May 2020	1.1191	Forward sale
500	March 2020	May 2020	1.1195	Forward sale
30,000	March 2020	April 2020	1.0979	Forward sale
GBP				
6,500	March 2020	April 2020	0.9091	Forward purchase
CAD				
35,000	March 2020	April 2020	1.5626	Forward purchase
SEK				
423,200	March 2020	May 2020	10.8965	Forward sale
29,000	March 2020	May 2020	11.0722	Forward sale
21,000	March 2020	May 2020	10.8959	Forward sale
RUB				
85,000	March 2020	May 2020	85.2241	Forward sale

Leases and finance leases

Leased property	Initial cost	Provisions for the period	Cumulative depreciation and amortization	Net value
Land	3,246	-	-	3,246
Building	23,093	1,114	3,447	19,646
TOTAL	**26,339**	**1,114**	**3,447**	**22,892**

	Lease payments made		Remaining lease payments				
Finance lease commitments	Lease payments - financial year	Lease payments (cumulative)	< 1 year	Between 1 & 5 years	> 5 years	Total to pay	Residual purchase price
Land	-	-	-	-	3,246	3,246	-
Building	2,289	6,887	2,328	9,313	6,080	17,720	-
TOTAL	**2,289**	**6,887**	**2,328**	**9,313**	**9,326**	**20,996**	**-**

Other commitments

Ubisoft Entertainment SA has committed to provide financial support to its subsidiaries in order to meet their cash flow requirements.

Staff

At March 31, 2020, the staff consisted of five corporate officers.

Management compensation

Compensation of corporate executive officers

The compensation of Yves Guillemot, Chairman and Chief Executive Officer, for the financial year ended March 31, 2020, comprises the following components:

- fixed compensation amounting to €584,824 since April 1, 2019;
- annual variable compensation based on two quantitative criteria and two qualitative criteria, which are subject to the approval of the General Meeting called to approve the financial statements for the past financial year;
- long-term variable compensation.

The compensation of the Executive Vice Presidents for the financial year ended March 31, 2020 comprises the following components:

- fixed compensation;
- long-term variable compensation.

Following the proposal by the Nomination and Compensation Committee, the Board of directors approved the long-term variable compensation which, for the financial year ended March 31, 2020, represented a grant of 50,683 share subscription options for the Chairman and Chief Executive Officer and 4,265 share subscription options for each of the Executive Vice Presidents.

The vesting of the stock options is conditional:

(i) for 50%, on average Group EBIT in value (not a strictly accounting-based indicator) calculated using the non-IFRS Group EBIT figures for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022; and

(ii) for 50%, on the total shareholder return on Ubisoft Shares (the "Ubisoft TSR") compared against the TSR of the companies in the NASDAQ Composite Index, both TSRs being calculated from December 12, 2019 to December 11, 2022.

Achievement of these criteria is assessed over a period of three financial years or consecutive calendar years conditioning the acquisition of the long-term compensation. The stock option plan will be definitively vested after a four-year vesting period.

The total gross compensation paid/owed by the Company to corporate executive officers during the financial year was €1,108 thousand.

Corporate executive officers are not eligible for any severance or non-compete indemnity, nor a supplementary pension scheme in respect of their function in the Company.

Compensation of corporate officers

Directors receive compensation in respect of their corporate office (formerly called directors' fees) comprised of a fixed component and a variable component.

Compensation paid to members of the Board of Directors for directorships during the 2019/2020 financial year, amounted to €577 thousand.

There are no agreements to compensate Board members if they resign or are dismissed without real cause, or if their employment is terminated due to a public offering.

No loans or advances were made to the Company's directors under article L. 225-43 of the French commercial code.

Contingent assets and liabilities

In accordance with article No. 624-11 of French General Accounting Plan (PCG), the breakdown of free shares that have not been exercised at the closing date is provided in Note 29.

Events after the reporting period

On May 14, 2020, the date of the financial statements, the COVID-19 crisis does not pose any business continuity risk and has had no significant impact on the financial structure of Ubisoft. Nevertheless, the Group is closely monitoring the development of this situation as the current context calls for caution.

While the Group considers itself able to deliver its main games for the financial year 2020/2021, the postponement of one of the five AAA titles until the next financial year cannot be excluded.

NOTE 31 RELATED-PARTY TRANSACTIONS

Two main categories are identified:

- relationships between the parent company and its subsidiaries the main transactions of which relate to:
  - production subsidiaries billing the parent company for development costs based on the progress of their projects,
  - the parent company invoicing sales and marketing subsidiaries for a contribution to development costs,
  - the implementation of cash agreements allowing for centralized management at parent company level of the bank accounts of the majority of the Group companies;
- transactions with corporate officers.

The Company's five corporate officers hold management roles for which the compensation is detailed above.

6.3.4.11 Subsidiaries and shareholdings (March 31, 2020)

	Country	Currency	Capital *(in thousands of currency units)*	Reserves and retained earnings before allocation of earnings *(in thousands of currency units)*
Subsidiaries (at least 50% of capital held)				
Ubisoft Inc.	United States	US dollar	90,405	1,705
Ubisoft EMEA SAS	France	Euro	11,960	2,513
Ubisoft International SAS	France	Euro	50,008	4,405
Ubisoft France SAS	France	Euro	20,623	4,302
Ubisoft GmbH	Germany	Euro	11,950	5,150
Owlient SAS	France	Euro	80	219
Ubisoft Mobile Games SARL	France	Euro	129,088	(24,965)
Ubisoft Motion Pictures SARL	France	Euro	3,339	3,837
Performance Group BV	Netherlands	Euro	18	368
Other French subsidiaries (1)				
Other foreign subsidiaries (1)				
TOTAL				
Investments (between 10% and 50% of capital held)				

(1) Detailed information on significant subsidiaries is provided individually. Other subsidiaries comprise a significant number of companies, but the value of the shares is not significant

Percentage of capital held *(%)*	Carrying amount of the investment held *(in € thousands)* gross	net	Loans and advances granted by the Company and not yet repaid *(in € thousands)*	Sales excluding tax *(in thousands of currency units)*	Profit (loss) for the last financial year *(in thousands of currency units)*	Dividends received *(in € thousands)*
100%	96,991	96,991	-	750,191	(4,196)	54,113
100%	55,158	55,158	-	599,419	6,505	4,300
100%	50,008	50,008	-	253,347	4,356	-
100%	22,872	22,426	-	27,663	(894)	-
100%	27,101	17,755	-	43,208	655	5,000
100%	20,094	839	-	7,668	643	1,800
100%	192,399	59,947	50,235	107,878	(107,832)	20,400
100%	45,245	403	-	3,481	(4,869)	-
100%	57,806	57,806	1,500	19,777	1,967	-
	21,230	21,230	3,794	-	-	2,100
	37,239	34,308	89,871	-	-	51,951
	626,143	**416,871**				
	-	-				

6.4 Statutory Auditors' report on the separate financial statements

This is a free translation into English of one of the statutory auditors' general report issued in French language and it is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

Financial year ended March 31, 2020

To the General Meeting of the company Ubisoft Entertainment,

OPINION

As mandated by your General Meetings, we conducted the audit of the separate financial statements of Ubisoft Entertainment in respect of the financial year ended March 31, 2020, as attached to this report. The financial statements were approved by the Board of directors on May 14, 2020 based on the elements available at that date in the evolving context of the Covid-19 health crisis.

We hereby certify that, from the standpoint of French accounting rules and principles, the separate financial statements give a true and fair view of the results obtained for the financial year in question and of the Company's financial position and assets at the end of this year.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

BASIS FOR THE OPINION

Audit Guidelines

We conducted our audit in accordance with accepted professional standards in France. It is our view that the elements that we collected are sufficient and adapted to base our opinion.

Our responsibilities under these standards are indicated in the section "Responsibilities of the Statutory Auditors relating to the audit of the separate financial statements" in this report.

Independence

We conducted our audit in accordance with the applicable rules of independence, over the period from April 1, 2019 to the date of issue of our report, and notably, did not provide services prohibited by Article 5, paragraph 1 of the (EU) Regulation No. 537/2014 or by the Statutory Auditors' Code of Ethics.

Basis for our assessment – Key points of the audit

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the basis for our assessments, we call your attention to the key points of the audit regarding the risks of material misstatements which, in our professional judgment, were the most significant for the audit of the separate financial statements for the financial year, together with the responses we provided to these risks.

Our assessments were made within the context of our audit of the separate financial statements as a whole, approved under the conditions recalled above, and provided a basis for the opinion expressed previously. We do not express an opinion on the items in the separate financial statements taken separately.

Assessment of the commercial software developed internally – impairment tests
Note 19 of the notes to the separate financial statements

Risk identified	Response provided
As at March 31, 2020, the net carrying amount for the commercial software developed internally amounted to €1,114 million for a total statement of financial position of €2,990 million. The intangible assets resulting from the development of commercial software, once released, are amortized on a straight-line basis starting on the commercial release date for a duration of 1 to 8 years. Moreover, as indicated in Note 19 "Inventory value and changes in intangible assets during the financial year" in the notes to the separate financial statements, the Company subjects the released commercial software to an impairment test at each closing date. Commercial software in production with a planned release date within 12 months after the closing date, or for which an impairment loss indicator is identified is also subject to an impairment test. These tests involve comparing the net carrying amount of the commercial software (after normally recognized linear depreciation) to the expected future cash flows from the sale of the game. Impairment is recognized if the value-in-use is lower than the net carrying amount of the commercial software. We have considered the impairment tests on commercial software developed internally as a key point of the audit, given the particularly significant amount and the significant degree of judgment required by the Company to determine the value-in-use most often based on forecasts of discounted cash flows for which achievement is inherently uncertain.	We have examined the procedures for conducting these impairment tests. Our work notably consisted in: (1) taking note of the internal control relating to the implementation of these impairment tests and testing by sampling the key controls implemented by the Company for these processes. Our procedure tests consisted in: ♦ assessing the implementation of editorial control by the Company's Executive Management, ♦ assessing the portfolio review of software in production which aims to control the exhaustive accounting translation of editorial discontinuation decisions, ♦ ensuring that the Board of directors has approved the 3 year business plan; (2) our substance tests mainly consisted in: ♦ conducting a retrospective analysis of the impairment tests carried out by the Company over the previous financial years, ♦ comparing sales and profitability forecasts for the commercial software used in the impairment tests with those underlying the Group's 3 year business plan approved by the Board of directors, ♦ assessing the consistency of the future sales forecasts with regard to available data or comparables (previous opus within the same franchise, another similar commercial software with the same comparable levels of functions, taking into account the level of pre-orders for example). We also assessed the relevant nature of the information provided in Note 19 "Inventory value and changes in intangible assets during the financial year" in the notes to the separate financial statements.

Assessment of equity investments
Notes 17 and 23 of the notes to the separate financial statements

Risk identified	Response provided
At March 31, 2020, the equity investments are recorded in the statement of financial position for a net carrying amount of €417 million, or 14% of the total assets. As indicated in Note 23 "Non-current financial assets", equity investments are subject to impairment tests at each closing date to check that their net carrying amounts do not exceed their value-in-use. The estimate of the value-in-use of equity investments is calculated according to: ♦ medium-term profitability prospects. A method has been determined to establish the future cash flows of the Group's various businesses. They are discounted using a rate based on the valuation of the average cost of equity which stood at 9.14% at March 31, 2020; ♦ the net position at this date, if it is higher than the value determined using the discounted future cash flows. Moreover, Note 17 "Provisions in the statement of financial position" indicates that provisions are recognized where risks and charges that have a clearly defined purpose but are not certain to arise, are made likely by events that have occurred or are in progress. Thus, provisions are recognized to cover subsidiaries' negative equity. Due to the particularly significant net carrying amount of equity investments in the total statement of financial position, and the high degree of judgment exercised by the Company as part of the estimate of value-in-use, especially when it is based on forecast elements, we have considered that the assessment of equity investments, and by extension the associated provisions for risks are a key point in our audit.	In order to assess the amount of value in use of the equity investments determined by the Company, our work notably consisted in: ♦ assessing the relevance of the calculation modalities used to determine the value in use; ♦ comparing the proportions of net positions u to determine the value in use of equity investments with the financial statements for the investments, which were subject to an audit or analytical procedures; ♦ via interviews with the management team, assessing the main assumptions and modalities selected to estimate value in use, particularly the long-term growth rate and the discount rate, by referring to our experts where necessary; ♦ checking the arithmetical accuracy of the value in use calculations made by your Company; ♦ noting the recognition of a provision for risks if your Company has committed to covering the losses of a subsidiary with negative equity.

SPECIFIC VERIFICATIONS

We have also carried out the specific verifications required by legal and regulatory texts, pursuant to professional standards applicable in France.

Information provided in the Management Report and other documents sent to shareholders on the financial position and the separate financial statements

We have no comments regarding the accuracy and consistency with the separate financial statements of the information provided in the Board of directors' Management Report approved on May 14, 2020 or in the other documents sent to shareholders concerning the financial position and separate financial statements. With regard to the events and elements known after the date of the financial statements on the effects of the Covid-19 crisis, the General Management has indicated to us that a communication will be made to the General Meeting called to approve the financial statements.

We certify the accuracy and consistency with the separate financial statements of the information on payment terms indicated in Article D. 441-4 of the French Commercial Code.

Corporate governance report

We certify the existence in the Board of directors' report on corporate governance of the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

With regard to the information provided pursuant to the provisions of Article L. 225-37-3 of the French Commercial Code, on the compensation and benefits paid to corporate officers and on the commitments made in their favor, we verified their consistency with the financial statements and with the data used in the preparation of these financial statements and, where appropriate, with items collected by your Company from the companies controlling your Company, or controlled by it. Based on this work, we attest the accuracy and truthfulness of such information.

Regarding the information on elements that your Company considered likely to have an impact in the event of a public takeover or swap bid, provided pursuant to the provisions of Article L. 225-37-5 of the French Commercial Code, we have checked compliance with the source documents provided to us. Based on this work, we have no comments to make on this information.

Other information

As required by law, we have ensured that the various information relating to equity and control investments and to the identity of the holders of share capital or voting rights was provided to you in the management report.

INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors for Ubisoft Entertainment by your General Meeting of June 27, 2003 for KPMG Audit and of September 29, 2016 for Mazars.

As at March 31, 2020, KPMG Audit was in its 17th year of uninterrupted term and Mazars in its 4th year of uninterrupted term.

RESPONSIBILITIES OF THE MANAGEMENT TEAM AND THE PEOPLE COMPRISING THE CORPORATE GOVERNANCE WITH REGARD TO THE SEPARATE FINANCIAL STATEMENTS

The management team is responsible for preparing separate financial statements that present a true and fair view, in accordance with French accounting rules and principles, and implementing the internal control it considers necessary for preparing separate financial statements that do not include material misstatements resulting either from fraud or errors.

When preparing the separate financial statements, the management team is responsible for assessing the Company's ability to continue its operations, and presenting in these financial statements, if applicable, the information on the continuation of operations, and applying the accounting going-concern convention, unless it plans to liquidate the Company or cease its activity.

The Audit Committee is responsible for monitoring the financial information preparation process and the effectiveness of the internal control and risk management systems, as well as, if applicable, internal audit, with respect to the procedures for the preparation and processing of accounting and financial information.

The annual financial statements have been prepared by the Board of directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Audit objective and approach

We are responsible for preparing a report on the separate financial statements. Our aim is to obtain reasonable assurance that the separate financial statements taken as a whole do not include material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, guaranteeing that an audit conducted in accordance with professional standards would systematically detect all material misstatements. Misstatements from fraud or resulting from errors are considered to be material when we can reasonably expect that they may, taken individually or cumulatively, influence economic decisions that users of the financial statements may take based on them.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist in guaranteeing the viability or the management quality of your Company.

As part of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises his/her professional judgment throughout the audit. Moreover:

- he/she identifies and assesses the risks that the separate financial statements include material misstatements from fraud or resulting from errors, defines and implements audit procedures faced with these risks and collects the elements that he/she considers sufficient and appropriate on which to base his/her opinion. The risk of non-detection of a material misstatement resulting from fraud is higher than that of a misstatement resulting from an error, as the fraud may involve collusion, falsification, voluntary omissions, false declarations or circumvention of internal control;
- he/she takes note of the relevant internal control for the audit in order to define the relevant audit procedures, and not with the aim of expressing an opinion on the effectiveness of the internal control;
- he/she assesses the appropriate nature of the selected accounting principles and the reasonable nature of the accounting estimates made by the management team, as well as the information on them provided in the separate financial statements;
- he/she assesses the relevant nature of the application of the going-concern accounting convention by the management team, and, depending on the elements collected, the existence of a significant uncertainty with regard to the events or circumstances likely to call into question the Company's ability to continue its operations. This assessment is based on the elements collected up to the date of his/her report, it being recalled that subsequent circumstances or events may call into question the continuation of operations. If he/she concludes that there is a significant uncertainty, he/she calls the readers' attention to the information provided in the separate financial statements on the subject of this uncertainty, or, if this information is not provided or is not relevant, he/she formulates a certification with reserves or refuses to certify;
- he/she assesses the overall presentation of the separate financial statements and assesses if the separate financial statements reflect the underlying operations and events, in order to provide a true and fair view.

Report to the Audit Committee

We provide a report to the Audit Committee presenting notably the scope of the audit work and the work program implemented, as well as the conclusions resulting from our work. We also draw its attention, if applicable, to the significant weaknesses of the internal control that we have identified with respect to the procedures for the preparation and processing of accounting and financial information.

Amongst the elements communicated to the Audit Committee are the risks of material misstatements that we have considered to be the most important for the audit of the separate financial statements for the financial year, and that constitute as such the key points of the audit, which we are responsible for describing in this report.

We also provide the Audit Committee with the declaration provided for by Article 6 of (EU) Regulation No. 537-2014 confirming our independence under the meaning of the rules applicable in France as set notably by Articles L. 822-10 to L. 822-14 of the French Commercial Code, and the Statutory Auditors' Code of Ethics. If applicable, we discuss with the Audit Committee the risks weighing on our independence and the safeguard measures applied.

Rennes and Vannes, June 2, 2020

Statutory Auditors

KPMG Audit
Department of KPMG S.A.

Vincent BROYÉ

MAZARS

Julien MAULAVÉ

6.5 Statutory Auditors' special report on regulated agreements and commitments

This is a free translation into English of one of the statutory auditors' report on regulated agreements and commitments issued in French language and it is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the General Meeting of Ubisoft Entertainment,

In our capacity as Statutory Auditors of your company, we hereby report to you on regulated agreements and commitments.

We are required to inform you, based on the information provided to us, of the principal terms and conditions as well as the reasons explaining their interest for the Company of the agreements and commitments brought to our attention or which we may have discovered during the course of our mission, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the interest in entering into such agreements and commitments for the purpose of approving them.

Furthermore, we are required to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the performance, during the past financial year, of agreements and commitments previously approved by the General Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this assignment.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

We hereby inform you that we have not been advised of any agreements or commitments approved and signed during the past financial year to be submitted for approval by the General Meeting in application of the provisions of Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

We hereby inform you that we have not been advised of any agreements or commitments previously approved by the General Meeting that remained in effect during the financial year.

Rennes and Vannes, June 2, 2020

Statutory Auditors

KPMG Audit *Department of KPMG S.A.*	**MAZARS**
Vincent BROYÉ	**Julien MAULAVÉ**

6.6 Ubisoft (parent company) results for the past five financial years

Financial year	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Capital *(in €)*	8,710,056	8,752,233	8,652,490	8,649,921	9,373,710
Number of ordinary shares	112,387,818	112,932,041	111,631,149	111,592,116	120,938,298
Number of preference shares	-	-	13,883	19,771	12,800
Number of preference shares	-	-	-	-	-
Maximum number of shares to be created	7,283,147	14,980,048	13,431,223	12,923,656	9,122,287
Through the exercise of stock options	*2,634,721*	*2,387,422*	*2,171,411*	*1,737,829*	*1,626,499*
Through the allocation of free shares	*4,648,426*	*5,285,356*	*3,952,542*	*3,878,557*	*3,133,929*
Through the conversion of OCEANE bonds	-	*7,307,270*	*7,307,270*	*7,307,270*	*4,361,859*
Sales *(in € thousands)*	1,199,870	1,319,663	1,550,694	1,741,415	1,540,345
Net profit (loss) before tax, investments and provisions *(in € thousands)*	453,577	406,234	779,359	750,698	459,522
Income tax *(in € thousands)*	5,162	52,220	2,176	1,468	(8,798)
Employee profit-sharing	-	-	-	-	-
Net income after tax, investments and provisions *(in € thousands)*	(105,306)	(104,869)	215,808	159,159	(301,147)
Distributed earnings	-	-	-	-	-
Per share, profit (loss) after tax, before provisions *(in €)*	4.55	4.06	7.00	6.71	3.87
Per share, profit (loss) after tax and provisions *(in €)*	(0.94)	(0.92)	1.93	1.43	(2.49)
Dividend per share	-	-	-	-	-
Average headcount	5	5	5	5	5
Payroll [(1)] *(in € thousands)*	789	1,185	1,324	1,507	691
Social security contributions and employee benefits *(in € thousands)*	283	549	965	997	577

(1) Compensation of one corporate officer recognized under subcontracting was not included

7 Information on the Company and its capital

7.1 Legal information

7.1.1 INFORMATION ABOUT THE COMPANY

Corporate name	Ubisoft Entertainment
Registered office	107, avenue Henri Fréville -35200 Rennes
Legal information	French Corporation (*société anonyme*) with a Board of directors governed by French law (particularly the provisions of the French commercial code applicable to commercial companies), as well as by its articles of association and the internal rules of the Board of directors.
Date of incorporation and term	The Company was incorporated on March 28, 1986 and registered by Trade and Companies Register on April 9, 1986 for a term of 99 years, unless such term is extended or the Company is dissolved at an earlier date
Trade and companies register	335 186 094 RCS RENNES APE code: 5821Z
Legal Entity Identifier or LEI	969500I7C8V1LBIMSM05
Place where legal documents may be consulted	The Company's legal documents may be consulted: ♦ on the Company's website (www.ubisoft.com – Investors Center) [1]; ♦ at its registered office: 107, avenue Henri Fréville - 35200 Rennes - France, or at its Administration Department offices
Financial year	The financial year runs from April 1 to March 31

(1) The information on this website is not part of this Universal Registration Document unless it is expressly incorporated for reference purposes

7.1.2 ARTICLES OF ASSOCIATION

Amendments to the articles of association are made by decision of the Extraordinary General Meeting.

The Combined General Meeting of July 2, 2020 will be asked to carry out various amendments to the articles of association as well as an update to ensure compliance and the harmonization of the Company's articles of association with the current legal and regulatory provisions.

Corporate purpose (article 3 of the articles of association)

The Company has the following purpose, in France and abroad, both directly and indirectly:

- the creation, production, publishing and distribution of all kinds of multimedia, audiovisual and IT products, especially video games, educational and cultural software, cartoons and literary, cinematographic and television works on any media, current or future;
- the distribution of all kinds of multimedia and audiovisual products, especially through new communication technologies such as networks and online services;
- the purchase, sale and, in general, all forms of trading, including both import and export, via rental or otherwise, of any computer and word-processing hardware with its accessories, as well as any hardware or products for reproducing sound and pictures;
- the marketing and management of all IT, data-processing and word-processing computer programs;
- consulting, support, assistance and training relating to any of the above-mentioned fields;
- the investment by the Company in any operation that may relate to its purpose, by the creation of new companies, the subscription or purchase of shares or corporate rights, by mergers or by other means; and
- in general, any operation related directly or indirectly to the above purpose or similar and related purposes likely to promote the Company's development.

Form of shares and identification of shareholders (article 5 of the articles of association)

Fully paid-up ordinary shares may be registered or bearer shares, depending on the preference of the shareholder, subject to applicable legal and regulatory provisions.

Preference shares of the Company must be held in registered form and may not be contractually divided.

The shares of the Company require book-entry under the terms and conditions required by applicable legal and regulatory provisions. Ordinary shares are conveyed by transfer between accounts. Preference shares are not transferable.

The Company may at any time, in accordance with the legal and regulatory provisions, request information from the French securities clearing organization (SICOVAM) to allow the Company to identify shareholders granted either immediate or future voting rights in Shareholders' General Meetings, as well as the number of shares held by any one shareholder and, where applicable, any restrictions to which the shares may be subject. *(The Combined General Meeting of July 2, 2020 will be asked to bring this section into alignment with article L. 228-2 of the French commercial code).*

Rights and obligations attached to shares (article 7 of the articles of association)

I. Rights attached to ordinary shares: each ordinary share gives rights to ownership of the corporate assets and the liquidation dividend equal to the proportion of the share capital that it represents.

Voting rights double those conferred on other shares, based on the proportion of the share capital they represent, are granted to all fully paid-up shares that are shown to have been registered in the name of the same shareholder for at least two years. In the event of a share capital increase via the capitalization of reserves, profits or issue premiums, this right is also conferred at the date of issue on registered shares granted free of charge to a shareholder on the basis of ownership of existing shares that enjoy this right.

II. Rights attached to preference shares: preference shares do not have a preferential subscription right for any share capital increase or transaction with a right to ordinary shares. However, the conversion ratio referred to in section 2.2 below will be adjusted to preserve the rights of holders of preference shares.

III. Features of preference shares:

1. rights to the liquidation bonus and to dividends: each preference share gives right, up until the Conversion Date, to a liquidation dividend equal to the proportion of the share capital that it represents. Each preference share will have a dividend distribution right equal to 1% of the distribution right;
2. conversion:

   2.1 ***conversion date:*** as preference shares may only be issued in the context of a free share grant, the conversion date ("**Conversion Date**") is directly linked to the vesting or retention periods provided for in the free share plan. Under no circumstances may this take place until a minimum period of four years has elapsed,

   2.2 ***conversion conditions***: the number of ordinary shares that may result from conversion is calculated using a conversion ratio determined by the Board of directors based on the volume-weighted average trading price of the Company's shares over a period to be defined by the Board of directors ("**Weighted Share Price**") on the Conversion Date ("**Conversion Ratio**"). It is specified that the Board of directors will determine, on the date of allocation:

   - the Weighted Share Price on the basis of which preference shares may give rights to conversion ("**Minimum Share Price**"), which may not be lower than:
     - the opening price of ordinary shares on Euronext Paris on the date of allocation ("**Daily Price**"),
     - or the average opening price of ordinary shares over the 20 trading days prior to their allocation ("**20-day Average**");
   - the target share price on the Conversion Date beyond which the number of ordinary shares resulting from conversion does not increase any further ("**Maximum Share Price**"). This may not be lower than the Daily Price or the 20-day Average, plus a percentage to be defined by the Board of directors based on the resolutions of the General Meeting authorizing bonus allocations of preference shares;

   2.3 ***conversion methods:*** subject to fulfillment of the conversion conditions, preference shares will be converted into ordinary shares by the Company on the Conversion Date using one of the following methods determined by the Board of directors when they were allocated:

   - either automatically on the Conversion Date;
   - or at the request of the holder from the Conversion Date up until a deadline determined by the Board of directors, after which the preference shares will be converted automatically if the holder has not initiated conversion during this period. Conversion at the initiative of the holder must comply with legal rules and regulations relating to insider trading.

   All preference shares converted will be fully fungible with ordinary shares on their Conversion Date and will carry immediate dividend rights;
3. voting rights:

   Preference shares have no voting rights in Ordinary and Extraordinary Meetings of the holders of ordinary shares, it being specified that they have voting rights in special meetings of holders of preference shares.

General Meeting (article 13 of the articles of association)

General Meetings will consist of all shareholders of Ubisoft Entertainment SA, with the exception of the Company itself. They represent the totality of shareholders.

They will be convened and deliberate under the conditions prescribed by the French commercial code. General Meetings are held at the registered office or at any other venue indicated in the convening notice. They are chaired by the Chairman of the Board of directors or, in his absence, by a director appointed for this purpose by the General Meeting.

The right to participate in Shareholders' General Meetings is subject to fulfillment of the formalities provided for under applicable regulations in force. Shareholders may vote by postal form or by proxy form subject to the requirements of legal and regulatory provisions.

In accordance with the decision of the Board of directors published in the notice of meeting and/or convening notice, shareholders may participate in Shareholders' General Meetings (by means of video-conferencing or vote using all means of telecommunication or remote transmission, including internet), under the conditions prescribed by the applicable regulations in force.

In the event of such a decision by the Board of directors, shareholders may send their proxy forms or postal voting forms, either on paper or by means of telecommunications or remote transmission, in compliance with the deadlines applicable under laws and regulations. When remote transmission is used (including electronic means), the electronic signature may take the form of a process that meets the requirements set out in the first sentence of the second paragraph of article 1316-4 of the French civil code.

7.1.3 FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

Pursuant to article L. 225-37-5 of the French commercial code, the following factors may have an impact in the event of a public offering.

Structure of the Company's share capital and direct or indirect shareholdings known to the Company

The structure of the Company's share capital, as well as the investments of which the Company is aware pursuant to articles L. 233-7 and L. 233-12 of the French commercial code, are presented in 7.3– Share ownership.

Restrictions on exercising voting rights and transferring shares set forth in the articles of association – Clauses of agreements brought to the Company's attention

Article 6 of the articles of association states that shareholders who fail to notify the Company that the threshold of 4% (or any multiple of 4% less than or equal to 28%) of the share capital or voting rights has been crossed will forfeit their voting rights.

During the financial year ended March 31, 2020, the Company was not informed of any clauses referred to in 2° of article L. 225-37-5 of the French commercial code.

Owners of securities conferring special rights of control over the Company

Article 7 of the articles of association, referred to in 7.1.2 above, stipulates that a double voting right is assigned to all ordinary shares registered in the name of the same shareholder for at least two years. Subject to this caveat, there are no securities conferring special rights of control as referred to in 4° of article L. 225-37-5 of the French commercial code.

Control mechanisms under employee stock ownership plans, if any, where the employees do not exercise control themselves

Under the rules of the mutual funds Ubi Actions and Ubi Share Ownership (the "FCPE"), the Supervisory Boards will exercise voting rights at the Company's General Meetings and decide on the contribution of securities, particularly in the case of a public offering.

At March 31, 2020, the mutual funds held 3.834% of the share capital and 3.984% of the theoretical voting rights, or 3.985% of the voting rights that can be exercised at the General Meeting.

Shareholder agreements known to the Company that could lead to restrictions on transferring shares or exercising voting rights

The Company has no knowledge of any shareholder agreement referred to in 6° of article L. 225-37-5 of the French commercial code that could lead to restrictions on transferring shares or exercising voting rights.

Rules governing the appointment and replacement of members of the Board of directors and amendment of the articles of association

The rules governing the appointment and removal of members of the Board of directors and amendments to the articles of association are consistent with the law and the articles of association.

Powers of the Board of directors in the event of a public offering

In accordance with the resolution adopted by the General Meeting on July 2, 2019, the Board of directors may not implement the Company's share buyback program during a public offering on the Company's shares. Moreover, the authorizations to issue shares and securities with or without preferential subscription rights submitted for approval by the General Meeting of July 2, 2019 provided that the Board of directors may not decide these issues during a public offering on the Company's shares.

The General Meeting of July 2, 2020 will be asked to renew the resolutions referred to above with the same terms and conditions.

Agreements made by the Company that are amended or terminated upon a change in control

There are certain agreements made by the Company that would be amended or terminated in the event of a change in control at the Company, but for reasons of confidentiality it seems unwise to specify the nature of these contracts.

As regards the share purchase and/or subscription option plans (the "Options") and the free share plans (the "Shares"), with the exception of those relating to corporate executive officers, in the event of a change of control of the Company within the meaning of article L. 233-3 of the French commercial code, these plans shall immediately cease to be contingent upon of, on the one hand, the beneficiaries being, on the date of exercise of the Options or change in ownership of the Shares, employees, and, on the other hand, the achievement of the performance conditions, where applicable.

Agreement to compensate Board members if they resign or are unfairly dismissed, or if their employment is terminated due to a public offering

There are no specific agreements providing for compensation in the event of termination of the appointment of corporate officers of the Company.

7.2 Share capital

7.2.1 CAPITAL AS AT MARCH 31, 2020

As at March 31, 2020, the number of shares outstanding totaled 120,951,098 fully paid-up shares with a par value of €0.0775 each, of which 120,938,298 class A ordinary shares and 12,800 preference shares without voting rights (*4,388 class B-3 preference shares, 1,500 class B-4 preference shares, 6,518 class B-5 preference shares and 394 class B-6 preference shares*), equivalent to a share capital of €9,373,710.10.

The following table shows the number of shares created and/or canceled between April 1, 2019, and March 31, 2020:

AT 04/01/2019		111,611,887 SHARES
Exercise of subscription options		486,599 shares
Definitive vesting	of free ordinary shares (1)	1,572,556 shares
	of free preference shares	7,561 shares
Cancellation of preference shares (1)		(14,532) shares
Creation of ordinary shares through the conversion of OCEANE bonds		6,265,677 shares
Reserved capital increases (2) (employee stock ownership)		1,021,350 shares
AS AT 03/31/2020		**120,951,098 SHARES**

(1) Of which 435,960 ordinary shares from the conversion of 14,532 preference shares in accordance with article 7, III-2.3 of the articles of association (plans of September 24, 2014 and December 16, 2014 - see 4.2.3.5). These preference shares were concurrently cancelled

(2) 15th and 16th resolutions of the Combined General Meeting of June 27, 2018

7.2.2 POTENTIAL CAPITAL AS AT MARCH 31, 2020

Free share grants *(see 4.2.3.5)*	Number of potential shares	Potential dilution
Attendance and/or performance conditions	3,133,929 (1)	2.53%

Share subscription options *(see 4.2.3.6)*		Number of potential shares	Potential dilution
Open and not open	Plans 30, 31, 32, 33, 34, 35, 36, 38, 39, 40, 41, 42, 43 and 44	1,626,499	1.33%

OCEANE bonds *(see 7.4.4.1)* (2)	Number of potential shares	Potential dilution
Number of OCEANE bonds	4,361,859	3.48%

(1) Considering that preference shares will give the right to 30 ordinary shares (stock market conditions achieved see 4.2.3.5)

(2) Issue on September 17, 2019 of bonds convertible into and/or exchangeable for new or existing shares (OCEANE), maturing in 2024, admitted for trading on the Euronext Access™ market in Paris (see 7.4.4.1)

7.2.3 FINANCIAL AUTHORIZATIONS IN FORCE OR USED DURING THE FINANCIAL YEAR ENDED MARCH 31, 2020

The table below summarizes the financial authorizations granted by the General Meeting to the Board of directors for transactions on the share capital and any use made thereof during the financial year ended March 31, 2020, pursuant to the provisions of article L. 225-37-4 3° of the French commercial code.

Authorization *PS = Preferential subscription rights* *↗ = increase* *↘ = reduction*	Maximum nominal amount		AGM	Expiry date	
	Capital (K)	Debt securities	Resolution no.	Duration	FY20 usage
SHARE BUYBACK PROGRAM					
Purchase by the Company **of its own shares** (1) (2)	10% of **K** (as at the buyback date)	-	07/02/19 16th	01/01/21 18 months	Number of treasury shares as at 03/31/20: 53,253 ***see 7.2.4***
↘ **K** by cancellation of treasury shares	10% of **K** per 24 month period (as at the cancellation date)	-	07/02/19 17th	01/01/21 18 months	-
ISSUE OF SECURITIES					
↗ **K** by **capitalization** (reserves, profits, premiums or other)	€10M	-	09/22/17 22nd (3)	11/21/2019 26 months	Number of shares issued: 6,518 (4) preference shares
	€10M	-	07/02/2019 18th	09/01/21 26 months	Number of shares issued: 1,137,639 (4) 1,136,596 ordinary shares 1,043 preference shares
↗ **K** with PS **maintained**	€1,450K	€1 billion Joint maximum	07/02/19 19th	09/01/21 26 months	-
↗ **K** with **waiver of** PS via a public offering (5)	€850K Joint maximum	€1 billion	07/02/19 20th	09/01/21 26 months	-
↗ **K** with **waiver of** PS through a private placement (5)	€850K	€1 billion	07/02/19 21st	09/01/21 26 months	Issue of 4,361,859 OCEANE ***see 7.4.4.1***
Setting of **the subscription price** ↗ **K** with **waiver** of PS (6)	€850K	€1 billion	07/02/19 22nd	09/01/21 26 months	-
↗ **K** to compensate **contributions in kind**	10% of the **K** at 07/02/2019	€1 billion	07/02/19 23rd	09/01/21 26 months	-
EMPLOYEE STOCK OWNERSHIP					
↗ **K reserved** for **employees** of subsidiaries members of a savings plan **(PEG)**	1.50% of the share capital on the date of the Board decision	-	06/27/18 14th (3)	08/26/20 26 months	-
↗ **K reserved** for **employees** of subsidiaries **outside of France** and **outside of a PEG**			06/27/18 15th (3)	12/26/19 18 months	1,021,350 ordinary shares (7)
↗ **K reserved** for categories of **beneficiaries** as part of an **employee stock ownership offering**			06/27/18 16th (3)	12/26/19 18 months	
↗ **K reserved** for **employees** of subsidiaries members of a savings plan **(PEG)**			07/02/19 24th	09/01/21 26 months	-
↗ **K reserved** for **employees** of subsidiaries **outside of France** and **outside of a PEG**	1.50% of the share capital on the date of the Board decision	-	07/02/19 25th	01/01/21 18 months	1,423,028 ordinary shares that may be issued (8)
↗ **K reserved** for **categories** of **beneficiaries** as part of an employee **stock ownership offering**			07/02/19 26th	01/01/21 18 months	

Authorization PS = Preferential subscription rights ↗ = increase ↘ = reduction		Maximum nominal amount		AGM	Expiry date	
		Capital (K)	Debt securities	Resolution no.	Duration	FY20 usage
Subscription options or share purchase options	Employees/ Executive Committee	1% of **K** at the allocation date (9)	-	06/27/18 18th	08/26/21 38 months	352,193 SOP allocated ***see 4.2.3.6***
	Corporate executive officers	0.2% of **K** at the allocation date (9)	-	06/27/18 19th	08/26/21 38 months	67,743 SOP allocated ***see 4.2.3.6***
Free share grants (Employees/Executive Committee)		1.50% of **K** at the allocation date	-	06/27/18 17th (3)	08/26/21 38 months	917,925 ordinary shares allocated ***see 4.2.3.5***
		2% of **K** at the allocation date	-	07/02/19 27th	09/01/22 38 months	41,130 ordinary shares allocated ***see 4.2.3.5***

(1) Pursuant to articles L. 225-209 et seq. of the French commercial code and 241-1 to 241-7 of the AMF General Regulation

(2) In respect of the financial year ended March 31, 2020, the 12th resolution of the General Meeting of June 27, 2018 of the same type was also used as part of the liquidity contract (see 7.2.4)

(3) The unused portion of this authorization/delegation was canceled by the General Meeting of July 2, 2019, which adopted a similar resolution

(4) Definitive vesting of the free shares (see 7.2.1)

(5) Wordings prior to Order no. 2019-1067 of October 21, 2019.

- *public offering = offering to the public with the exclusion of the offerings referred to in 1° of article L. 411-2 of the French monetary and financial code*
- *private placement = offering to the public referred to in 1° of article L. 411-2 of the French monetary and financial code*

(6) Closing price of the last trading day prior to the date on which the price is set, possibly reduced by a maximum discount of 5%

(7) Issue on July 4, 2019 as part of the 2019 employee stock ownership offering (Press releases of March 19, 2019 and May 22, 2019)

(8) Launch of the 2020 employee stock ownership plan following the Board of directors' decisions of December 12, 2019 and February 13, 2020

(9) Shared ceiling of 18th and 19th resolutions of the General Meeting of June 27, 2018

7.2.4 SHARE BUYBACK

This section includes the information required under article L. 225-211 of the French commercial code, together with the information to be included in the description of the share buyback program pursuant to the provisions of the delegated regulation (EU) no. 2016/1052 of March 8, 2016 (supplementing regulation (EU) no. 596/2014 of April 16, 2014 on "Market Abuse") and articles 241-2 and 241-3 of the General Regulation of the *Autorité des Marchés Financiers* (AMF).

7.2.4.1 Legal framework

The Combined General Meeting of July 2, 2019 (the "2019 General Meeting") renewed the authorizations previously granted to the Board of directors by the Combined General Meeting of June 27, 2018 (the "2018 General Meeting") allowing the Company, in accordance with article L. 225-209 of the French commercial code, to purchase, on or off the market, a number of shares representing up to 10% of the Company's share capital on the purchase date, for the purposes stipulated by the Market Abuse regulation, as well as the framework for market practices authorized by the *Autorité des Marchés Financiers* (AMF) (the "Share Buyback Program(s)").

The 2018 and 2019 General Meetings also authorized the Board of directors to reduce the share capital by cancelation of the shares purchased under the Share Buyback Programs. The Board of directors did not use this authorization during the financial year ended March 31, 2020.

7.2.4.2 Situation at March 31, 2020

Percentage of own shares held directly and indirectly	0.04%
Number of shares in portfolio (1)	53,253
Portfolio book value	€3,476,079.88
Portfolio market value (2)	€3,577,536.54

(1) Breakdown by purpose below

(2) Closing price as at 03/31/2020: €67.18 (Source: Euronext)

NUMBER OF SHARES HELD BROKEN DOWN BY PURPOSE AT MARCH 31, 2020

	Number of shares	
Purpose	03/31/19	03/31/20
To support the share price via a liquidity contract [1]	35,485	53,253
Acquisitions	-	-
Employee stock ownership coverage	1,522,727	-
Coverage of securities eligible for share allotment	-	-
Cancellation	-	-
TOTAL TREASURY SHARES HELD	**1,558,212**	**53,253**
PERCENTAGE OF TREASURY SHARES HELD	**1.40%** [2]	**0.04%** [3]

(1) See 7.2.4.3
(2) Based on 111,611,887 shares as at 03/31/19
(3) Based on 120,951,098 shares as at 03/31/20

DETAILS OF TRANSACTIONS DURING THE FINANCIAL YEAR ENDED MARCH 31, 2020

(article L. 225-211 of the French commercial code)

Treasury shares as at 03/31/19	1,558,212	% of the share capital [1]	1.40%	Value of the shares at 03/31/19	at purchase price	€103,293,018.53
					par value	€120,761.43
Shares acquired in FY20				2,625,805 [2]	Average purchase price	€67.22
Shares sold in FY20				2,608,037 [2]	Average selling price	€67.42
Execution fees						-
Shares transferred during FY20				1,522,727 [3]	Average price of transfers	€59.44
Shares reallocated in FY20				-	% of the share capital	-
Shares cancelled during FY20				-	% of the share capital	-
Treasury shares as at 03/31/20	53,253	% of the share capital [4]	0.04%	Value of the shares at 03/31/20	at purchase price	€3,476,079.88
					par value	€4,127.11

(1) Based on 111,611,887 shares as at 03/31/19
(2) All acquisitions and disposals were carried out as part of the liquidity contract
*(3) Of which 528,041 shares transferred as part of the 2019 employee stock ownership plan and 994,686 as part of the OCEANE conversion **(see 7.4.4.1)***
(4) Based on 120,951,098 shares as at 03/31/20

DERIVATIVE PRODUCTS

Transactions signed or completed during the financial year ended March 31, 2020

No transactions on derivative products were signed or completed during the financial year ended March 31, 2020.

Positions open as at March 31, 2020

Date of transaction	Name of intermediary	Purchase/ Sale	Number of shares	Options/Term	Expiry date	Exercise price	Premiums	Organized market/ over the counter
03/20/18	CACIB [1]	Purchase	4,545,454	Term (Forward contract prepaid in shares)	03/22/21 (except in the event of a settlement by anticipation)	€66	N/A	Over the counter

(1) Crédit Agricole Corporate and Investment Bank

7.2.4.3 Liquidity agreement

On January 1, 2019, with effect on February 1, 2019, the Company signed a liquidity contract with Exane BNP Paribas for an initial period of one (1) year renewable by tacit renewal for successive periods of the same duration (the "Contract"), in accordance with the Market Abuse regulation, the delegated (EU) regulation no. 2016/908 of February 26, 2016 supplementing it and the AMF Decision no. 2018-01 of July 2, 2018 establishing liquidity contracts on equity securities as admitted market practices (the "Decision"). The Contract's half-yearly reports are published in accordance with the terms and conditions of the Decision.

7.2.4.4 Description of the share buyback program submitted for approval to the Combined General Meeting of July 2, 2020

Pursuant to the provisions of the delegated regulation (EU) no. 2016/1052 of March 8, 2016 (supplementing the Market Abuse regulation) and articles 241-2 and 241-3 of the General Regulation of the *Autorité des marchés financiers* (AMF), the Company presents below the description of the share buyback program (the "2020 Share buyback") that will be submitted for approval to the Combined General Meeting of July 2, 2020.

Details of the securities liable to be repurchased: ordinary shares in Ubisoft Entertainment SA listed on Euronext Paris – Compartment A, ISIN code: FR0000054470.

Maximum portion of the share capital and maximum number of securities that may be purchased: 10% of the total number of shares comprising the share capital **(K)** at the buyback date - or for information purposes:

	K	10% of the **K**	Treasury shares	Shares to be acquired 2020 Share buyback
04/30/20	121,272,970 shares	12,127,297 shares	47,168 shares, i.e. 0.04% of the capital	12,080,129 shares, i.e. 9.96% of the capital

Maximum purchase price: €120 i.e., based on the share capital as at April 30, 2020, a maximum amount of €1,455,275,640 or, taking into account the number of shares held by the Company at the same date described above, €1,449,615,480.

Objectives:

- to ensure the liquidity and activity of Ubisoft Entertainment SA stock using an investment services provider acting independently under a liquidity agreement in accordance with the AMF decision no. 2018-01 of July 2, 2018;
- to meet the obligations related to the share purchase option or free share grant programs, or carry out all other allocations or transfers of shares for the benefit of employees and/or corporate executive officers of the Group or for the benefit of some of them, notably as part of all company and/or Group savings plans, or profit sharing, or to allow coverage of an employee stock ownership offering structured by a bank, or by an entity controlled by such an establishment under the meaning of article L. 233-3 of the French commercial code, taking place at the Company's request;
- to retain shares for delivery at a later date in exchange or as payment for any future acquisitions, subject to a limit of 5% of the existing capital;
- to deliver shares upon the exercise of rights attached to debt securities giving access, by any means, immediately and/or at a later date, to the Company's share capital through redemption, conversion, exchange, presentation of a warrant or any other means;
- to cancel in whole or in part any repurchased shares as provided by law, subject to the authorization from the Extraordinary General Meeting;
- to implement all recognized market practices or practices that may come to be admitted by law or by *Autorité des marchés financiers* and more generally to complete all transactions in compliance with current legislation.

Duration of authorization: 18 months from the General Meeting of July 2, 2020.

7.3 Share ownership

7.3.1 CHANGES IN CAPITAL IN THE LAST THREE FINANCIAL YEARS AND UP TO MAY 14, 2020

Date of Board of directors or Chairman and Chief Executive Officer's decisions	Type of transaction K: Share capital ↗: Increase /↘: Decrease **SOP** [1]: Exercised	Number of shares issued or canceled	Amount (in cash)	Premiums **PE**: issue **PC**: conversion	Cumulative number of shares	Amount of share capital [2]
04/10/17	**SOP** from 03/01/17 to 03/31/17	47,786	€3,703.42	**PE**: €389,911.87	112,932,041	€8,752,233.18
05/09/17	↗ **K** (capitalization of reserves) [3] **SOP** from 04/01/17 to 04/30/17	167,166	€12,955.36	€(10,361.75) **PE**: €293,377.33	113,099,207	€8,765,188.54
06/15/17	↗ **K** (capitalization of reserves) [3] **SOP** from 05/01/17 to 05/31/17	279,838	€21,687.45	€(15,691.66) **PE**: €733,131.26	113,379,045	€8,786,875.99
07/27/17	↗ **K** reserved for employees [4] **SOP** from 06/01/17 to 06/30/17	1,036,694	€80,343.78	**PE**: €41,540,422.12	114,415,739	€8,867,219.77
09/25/17	↗ **K** (capitalization of reserves) [3] **SOP** from 07/01/17 to 08/31/17	100,356	€7,777.59	€(889.24) **PE**: €1,261,986.21	114,516,095	€8,874,997.36
10/05/17	↗ **K** (capitalization of reserves) [3] **SOP** from 09/01/17 to 09/30/17	165,871	€12,855.01	€(3,100) **PE**: €2,131,310.70	114,681,966	€8,887,852.37
10/25/17	↗ **K** (capitalization of reserves) [3]	552,966	€42,854.86	€(42,854.86)	115,234,932	€8,930,707.23
11/17/17	**SOP** from 10/01/17 to 10/31/17	62,255	€4,824.76	**PE**: €742,480.68	115,297,187	€8,935,531.99
	↘ **K** (cancellation of treasury shares)	(3,593,630)	€(278,506.32)	€(121,429,117.07)	111,703,557	€8,657,025.67
12/12/17	↗ **K** (capitalization of reserves) [3] **SOP** from 11/01/17 to 11/30/17	69,889	€5,416.40	€(186.70) **PE**: €905,935.71	111,773,446	€8,662,442.07
03/30/18	**SOP** from 12/01/17 to 02/28/18 [3]	55,922	€4,333.95	**PE**: €643,354.84	111,829,368	€8,666,776.02
	↘ **K** (cancellation of treasury shares)	(220,000)	€(17,050)	€(13,735,654.74)	111,609,368	€8,649,726.02
04/10/18	**SOP** from 03/01/18 to 03/31/18	35,664	€2,763.96	**PE**: €576,031.86	111,645,032	€8,652,489.98
06/28/18	↗ **K** reserved for employees [4] ↗ **K** (capitalization of reserves) [3] **SOP** from 04/01/18 to 05/31/18	2,287,042	€177,245.76	**PE**: €121,009,874.79 €(36,086.17)	113,932,074	€8,829,735.74
09/24/18	↗ **K** (capitalization of reserves) [3] **SOP** from 06/01/18 to 08/31/18	245,252	€19,007.03	€(1,170.10) **PE**: €6,080,783.39	114,177,326	€8,848,742.77
	↘ **K** (cancellation of treasury shares)	(1,565,426)	€(121,320.51)	€(84,722,908.44)	112,611,900	€8,727,422.25
12/17/18	↗ **K** (capitalization of reserves) [3] **SOP** from 09/01/18 to 11/30/18	376,366	€29,168.37	€(16,980.25) **PE**: €2,472,489.62	112,988,266	€8,756,590.62
02/01/19	**SOP** from 12/01/18 to 12/31/18	5,712	€442.68	**PE**: €95,297.37	112,993,978	€8,757,033.30
	↘ **K** (cancellation of treasury shares)	(1,522,728)	€(118,011.42)	[5]	111,471,250	€8,639,021.88
04/11/19	**SOP** from 01/01/19 to 03/31/19	140,637	€10,899.36	**PE**: €2,069,005.61	111,611,887	€8,649,921.24
06/20/19	↗ **K** (capitalization of reserves) [3] **SOP** from 04/01/19 to 05/31/19	80,691	€6,253.55	€(505.15) **PE**: €1,695,064.51	111,692,578	€8,656,174.80
07/04/19	↗ **K** reserved for employees [4]	1,021,350	€79,154.63	**PE**: €69,679,050.38	112,713,928	€8,735,329.42
09/20/19	↗ **K** (capitalization of reserves) [3] **SOP** from 06/01/19 to 08/31/19	1,335,056	€103,466.84	€(91,708.00) **PE**: €3,915,861.71	114,048,984	€8,838,796.26
	↘ **K** (cancellation of preference shares)	(12,123)	€(939.53)	€(939.53)	114,036,861	€8,837,856.73
10/04/19	↗ **K** (conversion of OCEANE) [6] **SOP** from 09/01/19 to 09/30/19	1,983,134	€153,692.89	**PC**: €102,505,142.51 **PE**: €2,040,811.41	116,019,995	€8,991,549.61

Date of Board of directors or Chairman and Chief Executive Officer's decisions	Type of transaction K: Share capital ↗: Increase /↘: Decrease **SOP** [1]: Exercised	Number of shares issued or canceled	Amount (in cash)	Premiums **PE**: issue **PC**: conversion	Cumulative number of shares	Amount of share capital [2]
10/15/19	↗ **K** (capitalization of reserves) [3] ↗ **K** (conversion of OCEANE) [6]	4,554,573	€352,979.41	€(12,720.31) **PC**: €239,171,547.50	120,574,568	€9,344,529.02
12/13/19	↗ **K** (capitalization of reserves) [3] **SOP** from 10/01/19 to 11/30/19	93,699	€7,261.67	€(5,631.46) **PE**: €463,833.95	120,668,267	€9,351,790.69
	↘ **K** (cancellation of preference shares)	(2,409)	€(186.70)	€(186.70)	120,665,858	€9,351,604.00
02/25/20	↗ **K** (capitalization of reserves) [3] **SOP** from 12/01/19 to 01/31/20	190,130	€14,735.08	€(11,894.16) **PE**: €1,078,510.04	120,855,988	€9,366,339.07
04/20/20	↗ **K** (capitalization of reserves) [3] **SOP** from 02/01/20 to 03/31/20	397,610 [7]	€30,814.78	€(23,443.75) **PE**: €2,476,364.09	121,253,598	€9,397,153.85

(1) Share subscription options

(2) Share capital (leading to a revision of the articles of association and K-bis (company registry document))

(3) Definitive vesting of free shares (articles L. 225-197-1 et seq. of the French commercial code)

(4) Capital increase reserved for (i) employees that are members of a Group savings plan, and/or (ii) employees outside of the Group savings plan and (iii) a financial institution as part of (ii)

(5) Charged against the "Other reserves" account

(6) See 7.4.4.1

(7) Of which 302,500 shares created on April 20, 2020 [3]

7.3.2 EMPLOYEE STOCK OWNERSHIP THROUGH COMPANY MUTUAL FUNDS (FCPE)

As at March 31, 2020, employees held 4,637,058 shares, or 3.834% of the capital, through Company mutual funds.

This ownership is the result of capital increase transactions reserved for employees of companies (included in the same scope of consolidation or accounting combination under the meaning of the second paragraph of article L. 3344-1 of the French labor code as the Company) belonging to the Ubisoft group savings scheme pursuant to the delegations granted to the Board of directors by the Shareholders' General Meeting, or of share disposals, in application of the provisions of article L. 3332-24 of the French labor code, within the context of the share buyback programs approved by the Shareholders' General Meeting.

During the financial year ended March 31, 2020, on July 4, 2019, a share disposal as referred to in the paragraph above was carried out (*see 7.2.4.2*).

7.3.3 BREAKDOWN OF CAPITAL AND VOTING RIGHTS

7.3.3.1 Change over the last three financial years

	03/31/20			03/31/19			03/31/18		
	Shares	Gross voting rights [1]	Net voting rights [2]	Shares	Gross voting rights [1]	Net voting rights [2]	Shares	Gross voting rights [1]	Net voting rights [2]
	(in %)	*(in %)*	*(in %)*	*(in %)*	*(in %)*	*(in %)*	*(in %)*	*(in %)*	*(in %)*
Guillemot Brothers Ltd [3]	**16,536,031**	**24,041,735**	**21,011,432**	**17,406,414**	**25,062,178**	**22,031,875**	**17,406,414**	**23,880,217**	**20,511,082**
	13.672%	18.068%	15.797%	15.595%	20.258%	18.036%	15.591%	18.323%	15.974%
Yves Guillemot	**935,294 [4]**	**1,822,134**	**1,822,134**	**934,900 [5]**	**1,822,134**	**1,822,134**	**988,567**	**1,906,350**	**1,906,350**
	0.773%	1.369%	1.370%	0.838%	1.473%	1.492%	0.885%	1.463%	1.485%
Claude Guillemot	**745,369**	**1,468,238**	**1,468,238**	**732,869**	**1,455,738**	**1,455,738**	**732,475**	**1,454,838**	**1,454,838**
	0.616%	1.103%	1.104%	0.657%	1.177%	1.192%	0.656%	1.116%	1.133%
Michel Guillemot	**501,215**	**879,930**	**879,930**	**388,715**	**767,430**	**767,430**	**378,715**	**747,318**	**747,318**
	0.414%	0.661%	0.662%	0.348%	0.620%	0.628%	0.339%	0.573%	0.582%
Gérard Guillemot	**455,659**	**901,318**	**901,318**	**455,659**	**901,318**	**901,318**	**495,659**	**981,206**	**981,206**
	0.377%	0.677%	0.678%	0.408%	0.729%	0.738%	0.444%	0.753%	0.764%
Christian Guillemot	**107,292 [6]**	**213,750**	**213,750**	**107,292 [6]**	**213,750**	**213,750**	**106,625**	**213,250**	**213,250**
	0.089%	0.161%	0.161%	0.096%	0.173%	0.175%	0.096%	0.164%	0.166%
Other members Guillemot family	**74,239**	**144,103**	**144,103**	**83,094**	**162,958**	**162,958**	**83,864**	**167,707**	**167,707**
	0.061%	0.108%	0.108%	0.074%	0.132%	0.133%	0.075%	0.129%	0.131%
Guillemot Corporation SA	**443,874**	**887,748**	**887,748**	**443,874**	**887,748**	**887,748**	**443,874**	**887,748**	**887,748**
	0.367%	0.667%	0.667%	0.398%	0.718%	0.727%	0.398%	0.681%	0.691%
CONCERT [7]	**19,798,973**	**30,358,956**	**27,328,653**	**20,552,817**	**31,273,254**	**28,242,951**	**20,636,193**	**30,238,634**	**26,869,499**
	16.369%	*22.816%*	*20.547%*	*18.415%*	*25.279%*	*23.121%*	*18.484%*	*23.202%*	*20.926%*
Ubisoft Entertainment SA	**53,253**	**53,253**	**0**	**1,558,212**	**1,558,212**	**0**	**1,587,176**	**1,587,176**	**0**
	0.044%	0.040%	-	1.396%	1.260%	-	1.422%	1.218%	-
Employees [8]	**4,637,058**	**5,300,586**	**5,300,586**	**4,358,520**	**4,981,615**	**4,981,615**	**3,879,192**	**4,498,964**	**4,498,964**
	3.834%	3.984%	3.985%	3.905%	4.027%	4.078%	3.475%	3.452%	3.504%
Public	**96,461,814**	**97,347,241**	**100,377,544**	**85,142,338**	**85,899,858**	**88,930,161**	**85,542,471**	**94,000,990**	**97,031,293**
	79.753%	73.160%	75.468%	76.284%	69.435%	72.801%	76.620%	72.128%	75.570%
TOTAL	**120,951,098**	**133,060,036**	**133,006,783**	**111,611,887**	**123,712,939**	**122,154,727**	**111,645,032**	**130,325,764**	**128,399,756**
	100%	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*

(1) Number of "gross" or "theoretical" voting rights used as a basis for calculating the crossing of legal thresholds

(2) Number of "net" voting rights or "exercisable at the General Meeting"

(3) Forward sales contract, with promises of sale or purchase that may be settled with securities or cash, signed on September 5, 2016 and expiring October 30, 2020 (amendment dated April 16, 2018) involving 4,000,008 shares pledged to the bank and that may be borrowed by it under certain terms and conditions

Forward sales contract, with promises of sale or purchase that may be settled with securities or cash, signed on September 1, 2017 and expiring on September 19, 2022 (amendment dated September 19, 2019) involving 2,000,016 shares pledged to the bank and that may be borrowed by the latter under certain terms and conditions

Acquisition of 3,030,303 shares on March 20, 2018 as part of Vivendi SA's disposal of its investment, through structured financing of (i) a prepaid forward contract (2,424,242 shares) with physical or cash settlement and (ii) a prepaid forward contract (606,061 shares) with physical or cash settlement. Pledge of 3,030,303 shares to the bank. Transactions to be settled upon maturity in March 2021 or at the initiative of Guillemot Brothers Ltd, through an early settlement

(4) Including 1,727 preference shares without voting rights (see 4.2.3.3)

(5) Including 1,333 preference shares without voting rights (see 4.2.3.3)

(6) Including 167 preference shares without voting rights (see 4.2.3.3)

(7) The concert, comprising Guillemot Brothers Ltd, Guillemot Corporation SA and the Guillemot family, held 10,561,877 shares with double voting rights at 03/31/20

(8) Shares held by employees through Company mutual funds (FCPE) (see 7.3.2).

7.3.3.2 Breakdown of capital and voting rights at April 30, 2020

	Capital		Gross voting rights [1]		Net voting rights [2]	
	Number of shares	%	Number	%	Number	%
Guillemot Brothers Ltd	16,536,031	13.635%	24,041,735	18.026%	21,011,432	15.759%
Yves Guillemot [3]	935,294	0.771%	1,822,134	1.366%	1,822,134	1.367%
Claude Guillemot	745,369	0.615%	1,468,238	1.101%	1,468,238	1.101%
Michel Guillemot	501,215	0.413%	879,930	0.660%	879,930	0.660%
Gérard Guillemot	455,659	0.376%	901,318	0.676%	901,318	0.676%
Christian Guillemot [4]	107,292	0.088%	213,750	0.160%	213,750	0.160%
Other members of the Guillemot family	74,239	0.061%	144,103	0.108%	144,103	0.108%
Guillemot Corporation SA	443,874	0.366%	887,748	0.666%	887,748	0.666%
CONCERT	**19,798,973**	**16.326%**	**30,358,956**	**22.762%**	**27,328,653**	**20.497%**
Ubisoft Entertainment SA	47,168	0.039%	47,168	0.035%	0	-
Employees [5]	4,617,485	3.808%	5,275,704	3.956%	5,275,704	3.957%
Public	96,809,344	79.828%	97,693,285	73.247%	100,723,588	75.546%
TOTAL	**121,272,970**	**100%**	**133,375,113**	**100%**	**133,327,945**	**100%**

(1) Number of "gross" or "theoretical" voting rights used as a basis for calculating the crossing of legal thresholds
(2) Number of "net" voting rights or "exercisable at the General Meeting"
(3) Including 1,727 preference shares without voting rights (see 4.2.3.3)
(4) Including 167 preference shares without voting rights (see 4.2.3.3)
(5) Shares held by employees through Company mutual funds (FCPE) (see 7.3.2)

7.3.3.3 Shareholder holding over 5% of the share capital as at May 14, 2020 [1]

Shareholder	% of the share capital [2]	% of gross voting rights [2][3]	% of net voting rights [2][4]
Baillie Gifford & Co [5]	5.010%	4.555%	4.557%

(1) Information provided on the basis of statements made to the Company and/or to the AMF and summarized hereafter, or contained in the list of registered shareholders managed by Caceis Corporate Trust
(2) Based on the number of shares and voting rights as at April 30, 2020
(3) Number of "gross" or "theoretical" voting rights used as a basis for calculating the crossing of legal thresholds
(4) Number of "net" voting rights or "exercisable at the General Meeting"
(5) Acting as "discretionary investment manager"

7.3.3.4 Crossing of legal thresholds

During the financial year ended March 31, 2020, and until May 14, 2020, it was disclosed that the following legal thresholds had been crossed:

Name of shareholder	Date	Threshold crossed (in %)		Declaration of intent	Type	Interest after crossing of threshold (in %)	
		Capital	Voting rights			Capital	Voting rights
Baillie Gifford & Co [1]	03/27/20	5%	-	-	**Upward** Acquisition of shares on the market	5.02%	4.57%
BlackRock Inc.	04/03/19	-	5%	-	**Downward** Disposal of shares on the market Restitution of shares held as collateral	5.51%	4.97%
	04/03/19	-	5%	-	**Upward** Acquisition of shares off market Receipt of shares held as collateral	5.61%	5.06%
	04/11/19	-	5%	-	**Downward** Restitution of shares held as collateral	5.45%	4.92%
	04/12/19	-	5%	-	**Upward** Acquisition of shares on the market Receipt of shares held as collateral	5.57%	5.02%
	04/15/19	-	5%	-	**Downward** Disposal of shares on and off the market Restitution of shares held as collateral	5.50%	4.97%
	05/16/19	5%	-	-	**Downward** Disposal of shares on the market Restitution of shares held as collateral	4.94%	4.46%
	05/17/19	5%	-	-	**Upward** Acquisition of shares on and off the market Receipt of shares held as collateral	5.004%	4.51%
	05/20/19	5%	-	-	**Downward** Disposal of shares on and off the market Restitution of shares held as collateral	4.95%	4.47%
	05/23/19	5%	-	-	**Upward** Acquisition of shares on and off the market Receipt of shares held as collateral	5.01%	4.52%
	06/10/19	5%	-	-	**Downward** Disposal of shares off market Restitution of shares held as collateral	4.92%	4.44%
	07/10/19	5%	-	-	**Upward** Acquisition of shares off market Receipt of shares held as collateral	5.01%	4.52%
	07/11/19	5%	-	-	**Downward** Disposal of shares on and off the market Restitution of shares held as collateral	4.93%	4.45%
	08/05/19	5%	-	-	**Upward** Acquisition of shares on and off the market Increase in the number of shares held as collateral	5.03%	4.54%
	08/06/19	5%	-	-	**Downward** Decrease in the number of shares held as collateral	4.99%	4.51%
	10/11/19	5%	-	-	**Upward** Acquisition of shares on and off the market Increase in the number of shares held as collateral	5.01%	4.53%
	10/25/19	5%	-	-	**Downward** Disposal of shares on the market	4.68%	4.25%
	11/29/19	5%	-	-	**Upward** Increase in the number of shares held as collateral	5.02%	4.56%
	12/02/19	5%	-	-	**Downward** Disposal of shares on the market Decrease in the number of shares held as collateral	4.69%	4.26%

Name of shareholder	Date	Threshold crossed (in %) Capital	Threshold crossed (in %) Voting rights	Declaration of intent	Type	Interest after crossing of threshold (in %) Capital	Interest after crossing of threshold (in %) Voting rights
BlackRock Inc.	12/13/19	5%	-	-	**Upward** Increase in the number of shares held as collateral	5.09%	4.63%
	12/16/19	5%	-	-	**Downward** Disposal of shares on the market Decrease in the number of shares held as collateral	4.84%	4.40%
	03/25/20	5%	-	-	**Upward** Acquisition of shares on the market Increase in the number of shares held as collateral	5.03%	4.57%
	03/27/20	5%	-	-	**Downward** Disposal of shares on and off the market Decrease in the number of shares held as collateral	4.70%	4.27%
Crédit Agricole Corporate and Investment Bank (CACIB) (2)	05/17/19	-	10%	-	**Downward** Decrease in the number of securities borrowed	11.06%	9.98%
	06/11/19	10%	-	-	**Downward** Decrease in the number of securities borrowed	7.67%	6.92%
	07/04/19	10%	-	X 07/04/19	**Upward** Increase in the number of securities borrowed	10.66%	9.62%
	07/05/19	-	10%	X 07/05/19	**Upward** Increase in the number of securities borrowed	12.21%	11.01%
	12/31/19	-	10%	-	**Downward** Disposal of shares off market	10.64%	9.67%
	01/06/20	-	10%	X 01/06/20	**Upward** Increase in the number of securities borrowed	11.76%	10.69%
	03/23/20	10%	10%	-	**Downward** Decrease in the number of securities borrowed	8.38%	7.61%
	04/07/20	10%	10%	X 04/07/20	**Upward** Increase in the number of securities borrowed	12.14%	11.04%
Guillemot family	05/30/19	-	25%	-	**Downward** Disposal of shares on the market	18.05%	24.95%
Guillemot Brothers Ltd (3)	05/30/19	-	25%	-	**Downward** Disposal of shares on the market	15.23%	19.93%
	06/11/19	15%	-	-	**Downward** Disposal of shares on the market	14.98%	19.63%
JP Morgan Chase & Co	02/21/20 (4)	15%	-	X 02/21/20	**Upward** Acquisition of shares on the market	15.05%	13.68%
	03/10/20 (5)	15%	-	-	**Downward** Disposal of shares off market	14.82%	13.47%
WCM Investment Management, LLC	05/09/19	5%	-	-	**Upward** Acquisition of American Depositary Receipts (ADR) on the market	5.01%	4.52%
	05/15/19	-	5%	-	**Upward** Acquisition of American Depositary Receipts (ADR) on the market	5.64%	5.09%
	11/11/19	-	5%	-	**Downward** Disposal of shares on the market	5.38%	4.89%
	11/14/19	5%	-	-	**Downward** Disposal of shares on the market	3.95%	3.59%

(1) Acting as "discretionary investment manager"
(2) Controlled by Crédit Agricole SA
(3) 100% controlled by the Guillemot family
(4) Through JP Morgan Securities plc, JP Morgan Securities LLC and JP Morgan Chase Bank, National Association, which it controls
(5) Through JP Morgan Securities plc and JP Morgan Securities LLC, which it controls

7.4 Securities market

7.4.1 PROVIDER OF SECURITIES SERVICES

CACEIS Corporate Trust
UBISOFT Shareholders Relation
14, rue Rouget de Lisle
92862 Issy-les-Moulineaux Cedex 09
Tel.: +33 (0)1 57 78 34 44

7.4.2 UBISOFT SHARE DATA

ISIN code	FR0000054470
Place listed	Euronext Paris – Compartment A
Par value	€0.0775
Number of shares outstanding as at 03/31/20	120,951,098
Closing price on 03/31/20 (1)	€67.18
Market capitalization as at 03/31/20 (2)	€8,124,634,859.64
Flotation price on 07/01/96	€38.11
Five-for-one stock split on 11/11/00	€7.62
Two-for-one stock split on 12/11/06	€3.81
Two-for-one stock split on 11/14/08	€1.90

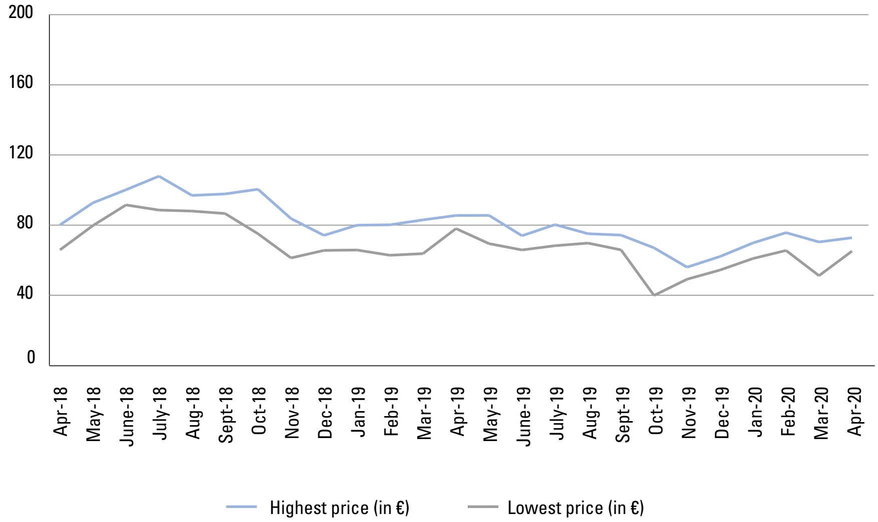
(1) Source Euronext
(2) After deduction of 12,800 unlisted class B preference shares

7.4.3 CHANGE IN THE SHARE PRICE OVER THE LAST 24 MONTHS

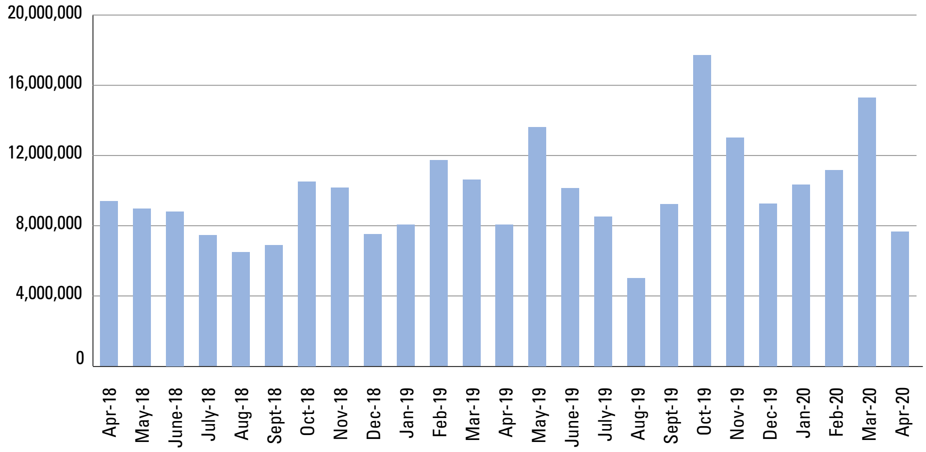
Month	Highest price *(in euros)*	Lowest price *(in euros)*	Volume exchanged *(in shares)*
2018			
April 2018	80.12	65.88	9,398,931
May 2018	92.72	79.76	8,964,750
June 2018	100.15	91.50	8,807,160
July 2018	107.90	88.56	7,454,283
August 2018	96.92	88.00	6,510,321
September 2018	97.78	86.62	6,886,178
October 2018	100.45	75.08	10,523,729
November 2018	83.72	61.28	10,173,125
December 2018	74.16	65.58	7,514,017
2019			
January 2019	79.96	65.80	8,050,225
February 2019	80.18	62.80	11,725,632
March 2019	82.98	63.74	10,620,578
April 2019	85.50	78.02	8,052,189
May 2019	85.54	69.44	13,620,167
June 2019	73.94	65.84	10,147,757
July 2019	80.28	68.26	8,530,496
August 2019	75.10	69.74	5,010,434
September 2019	74.30	65.88	9,243,153
October 2019	67.04	39.89	17,710,390
November 2019	56.00	49.13	13,010,180
December 2019	62.10	54.38	9,272,954
2020			
January 2020	69.84	60.96	10,345,643
February 2020	75.70	65.54	11,167,525
March 2020	70.38	51.16	15,307,071
April 2020	72.80	65.18	7,668,311

(Source: Euronext)

CHANGE IN THE SHARE PRICE



VOLUME TRADED (IN SHARES)



7.4.4 OCEANE AND BONDS

7.4.4.1 OCEANE

"2016 OCEANE"

Issue date	09/21/16 (1)
Issue amount	€399,999,959.80
Number issued	7,307,270
Par value	€54.74 (premiums of 60%)
Issue price	At par
Nominal interest rate	N/A
Conversion ratio	1 new or existing share for 1 OCEANE bond
Date of issue and settlement	09/27/16
Bond duration	5 years
Expiry date	09/27/21
Private placement	In France and outside France (2)
Listing of the OCEANE bonds	On the open market of the Frankfurt Stock Exchange (Freiverkehr) (ISIN code: FR0013204286)
Dividend rights of underlying shares	Immediate dividend rights
Early repayment notice (3)	09/17/19
Conversion into ordinary shares (new)	6,265,677
Exchange for ordinary shares (existing)	994,686
Repayment in cash	46,907
2016 OCEANE at 03/31/20	0

(1) Delegation of authority by the General Meeting of September 23, 2015 (15th resolution) / Subdelegation of the Board of directors to the Chairman and Chief Executive Officer on September 19, 2016
(2) With the particular exception of the United States of America, Canada, Japan and Australia
(3) Notice to bearers and press release of September 17, 2019

"2019 OCEANE"

Issue date	09/17/19 (1)
Issue amount	€499,999,897.17
Number issued	4,361,859
Conversion and/or exchange for ordinary shares FY20	N/A
Repayment in cash FY20	N/A
Par value	€114.63 (issue premium of 65%)
Issue price	105.25% of par
Nominal interest rate	N/A
Conversion ratio	1 new or existing share for 1 OCEANE bond
Date of issue and settlement	09/17/19
Bond duration	5 years
Expiry date	09/24/24
Private placement	In France and outside France (2)
Listing of the OCEANE bonds	Euronext Access™ market in Paris (ISIN code FR0013448412)
Dividend rights of underlying shares	Immediate dividend rights
2019 OCEANE at 03/31/20	4,361,859

(1) Delegation of authority by the General Meeting of July 2, 2019 (21st resolution)/Subdelegation of the Board of directors to the Chairman and Chief Executive Officer on September 9, 2019
(2) With the particular exception of the United States of America, Japan and Australia

7.4.4.2 Bonds valid as at March 31, 2020

Date	01/30/18
Duration	5 years
Total nominal amount	€500,000,000
Interest	1.289% per year
Number of bonds	5,000
Par value	€100,000
ISIN code	FR0013313186
Seniority	Direct, unconditional, unsubordinated and unsecured commitments of the Company ranking pari passu and without preference among themselves with other present and future unsubordinated and unsecured obligations of the Company
Change of control	Change of control clause that would trigger early redemption of bonds at the request of each bondholder in the event of a change of control at the Company
Early redemption	Applicable in the assumption of the occurrence of certain usual default cases for this type of transaction and/or notably a change in the Company's situation

The prospectus relating to the listing of the bonds can be consulted on the website of the Autorité des marchés financiers (www.amf-france.org).

7.5 Additional information

7.5.1 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE STATUTORY AUDITORS

Name and function of the person responsible for the Universal Registration Document/ responsible for information

Yves Guillemot

Chairman and Chief Executive Officer

28, rue Armand Carrel

93108 Montreuil-sous-Bois Cedex

Tel.: +33 (0)1 48 18 50 00

www.ubisoft.com

Statement by the person responsible for the Universal Registration Document

"I confirm, after having taken all reasonable measures to this effect, that the information contained in this Universal Registration Document is, to my knowledge, accurate and free from any omission likely to affect its import.

I confirm that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the assets and liabilities, financial position and results of the Company and all companies consolidated therein, and that the management report information (see Cross-reference table presented on pages 324 and 325) is a true presentation of the evolution of the business activity, revenue and financial position of the Company and all companies consolidated therein, as well as a description of the main risks and uncertainties facing them."

Montreuil-sous-Bois, June 5, 2020

Mr. Yves Guillemot,

Chairman and Chief Executive Officer

Statutory Auditors

Primary auditors	Alternate auditors	Date of 1st nomination	Expiration of current term
KPMG SA **Represented by Vincent Broyé** Parc Edonia Rue de la Terre Victoria CS 46806 F-35768 Saint-Grégoire Cedex	N/A	2003	2025
MAZARS SA **represented by Julien Maulavé** 12, rue Anita Conti F-56000 Vannes	**CBA SA** 61, rue Henri Regnault Tour Exaltis F-92400 Courbevoie	2016	2022

Fees for the period between April 1, 2019 and March 31, 2020 are detailed in 6.1.2.22 (article L. 820-3, I of the French commercial code)

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7.5.2 INFORMATION INCORPORATED BY REFERENCE

Pursuant to article 19 of regulation (EU) 2017/1129, the following information is incorporated by reference in this Universal Registration Document:

- the consolidated and separate financial statements and the relevant Statutory Auditors' reports for the financial year ended March 31, 2019, presented on pages 162 to 268 of the Registration Document filed with the AMF on June 7, 2019 under number D.19-0547;
- the consolidated and separate financial statements and the relevant Statutory Auditors' reports for the financial year ended March 31, 2018, presented on pages 142 to 243 of the Registration Document filed with the AMF on June 6, 2018 under number D.18-0544.

The sections of these documents that are not included are either without interest for the investor, or covered by another section of the Universal Registration Document.

7.5.3 DOCUMENTS AVAILABLE TO THE PUBLIC

This Universal Registration Document can also be consulted on the websites of the Company www.ubisoft.com and of the *Autorité des marchés financiers* (www.amf-france.org).

The Company's articles of association, internal rules of the Board of directors, minutes of General Meetings, and other documents of the Company as well as historical financial information of the Company and all assessments or statements made by experts at the Company's request that must be made available to shareholders in accordance with applicable legislation, can be consulted at the Company's registered office or at its Administration Department offices. Some of these documents are available on the Company's website (www.ubisoft.com), which also contains the Group's press releases and financial information.

Regulatory information within the meaning of the AMF's General Regulation is available on the Company's website (www.ubisoft.com).

The information on this site is not part of this Universal Registration Document unless it is expressly incorporated for reference purposes.

7.5.4 FINANCIAL REPORTING CALENDAR FOR THE 2020/2021 FINANCIAL YEAR

	Date
Q1 sales	Week of July 13, 2020
H1 results	Week of October 26, 2020
Q3 sales	Week of February 08, 2021
Year-end results	Week of May 10, 2021

These dates are provided for information purposes only and will be confirmed during the year.

8 Glossary and cross-reference tables

Glossary

AAA

Term used to describe those games within the video gaming industry which are given the largest production and development budgets. Pronounced "triple A," the term is analogous to the word "blockbuster" in the cinema industry.

AVATAR

Graphical representation of the player or his/her alter-ego/character in a game's universe.

BACK CATALOG

All games produced by the Group excluding recent productions.

CLOUD COMPUTING

General term used to designate the storage of and access to data or services via a network, usually the internet.

CLOUD GAMING

Technology enabling high-definition gaming from any kind of support (PC, tablet, smartphone, etc.), for which the player needs an appropriate internet connection. The game is held on a remote server and is installed on extremely high performance machines allowing the game to be played under optimal conditions. Cloud gaming therefore offers the possibility of playing anytime, anywhere, on any screen, without the need for the player to own the equipment (consoles or expensive PC, etc.) usually necessary to play the chosen game.

DOWNLOADABLE CONTENT (DLC)

Digital content for an already installed game, available via digital distribution platforms and within games offering extensions, new missions, avatars, themes, gaming modes, etc.

E-SPORT

Form of competition using video games, most frequently in multi-player mode, and organized in particular between professional gamers.

FREE-TO-PLAY

Any video game which allows users to play without being obliged to pay. Free games therefore generate revenue via other means such as in-game purchases or integrated advertising.

OPEN MODE GAMING

Type of video game in which a player can move about without restriction and choose how and when to tackle his/her objectives.

MACHINE LEARNING

Artificial intelligence-based technology enabling a computer or machine to carry out automated learning, by using data, statistical models and algorithms, in order to be able to perform a certain number of complex operations.

OPERATION

Final phase of the exploitation process which includes the production of downloadable content (DLC) after launch.

PAYMIUM

Game in which purchases are available to allow the player to extend, facilitate, or reinforce the gaming experience, in contrast to "Premium" games in which the player cannot make any purchases after the initial download cost, in order to complete the game.

ROLE PLAYING GAME (RPG)

Game using role play, in which the player embodies a character that he/she then develops as the game progresses. Most RPGs are based on a points system and levels of experience. The more the character interacts with the relevant universe, the more points are acquired and the character moves up from level to level in order to complete the game.

SEASON PASS

Service purchased by a user which allows payment to be made in advance in order to receive the entire downloadable content of a game, including downloadable content not yet published.

LIVE SERVICES

Also known as "live" gaming, this offer refers to games that provide players with an uninterrupted experience via new content, free updates, premium downloadable content (DLC), and other add-ons which extend the life of the game.

STREAMING

Principle of uninterrupted provision of online content. This technology therefore allows a player to receive content via a PC, tablet, or smartphone without actual possession of the physical (CD, DVD, etc.) or digital (downloaded file) content.

Streaming is therefore the opposite of a download as there is no need to receive all of the multimedia data before use.

Cross-reference table of the Universal Registration Document

This Universal Registration Document has been compiled in accordance with the provisions of regulation (EU) 2017-1129 of June 14, 2017 (the "Prospectus 3" regulation), the associated delegated regulations, in particular, annexes 1 and 2 to delegated regulation (EU) 2019/980 of March 14, 2019, the guidelines issued by the European Financial Markets Authority and Position-Recommendation issued by the French Financial Markets Authority (AMF) no. 2009-16 of December 10, 2009, as amended on July 25, 2019, subject to compatibility with the Prospectus 3 regulation (the "Guide to the drafting of registration documents").

		2020 Universal Registration Document	
Section headings of annex 1 to delegated regulation (EU) 2019/980 of March 14, 2019		Parts	Pages
1.	**PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS, AND COMPETENT AUTHORITY APPROVAL**		
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1.2	Declaration by the person responsible for information	7.5.1	317
1.3	Expert report or declaration		N/A
1.4	Statement on information obtained from third parties		N/A
1.5	Declaration of filing with the competent authority		1
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4.2	Place of registration, registration number, and legal entity identifier (LEI)	7.1.1	298
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10.	**INFORMATION REGARDING TRENDS**	**2.1 and 2.7**	**10 and 25**
11.	**PROJECTED OR ESTIMATED INCOME**	**2.7**	**25**
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18.2	Interim and other financial information		N/A
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18.5	Dividend policy	6.6 and 7.1.2	296 and 298
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Annual report cross-reference table

This Universal Registration Document incorporates all the items of an annual report referred to in article L. 451-1-2 of the French monetary and financial code and article 222-3 of the AMF's General Regulation.

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Information required by legal and regulatory obligations	Parts	Pages
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Statutory Auditors' report on the consolidated financial statements	6.2	254
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Management report cross-reference table

The management report and the consolidated report on the Group's management are presented as a single report, in accordance with article L. 225-100-1, II-paragraph 2, of the French commercial code. This Universal Registration Document includes all of the information comprising this single report for the financial year 2020, as determined by the Board of directors of the Company on May 14, 2020, in accordance with articles L. 225-100 et seq., L. 232-1 et seq., and R. 225-102 et seq. of the French commercial code.

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Information required by legal and regulatory obligations	2020 Universal Registration Document Parts	Pages
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CORPORATE GOVERNANCE		
Corporate governance report	See Corporate governance report cross-reference table	328

Statement of non-financial performance (DPEF) cross-reference table

This Universal Registration Document incorporates all the items which constitute the Consolidated Statement of Non-Financial Performance referred to in articles L. 225-102-1 and R. 225-105 et seq. of the French commercial code.

	2020 Universal Registration Document	
Information required by legal and regulatory obligations	Parts	Pages
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Description of the policies introduced by the Company or Group to prevent, identify, and mitigate the occurrence of risks	5.3.3, 5.4.4, 5.5.3, 5.6.4 and 5.7.4	149, 161, 167, 168 and 175
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Corporate governance report cross-reference table

This Universal Registration Document incorporates all the items which constitute the corporate governance report referred to in articles L. 225-37 et seq. of the French commercial code.

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Cross-reference table for the AMF Tables on the compensation of corporate officers

This Universal Registration Document includes all AMF Tables in accordance with AMF Position-recommendation no. 2009-16 of December 10, 2009, as amended on July 25, 2019.

		2020 Universal Registration Document	
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