



## SUCCESSFUL COMPLETION OF THE €50 MILLION CAPITAL INCREASE BUSINESS COOPERATION AGREEMENT WITH TENCENT INTRODUCTION OF SHARE ALLOCATION PLANS

**January 28, 2021.** DONTNOD Entertainment ('DONTNOD' or the 'Company'), an independent French studio that creates and develops video games, today announced the successful completion of its capital increase without preferential subscription right announced on January 27, 2021, through an accelerated bookbuilding process for certain categories of beneficiaries, for a total of €50 million (the '**Private Placement**').

The Private Placement was largely oversubscribed, which allowed the Company to increase the Offer amount from €40 million to €50 million. The subscription price for the new shares was set at €16 per share, representing a discount of 0.9% on the last closing price.

Tencent Holdings Limited ('Tencent'), a leading internet services provider, has invested €30 million, thereby strengthening DONTNOD's shareholding structure.

Oskar Guilbert, Chairman and Chief Executive Officer of DONTNOD, said: *"I would like to thank all investors, both existing and new, who have contributed to the remarkable success of this capital increase, which is the largest to date for DONTNOD. With the support of our new partner, Tencent, and of all existing and new institutional investors, DONTNOD is more than ever well placed to grow and step up the implementation of its development plan which aims to capture even more value generated from its original creations by self-publishing more games and extend the reach of its catalog to mobile platforms in Asia. This transaction also enables us to strengthen our equity base whilst diversifying our capital structure."*

### Principal terms of the Offering

The capital increase was carried out without preferential subscription rights with qualified French and international investors, through an accelerated bookbuilding process (the '**Private Placement**').

A total of 3,125,000 new ordinary shares (the '**New Shares**'), with a par value of €0.02 each, were issued to qualified investors within the meaning of Article 2(e) of EU Regulation 2017/1129 of June 14, 2017 in accordance with the 7<sup>th</sup> resolution adopted by the Company's Combined General Meeting of October 27, 2020, thereby increasing the share capital to €165,726.86.

The New Shares, representing 37.7% of the Company's share capital before the completion of the Private Placement, were issued following the decisions of the Chairman of the Board of Directors, pursuant to and within the limits of the delegation of powers conferred by the Company's General Meeting and the Board of Directors on January 27, 2021.

The issue price of the new shares was set at €16 per share, representing a discount of 0.9% on the closing price of the DONTNOD share on January 27, 2021, i.e. €16,15, and a premium of 0.3% compared to the volume weighted average DONTNOD share price on the Euronext Growth Paris market for the last three trading sessions prior to the establishment of the issue price (i.e. January 25, 26 and 27, 2021 inclusive), i.e. €15,95, in accordance with the 7<sup>th</sup> resolution approved by the Company's Combined General Meeting of October 27, 2020.

Settlement and delivery of the New Shares and their admission to trading on the Euronext Growth Paris market are scheduled for February 1, 2021. The New Shares will be subject to all statutory provisions and will be assimilated to the existing shares upon final completion of the Capital Increase. They will bear current dividend rights and will be admitted for trading on the Euronext Growth Paris market on the same listing line as the Company shares that are already listed and under the same code ISIN FR0013331212 - ALDNE.



It should be noted that pursuant to Article 1(4) of EU Regulation 2017/1129, this issue did not require the publication of a Prospectus subject to the approval of the French Financial Markets Authority (the 'AMF').

**Midcap / TP ICAP (Europe) acted as Lead Manager and Bookrunner on this Private Placement, CBR & Associés (François Le Roquais) acted as legal counsel on this Private Placement and ACTUS finance & communication acted as financial communication adviser.**

### Share capital breakdown

By way of example, a shareholder holding 1% of the Company's capital before the launch of the Private Placement will now hold a 0.6% stake.

Following this capital increase and on the basis of the information available to the Company, the capital breakdown is as follows:

On a non-diluted basis	Shares	%	Voting rights	%
Loskent <sup>(1)</sup>	241,708	2.92%	483,416	4.28%
Kostadin Yanev	2,448,050	29.54%	4,786,100	42.40%
Modern Vision Entertainment <sup>(2)</sup>	395,031	4.77%	790,062	7.00%
Tencent <sup>(3)</sup>	1,875,000	22.63%	1,875,000	16.61%
Douglas Hawes	25,650	0.31%	51,300	0.45%
Float	3,300,904	39.84%	3,301,007	29.25%
<b>Total</b>	<b>8,286,343</b>	<b>100.00%</b>	<b>11,286,885</b>	<b>100.00%</b>

(1) Company 99% owned by O. Guilbert, the Company's Chairman and CEO

(2) Company controlled by K. Yanev

(3) Held indirectly through an affiliate

### Allocation of founders' warrants (BSPCE) and bonus shares

By decisions of the Board of Directors of February 1<sup>st</sup>, 2021, making use of the delegations granted in Resolutions 12 and 13 of the Combined General Meeting of October 27, 2020, the Company should set up the following four plans:

- A BSPCE founders' warrant allocation plan<sup>1</sup>, exercisable at the price of €16 over a period of three (3) to five (5) years, and concerning a maximum of 48,967 new shares, subject to the beneficiary remaining on the Company's payroll.
- A bonus share allocation plan<sup>1</sup> for 49,033 bonus shares to be issued at the end of a three (3) to five (5) year period, subject, in particular, to the beneficiary remaining on the Company's payroll.
- A BSPCE founders' warrant allocation plan<sup>2</sup>, exercisable at the price of €16 over a period of three (3) years and concerning a maximum of 245,000 new shares, subject, in particular, to the beneficiary remaining on the Company's payroll and the achievement of Company share price objectives.
- A bonus share allocation plan<sup>2</sup> for 155,000 bonus shares to be issued at the end of a three (3) year period, subject to the beneficiary remaining on the Company's payroll and the achievement of Company share price objectives.

In order to be allocated all the shares provided for under the last two plans listed, the share price target shall be set at €40 (this figure shall not be considered as share price target expressed by the Company) .

<sup>1</sup> Restricted to certain Group employees

<sup>2</sup> Restricted to main Group managers



In total, if all of the new shares provided for under these four allocation plans are issued; 498,000 new ordinary shares with a par value of €0.02 per share would be issued, currently representing 6% of the Company's share capital.

#### 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 Microsoft, Square Enix, Focus Home Interactive, Bandai Namco Entertainment and Capcom.

DONTNOD (ISIN code: FR0013331212 - ALDNE) is listed on Euronext Growth Paris.

Step into the studio's immersive and innovative universe at [dont-nod.com](http://dont-nod.com)

#### DONTNOD Entertainment

Oskar GUILBERT  
Chief Executive Officer

Benoît GISBERT-MORA  
Chief Financial Officer  
[invest@dont-nod.com](mailto:invest@dont-nod.com)

#### ACTUS finance & communication

Corinne PUISSANT  
Analyst/Investor relations  
Tel.: 33 (0)1 53 67 36 77 - [cpuissant@actus.fr](mailto:cpuissant@actus.fr)

Anne-Catherine BONJOUR  
Press relations  
Tel.: 33 (0) 53 67 36 93 - [acbonjour@actus.fr](mailto:acbonjour@actus.fr)

#### DISCLAIMER

This press release contains forward-looking statements that relate to the Company's objectives. While the Company considers such forward-looking statements to be reasonable, such forward-looking statements are based solely on the current expectations and assumptions of the Company's management and involve risk and uncertainties, which may result in different outcomes than those contained in the forward-looking statements.

This press release and the information contained herein are only for information purposes and do not constitute an offer to sell or subscribe to, or a solicitation of an offer to buy or subscribe to, shares in the Company in any country, including France.

The distribution of this press release may be subject to legal or regulatory restrictions in certain jurisdictions. Any person who comes into possession of this press release must inform him or herself of and comply with any such restrictions, and as the case may be, to abide by such restrictions. This press release does not, and will not, constitute an offer nor an invitation to solicit the interest of public in France.

This announcement is an advertisement and not a prospectus within the meaning of regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "Prospectus Regulation").

In France, the offering of the Company's securities as described above will be carried exclusively through an offer to the benefit of qualified investors, as defined in Article 2(1)(e) of the Prospectus Regulation and in accordance with article L. 411-2 of the French Monetary and Financial code (code monétaire et financier) and applicable regulatory provisions. No prospectus will require to be approved or subject to approval from the AMF.

With respect to Member States of the European Economic Area other than France (the "Member States"), no action has been taken or will be taken to permit a public offering of the securities referred to in this press release requiring the publication of a prospectus in any Member State. Therefore, such securities may not be and shall not be offered in any Member State (other than France) other than in accordance with the exemptions of Article 1(4) of the Prospectus Regulation or, otherwise, in cases not requiring the publication by DONTNOD of a prospectus under Article 3 of the Prospectus Regulation and/or the applicable regulations in such Member State.

In the United Kingdom (the "UK"), this press release has been prepared on the basis that any offer of the Company's securities in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation") from a requirement to publish a prospectus for offers of the Company's securities. This press release is not a prospectus for the purpose of the UK Prospectus Regulation. This press release and the information it contains are being distributed to and are only intended for persons who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) high net worth entities and other such persons falling within Article 49(2)(a) to (d) of the Order ("high net worth companies", "unincorporated associations", etc.) or (iii) other persons to whom an invitation or inducement to participate in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000) may otherwise lawfully be communicated or caused to be communicated (all such persons in (i), (ii) and (iii) together being referred to as "Relevant Persons").

This press release is only being distributed to Relevant Persons and any person who is not a Relevant Person should not act or rely on this press release or any of its contents. Any invitation, offer or agreement to subscribe, purchase or otherwise acquire securities to which this press release relates will only be engaged with Relevant Persons.

This press release and the information it contains are not intended to be distributed, directly or indirectly, in the United States of America and do not, and will not constitute an offer to subscribe for or sell, nor the solicitation of an offer to subscribe for or buy, securities of DONTNOD in the United States of America. Securities may not be offered or sold in the United States of America absent from registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), it being specified that the securities of DONTNOD have not been and will not be registered within the U.S. Securities Act. DONTNOD does not intend to register securities or conduct a public offering in the United States of America.

This press release may not be published, forwarded or distributed, directly or indirectly, in the United States of America, Canada, Japan or Australia. The information contained in this document does not constitute an offer of securities for sale in the United States of America, Canada, Japan or Australia.