



OSKAR GUILBERT, CEO AND FOUNDER OF DONTNOD, LOOKS BACK AT THE YEAR'S MOST IMPORTANT MOMENTS SINCE ITS IPO, AND THE RECENT CHANGES IN THE VIDEO GAME INDUSTRY IN FAVOR OF CONTENT CREATORS

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“ A little over a year ago, driven by the international success of its LIFE is STRANGE series, DONTNOD successfully completed its Initial Public Offering on Euronext Growth, thereby giving itself the means to strengthen its foothold in a changing video game industry: more new releases, more value per game and more recurring revenues.

Since June 2018, we have released VAMPYR, Captain Spirit, 3 episodes of LIFE is STRANGE 2 and revealed 2 new projects. This momentum, which resulted in a 48% increase in our 2018 revenues and a multiplication of royalties by a factor of 3.5, is driven by a strengthened financial structure (cash and cash equivalents amounted €24.4 million end of 2018) and a range of nearly 200 talented people. **These major developments, combined with the attractiveness offered by the status of listed company, have allowed us to enter the circle of leading independent studios in the world.**

First illustration of our new dimension, VAMPYR, the studio's first co-production and real wager by the studio to generate higher revenues, was released worldwide a few weeks after the IPO. This new original creation, which combines strong narrative and masterful action in an authentic role-playing game, one of the most popular genres in the sector, has sold over one million copies, making VAMPYR one of the most successful independent video games of the year. **DONTNOD is therefore confidently aiming to achieve over two million in sales during the game's distribution**, with a version for the Nintendo Switch – the best-selling console of 2018 – set to be released in October 2019.

The game's success, reputation and unique universe today offer it a range of opportunities that will help increase VAMPYR's additional revenues even further. These include the acquisition of the rights to adapt the game into a TV series by FOX21, and the agreement signed with Microsoft enabling VAMPYR to join the Xbox Game Pass selection, a subscription-based gaming system.

This success has also enabled us to sign a second co-production agreement with publisher FOCUS Home Interactive, which will be one of the most ambitious projects in the history of the two companies.

Meanwhile, DONTNOD has proven its expertise through the global success of its LIFE is STRANGE series. **The release of the first parts of the new five-episode story of LIFE is STRANGE 2 has helped strengthen our studio's leading position on the episodic narrative game market.**

Our creativity, know-how and reputation enable us to develop original universes in episodic format, like the format used for series currently shaking the film industry, with the explosion of Amazon Prime Video and Netflix, which has become the world's leading film producer.

Cloud Gaming is set to revolutionize the video game industry – accessibility from all households will enable it to reach audiences similar to those of films and TV series.



Furthermore, it should be noted that Microsoft, Sony and Epic Games have ramped up their investments in future platforms and major multimedia services. Joined by players like Google, with its Stadia service, or Apple with Apple Arcade with high ambitions and unprecedented power. **A battle is therefore being fought over exclusive content provided by independent studios such as DONTNOD which have never been so widely sought after.**

Some majors will also roll out a catalog of film-series and games, and high-potential licenses will be offered in both formats. **Our studio creates powerful stories for video games, which can be adapted for TV or film.** For the last several years, we've been evolving in order to prepare for this market evolution.

As such, **a partnership agreement was signed in March with Epic Games for TWIN MIRROR**, which is currently under development. This strategic agreement has enabled DONTNOD to obtain intellectual property rights over the game, a perfect illustration of how the video game industry is currently undergoing a major transformation, and now offers a central position and major competitive advantage to content creators like us.

We continue our forward development, reinforced by how much has already been achieved and the accuracy of our choices to face the market change that fully validates our expectations. ”

About DONTNOD Entertainment

Founded in 2008, DONTNOD is an independent French studio that develops "AA" budget video games in popular genres, such as adventure (LIFE is STRANGE, TWIN MIRROR), action (REMEMBER ME) and RPG (VAMPYR). Every new game is an original, natively multi-screen creation with a unique narrative experience and gameplay (consoles, PC, smartphones, tablets, Mac and TV) and is aimed at a wide audience, whether released in episodes by adopting the successful TV series format, or in "one shot" format. The studio has built an international reputation amongst leading publishers such as Square Enix, Focus Home Interactive, Bandai Namco Entertainment and Capcom.

DONTNOD (ISIN code: FRO013331212 - ALDNE) is listed on Euronext Growth Paris.

Step into the studio's immersive and innovative universe at dont-nod.com

DONTNOD Entertainment

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