



DON'T NOD, launching of approximately €40 million capital increase to accelerate its long-term development in the action-RPG segment

- | Capital increase : a reserved offering through an accelerated book-building process and a public offering through the PrimaryBid platform
- | Issue Price of new shares : €10 per share
- | Subscription commitment : a minimum of €35 million from Tencent

Paris, February 16, 2023 - DON'T NOD, an independent studio that creates, develops and publishes video games, today announces the launch of a capital increase for an approximate €40 million to accelerate its post-2025 development strategy.

The fundraising consists of a capital increase with cancellation of the preferential subscription right to the benefit of a specified category of persons (the "Reserved Offering"), as well as a capital increase by way of a public offering with cancellation of the preferential subscription right for individual investors via the PrimaryBid platform (the "PrimaryBid Offering").

After two years of investment, international deployment, and the implementation of its integrated developer-publisher model, DON'T NOD begins 2023 with 2 new video games slated for release this year – *Banishers: Ghosts of New Eden*, in partnership with Focus Entertainment and *Harmony: The Fall of Reverie*. At the same time, DON'T NOD is continuing to develop its 2023/25 pipeline with 4 additional original creations and 2 external co-productions (Studio Tolima and Tiny Bull Studios).

The funds raised from this new offering will be used mainly to accelerate DON'T NOD's development strategy beyond 2025 and achieve its growth goals strengthening:

- | its action-RPG department, to consolidate its presence in this very promising segment, for larger-scale games, richer in terms of game mechanics and allowing players to immerse themselves in even more-engaging stories. With already one successful intellectual property (Vampyr) and a new one to be released in 2023 (Banishers), DON'T NOD is developing a new self-published game (Project 12) that will represent a step up in terms of production value;
- | the marketing and publishing departments, with an acceleration of high-level talent recruitment to expand the company's internal expertise while pursuing distribution partnerships to secure revenues.

In connection with the Reserved Offering, Tencent Holdings Limited ('Tencent') – a shareholder in DON'T NOD for over 2 years – is confident in the Paris-based studio's future development and has committed to subscribing for a minimum of €35 million through



its subsidiary, Proxima Beta Europe BV. Following the fundraising, the composition of DON'T NOD's board of directors will remain unchanged.

"This year marks a major milestone for DON'T NOD with the first releases of our highly value-creating 2023/25 pipeline," said Oskar Guilbert, Chairman and CEO of DON'T NOD. "This fundraising should allow us to finance our next growth cycle beyond 2025 in a segment with strong and proven business potential. Tencent's support, as an industry leader and key shareholder partner, confirms our strategic roadmap and provides the company with the stability essential for its long-term development. This strengthened partnership will enable us to take advantage of the various growth drivers in the video game industry."

TERMS AND CONDITIONS OF FUNDRAISING

In accordance with the decisions of the Board of Directors held on February 10, 2023 and of the Chairman of the Board (acting through a sub-delegation) as of today, the fundraising will be carried out through two distinct but concurrent offerings:

- | an offering by way of issuance of new ordinary shares with cancellation of shareholders' preferential subscription rights to the benefit of a category of persons (in accordance with the 12th resolution of the Company's Combined General Meeting of June 7, 2022), this Reserved Offering being addressed only to the category of investors defined as follows:
 - › investment companies and investment funds under French or foreign law that invest or have invested over the past five (5) years in the video game or multimedia products sector;
 - › companies that are members of an industrial group governed by French or foreign law and whose business is (i) similar to that of the Company (video game design and development studio) or (ii) complementary to that of the Company in the fields of production, publishing and distribution, whether or not integrated, of video games or multimedia product.

- | an offering by way of issuance of new ordinary shares with cancellation of shareholders' preferential subscription rights through a public offering primarily intended for individual investors via the PrimaryBid platform (in accordance with the 10th resolution of the Company's Combined General Meeting of June 7, 2022).

Allocation of new shares under the PrimaryBid Offering will be proportional to demand within the limit of the amount allocated to this PrimaryBid Offering ; allocations are subject to reduction should demand be in excess on the basis of Article L. 225-136 of the Commercial Code.

The Reserved Offering will be completed via an accelerated book-building, at the end of which, the number of new shares to be issued will be determined. The final number of shares to be issued for the Reserved Offering and for the PrimaryBid Offering will



exclusively depend on the orders received for each offer, without the possibility of reallocating this number from the PrimaryBid Offering to the Reserved Offering. It is specified that the PrimaryBid Offering is ancillary to the Reserved Offering and shall represent a maximum of 20% of the Fund Raising, within the limit of €8 million.

The price per share of the Reserved Offering will be equal to €10, representing a discount of 5,2% compared to the closing price of the DON'T NOD share on February 16, 2023 (i.e. €10.55).

The subscription price of the new shares within the framework of the PrimaryBid Offering will be equal to the price of the new shares offered within the framework of the Reserved Offering.

The number of ordinary shares issued, and the total amount of subscriptions will be decided by the Chairman of the Board of Directors, under the sub-delegation granted by the Company's Board of Directors on February 10, 2023.

The Reserved Offering is launched with immediate effect. The PrimaryBid Offering also commences immediately and will close today at 10 p.m., subject to any early closing. The Reserved Offering is expected to close before the opening of the Euronext markets on February 17, 2023 subject to early closing or extension. The Company will disclose the results of the Reserved Offering and the PrimaryBid Offering - notably the number of shares for issue - as promptly as possible upon completion of the book-building via a press release.

The settlement-delivery of the new shares and their admission to trading on Paris' Euronext Growth® market are scheduled for February 21, 2023. The new shares will be subject to all the statutory provisions and assimilated to the existing shares upon final completion of the capital increases. Such shares will bear current dividend rights, to be admitted for trading on Euronext Growth® Paris market on the same listing line as the Company's shares that are already listed under the same ISIN code – FR0013331212 - ALDNE.

Pursuant to Article 1(4) of EU Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017, the Reserved Offering and the PrimaryBid Offering will not require the publication of a prospectus subject to the approval of the French Financial Market Authority (the 'AMF').

FINANCIAL INTERMEDIARIES & ADVISORS

TP ICAP Midcap acts as Lead Manager and Bookrunner for this Reserved Offering.

Within the framework of the PrimaryBid Offering, investors may only subscribe via the PrimaryBid platform (<https://primarybid.fr/>) or through PrimaryBid partners listed on the PrimaryBid website.



CBR & Associés (François Le Roquais) acts as legal counsel for this Reserved Offering. ACTUS finance & communication act as financial communication adviser.

OFFERING GUARANTEE

None of the Reserved Offering or the PrimaryBid Offering is subject to a guarantee. That being said, the Reserved Offering Placement is subject to the terms of a Placement Agreement between DON'T NOD and TP ICAP Midcap as Lead Manager and Bookrunner.

RISK FACTORS

Attention is drawn to the risk factors relating to the Company and its business, as set out in section 5 of the management report included in the 2021 annual financial report published on the Company's website on April 29, 2022 and available free of charge from the Company website (www.dontnod-bourse.com). The occurrence of all or some of these risks could have an adverse impact on the Company's business, financial position, earnings, growth and outlook. The risk factors set out in the said management report are identical to those applicable as of the date of this press release.

Furthermore, investors are advised to consider the following risks related to the issue: (i) the market price of the Company's shares may fluctuate and fall below the subscription price of the shares issued as part of the Offering, (ii) the volatility and liquidity of the Company's shares may fluctuate significantly, (iii) disposals of the Company's shares on the market could have an adverse impact on the Company's share price, and (iv) the Company's shareholders may be exposed to substantial dilution resulting from any future capital increases required in connection with the Company's fundraising initiatives.

DISCLAIMER

The Company specifies that, to its knowledge, no potential investor holds insider information.

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The Company's securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any other securities regulatory authority, state or jurisdiction of the United States. The Company's securities



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The Company shall not be liable if any person should violate the foregoing restrictions.

About DON'T NOD

DON'T NOD is an independent French publisher and developer, based in Paris and Montreal, creating original narrative games in the adventure (LIFE is STRANGE™, TELL ME WHY™, TWIN MIRROR™), RPG (VAMPYR™), and action (REMEMBER ME™) 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. DON'T NOD creates and publishes its own IPs developed in-house, 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

DON'T NOD (ISIN code: FR0013331212 - ALDNE) is listed on Euronext Growth Paris

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