



2021 BUSINESS REVIEW AND DEVELOPMENT OUTLOOKS

Paris, February 23, 2022

DONTNOD Entertainment, an independent French studio that creates and develops video games, today publishes the business review of the studio for the 2021 financial year and presents its development axes.

Business evolution in 2021¹

For the 2021 financial year, DONTNOD Entertainment is expected to post strong growth in its royalties, which should increase by 52% to €5.7 million, thanks to:

- **An excellent back catalog performance**, driven by *VAMPYR*, which has sold over 2 million copies worldwide since its release in June 2018. The popularity of the title remained very strong in 2021, with 8 million free downloads during the last free-day operation on the Epic Games Store. This co-production, which will be fully amortized by December 31, 2021, is the studio's biggest financial success to date alongside *LIFE IS STRANGE 1*. DONTNOD thus reaffirms its ability to develop successful intellectual properties.
- **TWIN MIRROR**, which makes a significant contribution to royalties' revenues in the 2021 financial year, thanks to the guaranteed minimum amounts. As a reminder, *TWIN MIRROR* was released on the PC platform Steam on December 1, 2021, after a release the previous year on consoles and PC (EPIC Games Store). Thanks to a controlled business model since the purchase of the intellectual property from Bandai Namco in 2018, DONTNOD has managed to **cover 75% of its investments** on the project. However, in a market that is globally saturated by the end of 2021 and penalized by the sudden closure of the Chinese market (which is not expected to be lifted in the medium term), the Company believes that *TWIN MIRROR* will only generate a marginal level of revenue in the future. The Company has therefore decided to depreciate all the development costs still capitalized, with an accounting impact of around €4.4 million expected for the year ended December 31, 2021. This exceptional item will have no impact on the operating EBITDA².

With a solid cash position expected to reach €57 million by the end of 2021 and the unaltered confidence of its partners, DONTNOD is pursuing its long-term growth ambition with the construction of a solid portfolio of games.

¹ All figures relating to the 2021 financial statements in this press release are not finalized at this stage and have not been audited.

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



Development axes

With a portfolio of 7 original intellectual properties released and now 8 in production, 2 of which have been announced, DONTNOD confirms its position as a world leader in the production of original AA narrative content. The studio, which is now focusing its production capacity on self-publishing and co-production, will retain most of the intellectual property and royalties of its projects in the future.

In 2022, DONTNOD will continue the development of its 6 in-house projects and will publish the games of the Danish studio PortaPlay (*Gerda: A Flame in Winter*) and the Belgian Studio Tolima (see press release published today), developed in the form of a co-production in which DONTNOD holds most of the rights. The release dates of these 8 projects are expected between 2022 and 2025. DONTNOD is thus ideally positioned in the face of an obvious concentration of the sector around the production of quality content.

Finally, in 2022 DONTNOD will strengthen its production capacity in the buoyant action-RPG segment, through the ramp-up of development of Project 8 with Focus Entertainment and the launch of a new production line dedicated to this segment. The studio will also continue its deployment in Montreal with the creation of a multi-project division with a strong narrative component led by the creators of *LIFE IS STRANGE*. At the same time, to support its ambitions as a publisher outside of its internal production capacities, DONTNOD will study new external collaborations with controlled budgets and in line with its editorial line, which is highly appreciated by a highly committed community of more than 4 million players worldwide.

Oskar Guilbert, Chairman and CEO of DONTNOD, said: *"In four years, our royalties have increased fivefold to reach a record level in 2021. This dynamic is notably linked to the success of LIFE IS STRANGE and VAMPYR, which we intend to continue to capitalize on. It is therefore natural that we decide to accelerate our investments in the development capacities of new games that will follow in the same vein, both in the multi-project hub in Montreal and in the RPG hub in Paris. At the same time, we continue to explore opportunities to bring our expertise, in terms of co-production and publishing, to independent players in order to give them the means for bringing out their original creations while integrating more Intellectual Property into our assets."*

About DONTNOD Entertainment

DONTNOD is an independent French publisher and developer, based in Paris and Montreal, creating original narrative games in the adventure (*LIFE IS STRANGEM*, *TELL ME WHYM*, *TWIN MIRRORM*), RPG (*VAMPYRTM*), and action (*REMEMBER METM*) genres. The studio is internationally renowned for unique narrative experiences with engaging stories and characters, and has worked with industry leading publishers Square Enix, Microsoft, Bandai Namco Entertainment, Focus Entertainment, and Capcom. DONTNOD now aims to create and publish its own IPs developed in-house, starting with *Twin Mirror*, as well as using its knowledge and experience to collaborate with third-party developers whose editorial visions parallel the company's own.

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

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



DONTNOD Entertainment

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