



2021 BUSINESS REVIEW: EXCELLENT BACK CATALOG PERFORMANCE AND CONSTRUCTION OF A ROBUST ASSET PORTFOLIO

- Record royalties of €5.7 million, up 52%
- Capitalized production up 61%
- Eight projects under development in 2022

April 7, 2022. DONTNOD Entertainment, an independent French studio that creates, develops, and publishes video games, today publishes its operating revenues for the 2021 financial year.

Figures being audited – € million	2021	2020	Change
Revenues	10.5	13.5	-22%
- incl. publisher fees	4.8	9.7	-51%
- incl. royalties	5.7	3.8	+52%
Capitalized production¹	16.2	10.1	+61%
Operating revenues²	26.7	23.6	+13%

Record royalties and eight production lines in progress

For the 2021 financial year, DONTNOD Entertainment posted operating revenues of €26.7 million, up 13% compared to 2020.

Publisher fees, down 51% to €4.8 million in 2021, are perfectly in line with the strategy geared to co-production and self-publishing. This strategy allows the Group to capture more value from original creations, while retaining all intellectual property deriving from self-publishing.

Royalties reached a record level of €5.7 million, up 52%, reflecting an excellent back catalog performance driven by *VAMPYR*, which has sold over 2 million copies worldwide since June 2018. This co-production, fully amortized as of December 31, 2021, is the studio's greatest financial success to date alongside *LIFE IS STRANGE 1*. *TWIN MIRROR*, released in December 2021, also contributed to 2021 royalties thanks to the guaranteed minimum amounts.

Lastly, **capitalized production** rose by 61% to €16.2 million, reflecting the ramp-up of five fully self-published projects (four developed in the Paris studios and one in Montreal), the new co-production with Focus Entertainment (Project 8), and *Gerda: A Flame in Winter*, a game co-produced with PortaPlay studio.

¹ Costs incurred on co-produced and self-published games until release

² Revenues + capitalized production

Given the performance of 2021 operating revenues, operating EBITDA³ for the year is expected to improve, testifying to a robust business model.

As announced ([see press release of February 23, 2022](#)), the Company has decided to write off the development costs of *TWIN MIRROR* still capitalized at December 31, 2021, resulting in an accounting impact of €4.4 million. Excluding this exceptional impairment charge, operating EBIT⁴ is positive, with operating expenses under control and operating income from the rest of the portfolio in line with expectations.

Construction of a robust asset portfolio

To support its goal of achieving long-term profitable growth, DONTNOD continues to build a robust asset portfolio comprising eight intellectual property assets, including:

- **In-house development of six video games**, including:
 - five self-publishing projects (Projects 7, 9, 10 and 11 and Project M1 developed in Montreal);
 - ramp-up of Project 8 development with Focus Entertainment integrated into the new production chain dedicated to the buoyant action-RPG segment.
- **Publishing of two third-party studio projects** developed in co-production mode with DONTNOD holding most of the rights:
 - *Gerda: A Flame in Winter*, developed by PortaPlay studio and scheduled for release in 2022;
 - Upcoming game from Studio TOLIMA.

DONTNOD will simultaneously develop a new production chain in Montreal specializing in narrative adventure games, following on from *LIFE IS STRANGE*. The studio will also boost its production capacity in the buoyant action-RPG segment through the launch of a new project.

The studio is therefore focusing its production capacity on self-publishing and co-production, which will allow it to retain most of the intellectual property rights and royalties derived from its projects.

Next publication: 2021 annual results, Wednesday, April 27, 2022 (after Euronext Paris market close).

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 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. DONTNOD now aims to create and publish 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

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

DONTNOD Entertainment

Oskar GUILBERT
Chief Executive Officer

Benoît GISBERT-MORA
Chief Financial Officer
invest@dont-nod.com

ACTUS finance & communication

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

Anne-Catherine BONJOUR
Press relations
Tel.: 33 (0)1 53 67 36 93 - acbonjour@actus.fr

³ Operating income + Depreciation and amortization charges & provisions net of reversals + Video game tax credit

⁴ Operating income + CIJV + CTMM (Video game tax credit)