



2023 full-year results

- | Operating revenues¹ up 6.8% at €32.1 million
- | Operating EBITDA² of €1.7 million
- | Operating EBIT³ and net income impacted by non-cash accounting adjustment of portfolio value
- | Solid balance sheet with €118.6 million shareholders' equity and €54.3 million⁴ cash and cash equivalents
- | Outlook: refocusing of production lines to capitalize on DON'T NOD's expertise and performance optimization levers

Paris, April 17, 2024 – DON'T NOD, an independent studio that creates, develops, and publishes video games, today presents its 2023 full-year consolidated results, as approved by the Board of Directors on April 16, 2024. The Statutory Auditors have completed their audit assignment and are in the process of issuing their reports. The 2023 financial report will be published in the coming days, at the latest on April 30, 2024.

Oskar Guilbert, Chairman and Chief Executive Officer of DON'T NOD, said: *"In our 15 years of existence, and even more so since our IPO, the DON'T NOD teams have built a rich intellectual property portfolio and consolidated our leadership in narrative games. We have also established a presence in Canada and expanded our expertise to include publishing.*

With a team of over 340 talented people, we are now one of the most attractive studios in Europe and North America.

This investment strategy has been essential in achieving critical mass. It must now be translated into a performance cycle. We must capitalize on our strengths in order to gain efficiency and strengthen our operational excellence in a constantly changing industry, so as to create significant value.

The outlook for the industry is promising, and I strongly believe that DON'T NOD is well positioned to surf the wave thanks to the know-how of our teams, the strength of our intellectual property and our ability to forge profitable partnerships."

¹ Revenues + capitalized production

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

³ Operating income + tax credits

⁴ excluding the account related to the share buyback program



Audited consolidated figures in €000	2022	2023
Revenues	7,049	5,240
- incl. development	6,710	2,355
- incl. sales	939	2,885
Capitalized production ⁵	22,964	26,825
Total operating revenues¹	30,012	32,065
Other operating revenues	187	31
Total operating expenses (excl. depreciation, amortization and provisions)	(33,551)	(37,071)
Tax credits (including CIJV)	6,850	6,654
Operating EBITDA² (including tax credits)	3,498	1,679
Depreciation and amortization	(124)	(13,290)
Current & deferred taxes	(252)	(321)
Operating EBIT³ (including tax credits)	3,122	(11,933)
Financial income/(expense)	388	954
Non-recurring income/(expenses)	(646)	(3,535)
Amortization of goodwill	(314)	(314)
Consolidated net income/(loss)	2,551	(14,827)

2023 business review: increase in operating revenues driven by ramp-up in development of future games

DON'T NOD reported a 6.8% increase in operating revenues to €32.1 million in 2023, reflecting:

- | a 16.8% increase in capitalized production to €26.8 million, representing the creation of seven future internal and external intellectual property assets,
- | a 61.4% decline in development revenues, reflecting the completion of **Banishers: Ghosts of New Eden**,
- | a threefold increase in sales, driven mainly by the dynamic back catalog and the contribution of **Jusant**, released in late October 2023.

⁵ Costs incurred on games under development until release



Profitability impacted by higher launch cycle costs and a highly competitive and saturated market

2023 earnings reflect the ramp-up of ongoing developments and costs related to the year’s game releases.

Staff costs⁶ were kept under control, up 7.4% from €24.2 million in 2022 to €26.0 million, mainly due to the ramp-up of in-house production. Other expenses increased by 18.8% to €10.6 million in 2023, including marketing and publishing costs related to game releases during the year.

As a result, operating EBITDA including tax credits (French and Canadian) came to €1.7 million in 2023, down €1.8 million from 2022.

After depreciation, amortization and provisions, including the previously announced €10.5 million non-cash impairment charges on **Harmony: the Fall of Reverie** and **Gerda**, DON'T NOD posted an operating EBIT loss of €11.9 million in 2023 compared to operating EBIT of €3.1 million in 2022. Excluding this item, operating EBIT loss amounted €1.4 million, mainly impacted by game release marketing expenses and a slight decline in video games tax credits related to production line development phases.

In 2023, the Group recorded a non-recurring expense of €3.5 million, compared to a €0.6 million expense in 2022. This change includes a €2 million provision for repayment of tax credits and the disposal, in the first half of 2023, of a portion in an asset no longer in compliance with the new development challenges, representing an amount of €1.4 million.

Lastly, the Group posted a consolidated net loss of €14.8 million for 2023, compared to net income of €2.6 million the previous year.

Rock solid financial structure

ASSETS	2022	2023	EQUITY & LIABILITIES	2022	2023
Fixed assets	52,974	65,559	Shareholders' equity	88,073	118,567
Inventories & work in progress	-	-	Provisions	2,286	4,474
Trade receivables	3,538	2,887	Borrowings	4,324	3,148
Other receivables	8,814	9,360	Trade payables	1,498	1,598
Cash & cash equivalents	34,907	54,798	Other payables	4,052	4,816
TOTAL	100,233	132,603	TOTAL	100,233	132,603

DON'T NOD generated positive gross operating cash flow of €2.3 million in 2023, versus €3.8 million in 2022 due to increased marketing expenditure, and reduced working capital by €0.9 million. 2023 capital expenditure (€27.1) million was mainly allocated to the development of the rich line-up.

⁶ Average headcount: 336 at 12/31/2023 vs. 324 at 12/31/2022



PRESS RELEASE

During the year, DON'T NOD considerably strengthened its equity and cash position through a €45.9 million fund raising. As a result, as of December 31, 2023, shareholders' equity stood at €118.6 million with strong cash and cash equivalents of €54.3 million⁴.

As of December 31, 2023, borrowings (including a €2.1 million state-guaranteed loan repayable at maturity in 2026) amounted to only €3.1 million, versus €4.3 million at the end of 2022.

Outlook and development

The 2024 financial year kicked off with the release of the studio's new narrative action-RPG, **Banishers: Ghosts of New Eden** on February 13, in partnership with Focus Entertainment Publishing. The game has received wide acclaim among the fan community, with a Metascore of 78 and a Steam user score of 85% to date. DON'T NOD and Focus Entertainment Publishing anticipate a strong long-term performance, driven by an ever-enthusiastic community. The game will receive a boost from a complementary marketing campaign in May this year to attract new players.

2024 will also mark the release of **Lost Records: Bloom & Rage**, the first game developed by the Montreal studio and the creators of **Life is Strange**, a franchise that now boasts over 20 million players. Discussions are underway with industry leaders to secure the game's economic benefits.

After an investment cycle that has transformed the Group, DON'T NOD is now looking to secure its cash flow and consolidate its development based on three pillars to reinforce long-term value creation:

- | capitalizing on the studio's strengths in three successful genres: Action-RPG, Narrative Adventure and Action Adventure,
- | securing and maximizing intellectual property revenues based on an improved business model balance between publishing, underpinned by strategic distribution partnerships, and co-production,
- | adapting the Group organization by implementing performance optimization levers to capitalize on internal talent (stabilizing headcount, further integrating new technologies and optimizing procurement).

This strategy will give DON'T NOD greater flexibility to compete more strongly in an ever-changing industry, responding effectively to market trends and player and partner preferences, while continuing to offer innovative, high-quality experiences.



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, such as Harmony: The Fall of Reverie™ and Jusant™, 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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