



DONTMOD

TP ICAP Midcap Conference
May 2022

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SPEAKERS



Oskar GUILBERT
Chairman and CEO
Founder- 2008



Abrial DA COSTA
Business Development
Director



Benoît GISBERT MORA
Chief Financial Officer

DONTNOD

- Original creations, a source of intellectual property
- With a leading position in narrative and meaningful games
- In partnership with world-class partners
Bandai Namco, Capcom, EPIC Games, Focus Entertainment, Microsoft, Square Enix, Tencent, etc.
- Developer and publisher of “AA” video games for PCs and consoles
(budgets under €30 million)
- More profitable sources of revenue with minimum guaranteed and IP retention ensuring a return on the commercial success of games
- A financially healthy company
- A committed and responsible player

A VALUE CREATING STRATEGY



OUR CREATIVE DNA, THE NARRATIVE



ORDINARY CHARACTERS IN EXTRAORDINARY SITUATIONS

The player can relate to the characters



EMOTION GENERATED BY IMMERSIVE AND INTERACTIVE GAMES

DONTNOD puts player emotions at the forefront through an interactive, immersive and engaging experience



PLAYER DECISIONS IMPACT HOW THE STORY UNFOLDS

The player is an actor in the story and makes structural choices on how the game plays out



ENCOURAGE SHARING WITHIN OUR COMMUNITY

Offer renewable experiences and foster dialog around our games

A STRONG COMMUNITY OF PLAYERS DEEPLY ATTACHED TO THE STUDIO'S GAMING UNIVERSE



256,000 subscribers



890,000 fans



2 million subscribers



300,000 fans



41,000 fans

A CULTURE OF EXCELLENCE

A CATALOG THAT HAS FEDERATED A COMMUNITY OF MORE THAN 30 MILLION PLAYERS



69
Metacritic



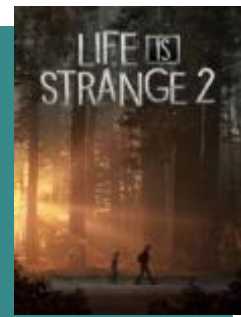
84
Metacritic



70
Metacritic



77
Metacritic



75
Metacritic



78
Metacritic



63
Metacritic



STUDIOS IN PARIS AND MONTREAL



258 talents (average headcount Dec. 2021), of which **26% women** (gender parity among employees in Montreal)

+320 talents (March 2022)

A wider talent pool

Recruitment across France and the Quebec region

2 new production lines

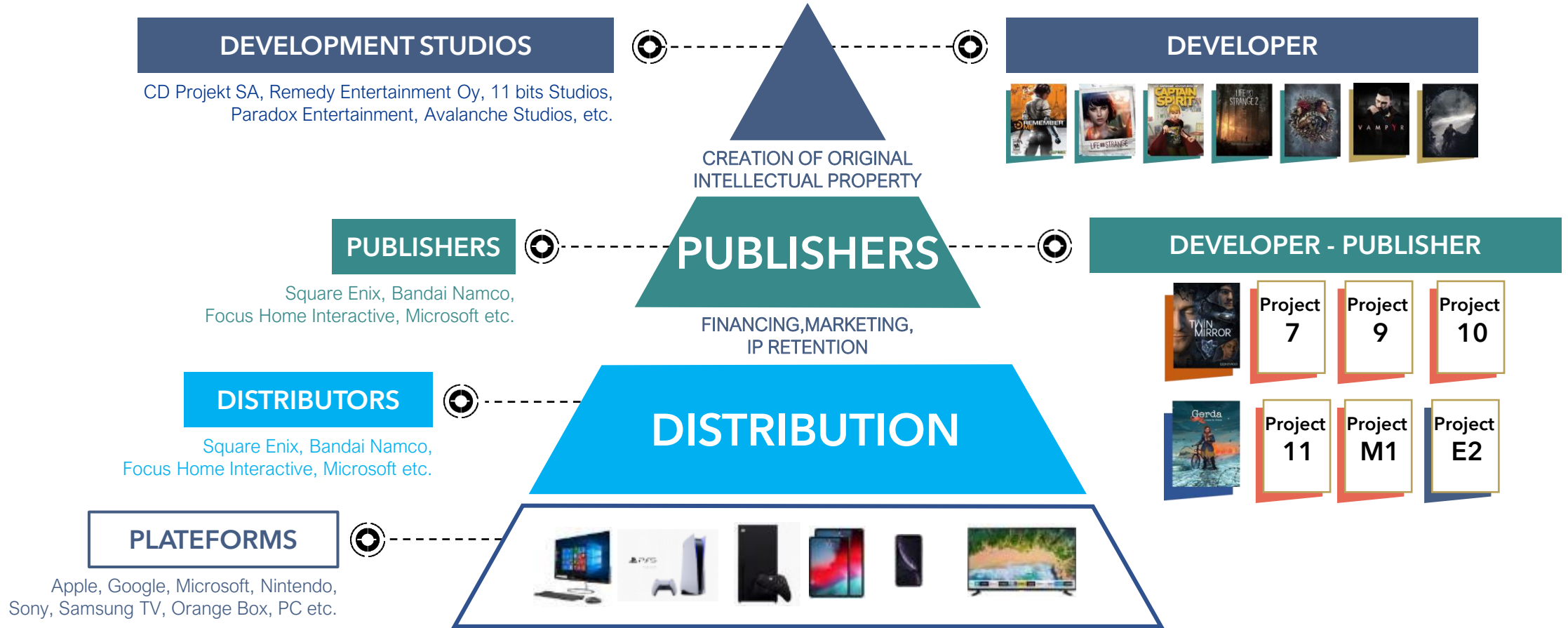
Buoyant action-RPG segment
+
Development of a narrative adventures department

Optimal production maintenance

Close support in a collaborative and respectful work environment

GREATER FOOHOLD IN THE VIDEO GAME VALUE CHAIN

DONTNOD



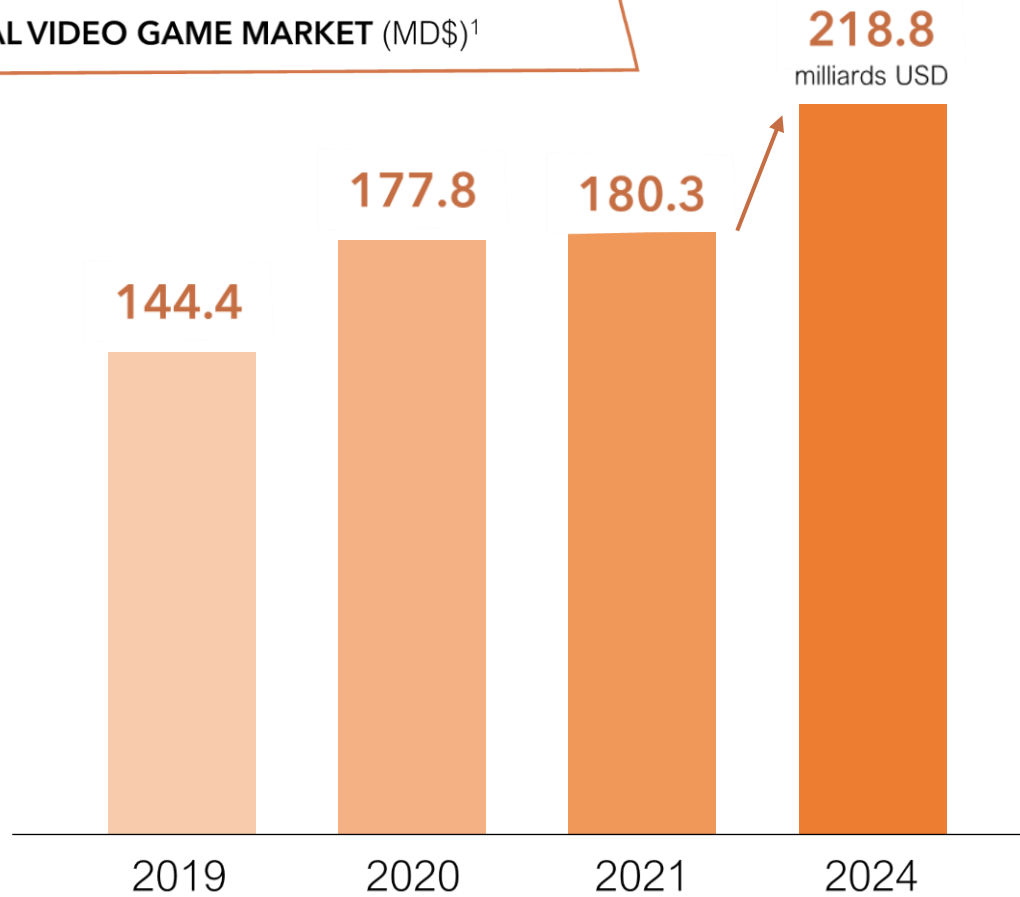
DONTNOD

A CHANGING MARKET



A HIGHT-POTENTIAL MARKET

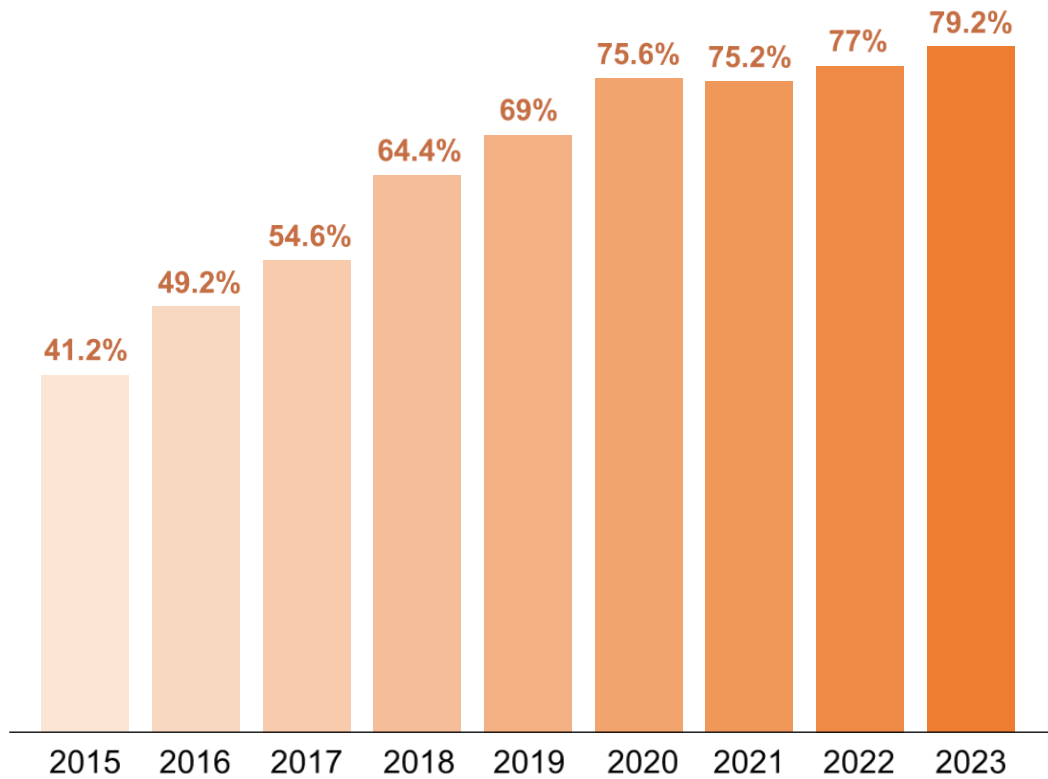
GLOBAL VIDEO GAME MARKET (MD\$)¹



- 5G ACCELERATION, CLOUD GAMING SERVICES AND SUBSCRIPTIONS

DIGITALIZATION AS SALES BOOSTER

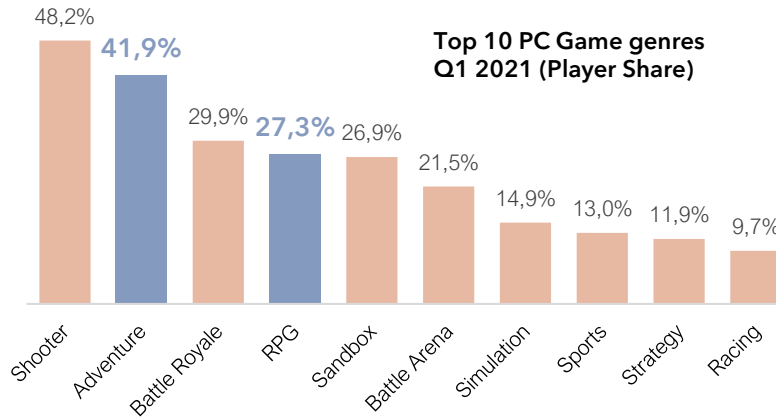
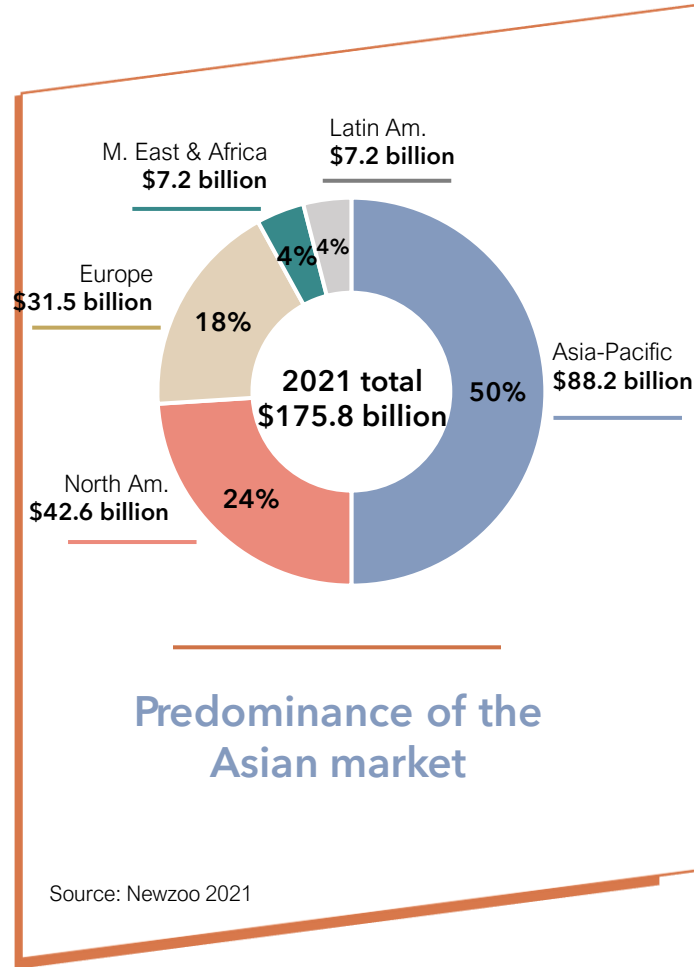
GROWTH IN THE DIGITAL SECTOR WITHIN THE GLOBAL VIDEO GAME MARKET



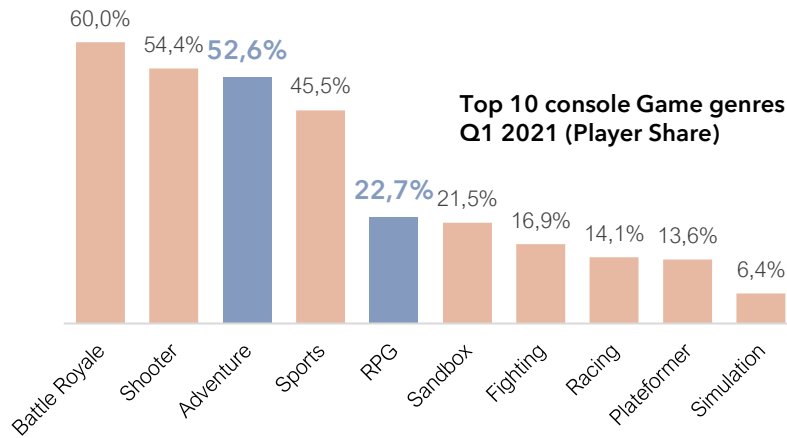
- MULTIPLICATION DISTRIBUTION CHANNELS
- 24-HOUR ACCESS TO CONTENT ANYWHERE IN THE WORLD
- AN EXTENDED GAME LIFE

- EACH NEW RELEASE BOOSTS THE CATALOG AND VISIBILITY ON DONTNOD BRAND
- EPISODIC GAMES, A WINNING MODEL

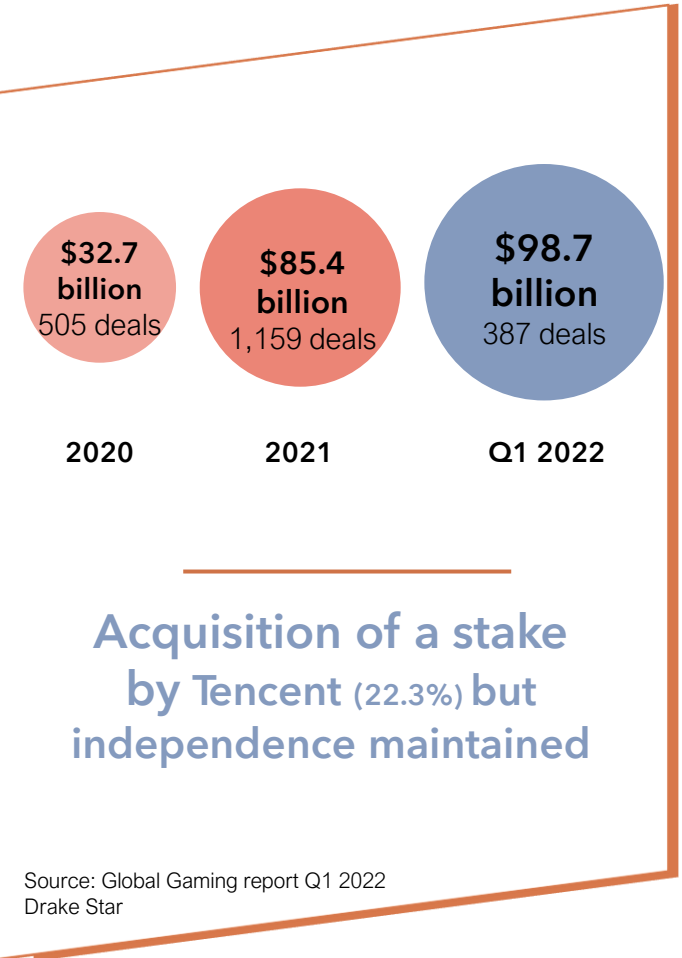
UNDERLYING TRENDS THAT ALIGN WITH OUR STRATEGY



New production lines on the most played segments



Source: Newzoo 2021



2021 FULL-YEAR RESULTS



2021 HIGHLIGHTS

STRONGER CAPITAL BASE

€50 million raised in January 2021:
stronger equity and liquidity

Acquisition of a stake
by Tencent

MONTREAL'S RAMP-UP

Increase in production capacity
with
control of employee numbers and expenses

35 talent early 2022
to support
the M1 self-published
project

TWIN MIRROR

Business model controlled:
75% of investments covered
and IP retention

Amortization of the full
amount of development costs
still capitalized: €4.4 million

EXTERNAL PUBLISHING

Gerda: A Flame in Winter
1st external game published
by the studio



A COMMITTED AND RESPONSIBLE COMPANY

Be a major player in entertainment with a meaning

- Create stories that inspire new insights into the world and society
- Guarantee secure exchange environments for our gamers
- Listen to the expectations of our communities and understand their needs
- Ensure data protection and security

Be a responsible employer

- Offer an attractive working environment, and guarantee flexibility and work-life balance
- Ensure a positive, collaborative, respectful and inclusive work environment
- Support the talents of today and tomorrow

Reduce our societal and environmental impact

- Build a fair and equitable relationship with our third-party studios
- Guarantee an ethical and sustainable business model
- Reduce the environmental impact of our business

An approach **deeply rooted** in the Group's values

Materialized in 2021 as part of our CSR strategy

Formalized in 2022 through the publication of our first report



A DEEPLY ROOTED AND FULLY EMBRACED IDENTITY

Engage conversation

Engage on **strong and topical societal themes** to promote **the sharing of views in a non-judgmental manner**

Empower to encourage creation and innovation

A trust-based relationship, both internally and externally, **affording creative freedom conducive to innovation** and the creation of **unique and diverse universes**

Unite our ambitions

Transmission of know-how, ongoing self-challenge, and development of our expertise to better reinvent ourselves and create high quality games

Nurture empathy

A culture of **diversity, inclusion** and **transparent communication** to nurture **empathy** internally and for our players through **immersive and introspective stories**.

LIFE IS STRANGE 2



7

Awards

Including one BAFTA Games award

20

Nominations

and over 20 times included in the top list

TELL ME WHY



9

Awards

including one Game Awards

12

Nominations

and over 20 times included in the top list

ESG ACHIEVEMENTS AND OBJECTIVES

2021

Our main achievements

Launch of a collaborative internal project to determine our areas of commitment

Creation of the CSR Committee

Development of the CSR strategy and publication of the first DPEF at 31.12.2021

2022

Create meaningful stories that inspire new insights into the world and society

- by onboarding experts to address social challenges genuinely
- by continuing our collaborative internal project addressing our areas of commitment

Ensure a positive, collaborative, respectful and inclusive work environment

- By rolling out awareness-raising programs on a large scale

Support the talents of today and tomorrow

- by implementing a co-optation policy coupled with commitments alongside non-profits
- by doubling the frequency of individual interviews
- by increasing our talent shareholding

Guarantee an ethical and sustainable business model

- By implementing an ethics charter along with by internal training

Limit our environmental footprint

- by carrying out a carbon footprint assessment that will allow us to implement practical initiatives for the future

Key figures and initiatives

Equality Index: **89/100**

26% of female employees at the end of 2021 (+10%)

67 internal promotions between 2020 and 2021

3 awareness-raising programs rolled out

Over 100 employee shareholders at the end of 2021

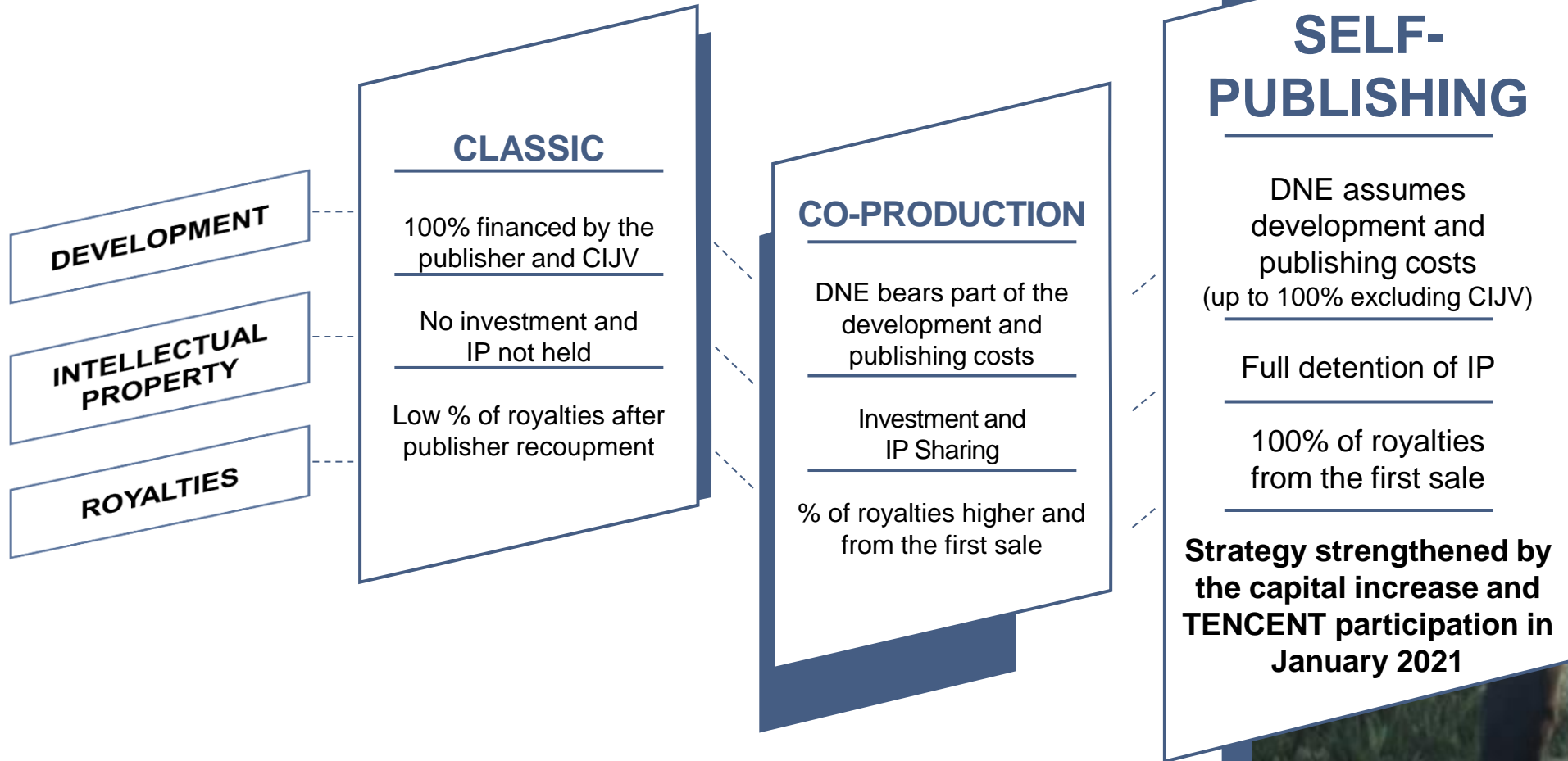
Strict control and capping of overtime

A new working system

100% renewable energy in our Paris offices



AN EVOLUTIVE BUSINESS MODEL THAT OPTIMIZES RISK / REWARD

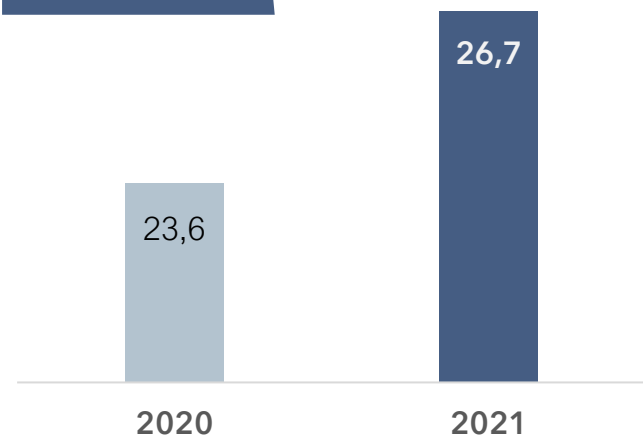


EXCELLENT BACK CATALOG PERFORMANCE

OPERATING INCOME

(in €m)

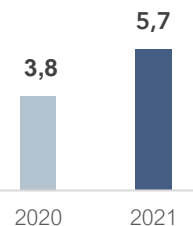
+13%



ROYALTIES (€m)

Back catalog strength

- TWIN MIRROR
- VAMPYR, greatest financial success to date alongside LIS

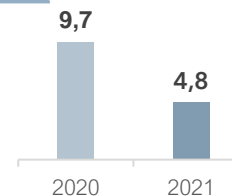


+52%

PUBLISHER FEES (€m)

In line with the strategy

- PROJECT 8

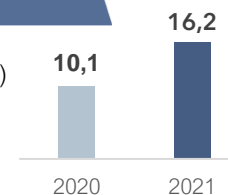


-51%

CAPITALIZED PRODUCTION² (€m)

Ramp-up of developments

- P8 (co-production with Focus)
- Project 7, 9, 10, 11 & M1 fully self-published



+61%

¹ Royalties + fees + capitalized production

² Costs incurred on co-produced or self-published games until release

OPERATING EBITDA UP 33%

Audited consolidated figures in €000 - (French GAAP)	2020	2021	
Revenues	13,506	10,501	
- of which publisher fees	9,725	4,763	
- of which royalties	3,781	5,738	
Capitalized production	10,069	16,168	
Total operating revenues¹	23,574	26,669	----- GROWTH OF 13%
Other operating revenues	10	99	
Total operating expenses (excl. depreciation, amortization and provisions)	(23,417)	(25,349)	----- CONTROL OF DEVELOPMENT COSTS - of which payroll €18.7m (vs €17.2m in 2020) - of which expenses €6.3m (vs €5.7m in 2020)
Video Tax Credit	4,211	4,411	
Operating EBITDA²	4,377	5,831	----- Operating EBITDA up 33% due to increased royalties
Deferred taxes	-	(97)	
Depreciation, amortization and provisions	(2,860)	(9,275)	----- AMORTIZATION VAMPYR AND TWIN MIRROR Development costs of TWIN MIRROR still capitalized and fully amortized: €4.4 million
Operating EBIT³	1,518	(3,541)	----- POSITIVE ECONOMIC EBIT excluding TWIN MIRROR amortization
Financial income/(expense)	(38)	202	
Non-recurring income/(expenses)	(217)	396	
Amortization of goodwill	(314)	(314)	----- DONTNOD ELEVEN acquisition in June 2018
Consolidated net income/(loss)	949	(3,257)	

¹ Royalties + publisher fees + capitalized production

² Operating income + Depreciation and amortization charges & provisions net of reversals + Video game tax credit

³ Operating income + video game and multimedia title tax credit

A STRENGTHENED FINANCIAL STRUCTURE

ASSETS in €000 - (French GAAP)	12/31/2020	12/31/2021
Fixed assets	22,618	29,889
Inventories & work in progress	-	-
Trade receivables	2,643	1,381
Other receivables	5,626	6,370
Cash & cash equivalents	21,217	58,438
TOTAL	52,105	96,078

Of which €24,684,000 of **intangible assets in progress** (up 40%) in respect of games over which DONTNOD has intellectual property in whole or in part

Including €4,897,000 in **tax credits** not received

Of which **capital increase** of €50 million in January 2021

EQUITY AND LIABILITIES in €000 - (French GAAP)	12/31/2020	12/31/2021
Shareholders' equity	40,221	85,618
Provisions	2,550	2,141
Borrowings	4,028	4,106
Trade payables	1,264	1,368
Other payables	4,042	2,845
TOTAL	52,105	96,078

Of which PGE state-guaranteed loan of €3,570,000 repayable at maturity in April 2026

No deferred income in 2021

CASH FLOW STATEMENT

in €000 - (French GAAP)	2020	2021
Gross operating cash flow	4,151	5,867
Change in working capital cash flow	1,158	(715)
Cash flow from operating activities	5,309	5,152
Cash flow from investing activities	(9,764)	(16,398)
Cash flow from financing activities	8,720	48,413
Opening cash and cash equivalents	16,955	21,217
Closing cash and cash equivalents	21,217	58,438
Change cash and cash equivalents	4,263	37,221

----- Effect of other **operating receivables**

----- Effect of investments in **co-produced and self-published games**

----- Of which **capital increase** of €50 million in January 2021

----- Stronger liquidity to **support the strategy**

OUTLOOK



CONSTRUCTION OF A ROBUST ASSET PORTFOLIO

6 internal games

5 **self-published** projects

1 **co-produced** action-
RPG project

2 new strategic production lines in 2022

Paris: in the buoyant
action-RPG segment

Montreal: multi-project
department with a **strong
narrative component**

2 external games

2 co-produced projects
(retention of the majority
of rights):

PortaPlay and
Studio TOLIMA

PUBLISHING: ONE BUSINESS LINE AND MULTIPLE SKILLS

SELECTION OF EXTERNAL PROJECTS

Creative DNA and values
conveyed in the games

PRODUCTION MONITORING

Quality and technical
requirements. Meeting
deadlines and budget,
certification

PUBLISHING

Strategic, branding and
operational marketing
Lifecycle management

EXPERTISE ALLOWING DONTNOD TO SELF-PUBLISH MORE OF ITS OWN
GAMES AND LEVERAGE THE DISINTERMEDIATION TREND IN FAVOR OF
DEVELOPMENT STUDIOS

Gerda

A Flame in Winter



Released in 2022
Nintendo Switch and PC

DISINTERMEDIATION: A SIGNIFICANT LEVERAGE EFFECT

NET PROFITABILITY TARGET OF THE VIDEO GAME FOR DONTNOD

SELF-PUBLISHING

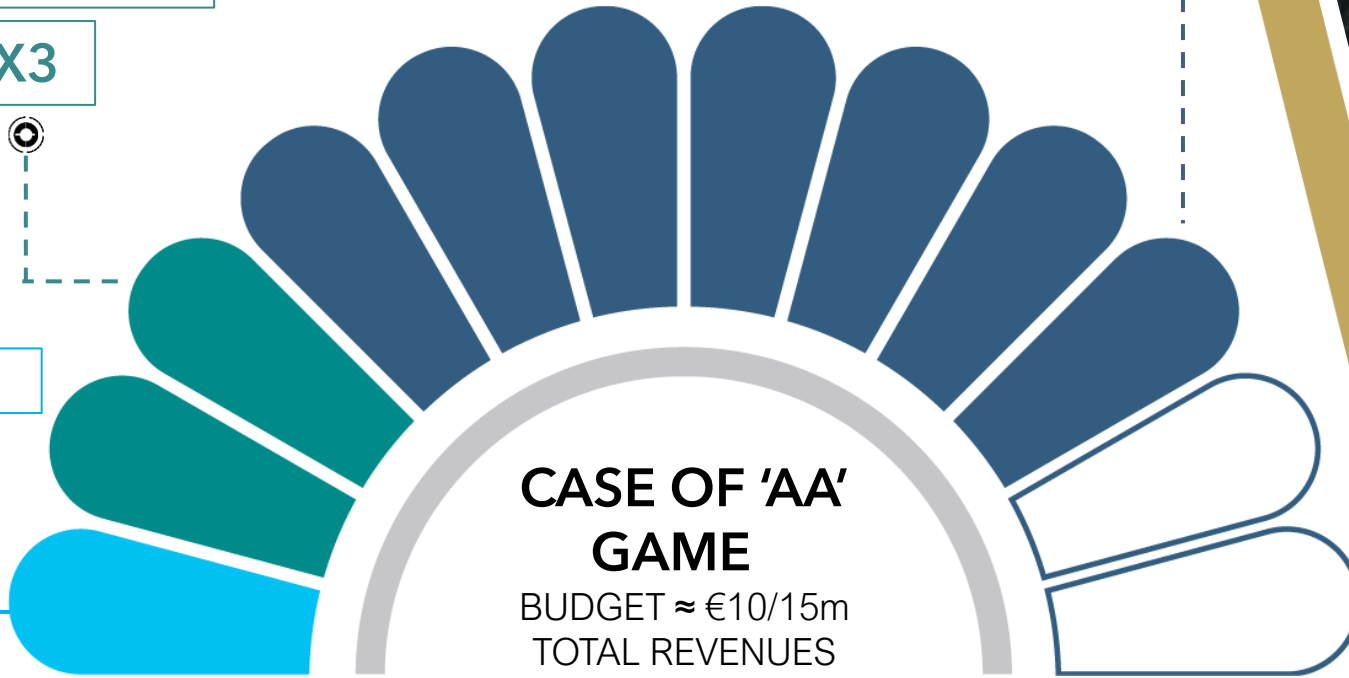
X10

CO-PRODUCTION¹

X3

CLASSIC

CASE OF 'AA' GAME
BUDGET ≈ €10/15m
TOTAL REVENUES GENERATED ≈ €30/35m





AFTER THE
COMMERCIAL SUCCESS
OF VAMPYR

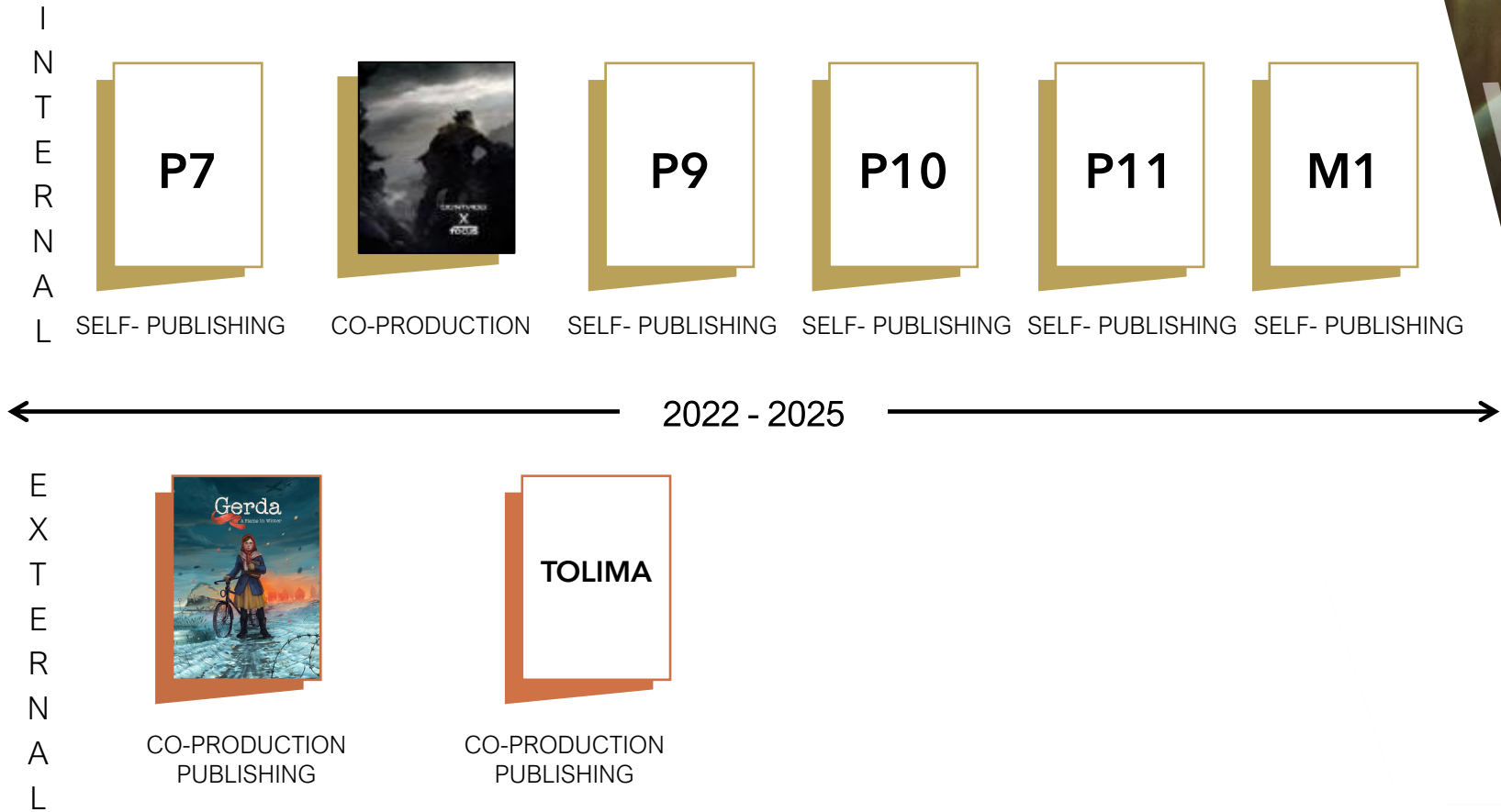
**+ 6 MILLION
PLAYERS**

+ 2 MILLION COPIES

**RENEWED
COLLABORATION**
FOR A GAME
IN CO-PRODUCTION


- Project 8 -

A ROBUST PIPELINE WITH MORE SELF-PUBLISHING GAMES



8 games in production
to be released over 4 years
**MORE THAN DOUBLE
THE CURRENT CATALOGUE**

KEY INVESTMENT DRIVERS

A golden BAFTA award mask is positioned on the left. In the center, a framed display contains a Life is Strange PC DVD case and a disc. To the right, a silver Oscar statuette stands on a dark surface. The background is a dark, textured wall.

A LEADERSHIP POSITION in narrative and meaningful games

A MARKET on high growth

A PIPELINE of 8 games with original content

A BUSINESS MODEL that is strong and diversified

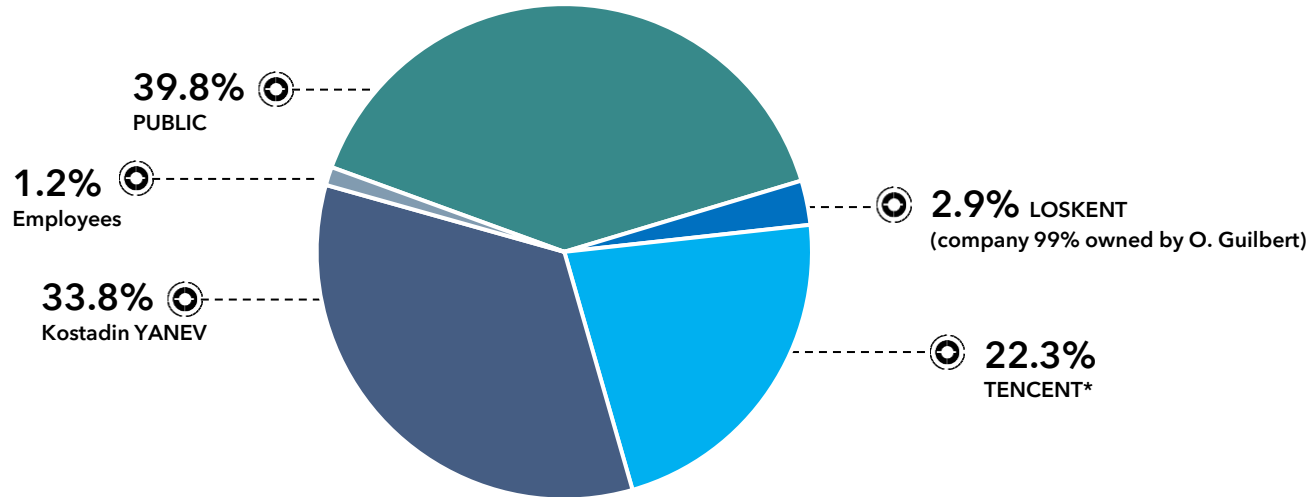
A STRATEGY that creates value

APPENDICES



SHAREHOLDER INFORMATION

Breakdown of capital share at 31/12/2021



FR0013331212 - ALDNE
 Share price at XXXX: €XX
 Number of shares: 8,442,676
 Market capitalization: €XXXm

Listing sponsor
 Allegra Finance

Liquidity contract:
 TC ICAP
 (Midcap Partners)

Analysts:
 Midcap partners
 Charles-Louis Planade

SG Gilbert Dupont
 Ning Godement

Portzamparc
 Maxence

*Held indirectly through an affiliate

DONTNOD

Parc du Pont de Flandre
11 rue de Cambrai
75 019 Paris
dontnod@actus.fr

