



## 2022 half-year results

- | **Powerful line-up with 8 games in production**
- | **Operating EBIT<sup>4</sup> tripled**
- | **Robust cash position at €46.1 million**

**Paris, October 11, 2022** - DON'T NOD, an independent studio that creates, develops, and publishes video games, today presents its first half 2022 results as approved by the Board of Directors on October 6, 2022. The Statutory Auditors have completed their limited review of the first half financial statements and their report will be issued in the next few days. The half-year financial report will be available during October.

Upon publication of the first half 2022 results, Oskar Guilbert, Chairman and CEO of DON'T NOD, stated: *“Our teams are fully committed to the ramp-up of production and we now possess a rich pipeline that will be a strong driver of value creation for the next three years. After two years focusing on capital expenditure, international roll-out, and the ramp-up of the marketing and publishing departments, in 2023 the Group will cross a further milestone in its development and start stepping up the pace of releases.”*

Consolidated figures - In €'000 (French GAAP)	H1 2021	H1 2022
Revenues	5,018	<b>3,554</b>
- incl. Publisher fees	2,292	<b>3,076</b>
- incl. Royalties	2,726	<b>478</b>
Capitalized production <sup>1</sup>	7,803	<b>11,366</b>
<b>Total operating revenues<sup>2</sup></b>	12,821	<b>14,919</b>
Other operating revenues	51	<b>169</b>
Total operating expenses (excl. depreciation, amortization and provisions)	(11,873)	<b>(16,622)</b>
CIJV	2,348	<b>3,359</b>
<b>Operating EBITDA<sup>3</sup> (including CIJV)</b>	3,347	<b>1,826</b>
Depreciation, amortization and provisions	(2,724)	<b>58</b>
<b>Operating EBIT<sup>4</sup> (including CIJV)</b>	623	<b>1,883</b>
Financial income/(expenses)	49	<b>444</b>
Non-recurring income/(expenses)	(160)	<b>(497)</b>
Amortization of goodwill	(157)	<b>(157)</b>
<b>Consolidated net income</b>	355	<b>1,674</b>

<sup>1</sup> Costs incurred on co-produced and self-published games until release

<sup>2</sup> Revenues + capitalized production

<sup>3</sup> Operating income + Depreciation and amortization charges & provisions net of reversals + Video game tax credits (CIJV+ CTMM)

<sup>4</sup> Operating income + Video game tax credits (CIJV + CTMM)



### Ramp-up of production lines

DON'T NOD posted first half 2022 operating revenues of €14.9 million, up 16% from €12.8 million in first half 2021. This performance was driven by:

- | publisher fees up 34% driven by the game development in co-production with FOCUS Entertainment;
- | royalties down 82% to €0.5 million due to the absence of new releases since the end of 2020, in line with the Group's strategy;
- | a 46% increase in capitalized production to €11.4 million, which shows the ramp-up in developments for the eight self-published or co-produced games.

### Operating EBIT tripled

As expected, the 2022 first half financial statements confirm the ramp-up of ongoing game developments and the absence of new releases over the period.

Staff costs<sup>5</sup> came to €12.1 million in H1 2022, up 31% from €9.2 million last year due to the recruitment drive required in order to develop the six in-house production pipelines. Other expenses rose 74% to €4.3 million, reflecting the ramp-up of production chains and outsourcing costs linked to developments.

Thus, operating EBITDA including video game tax credits (French and Canadian) amounted to €1.8 million in H1 2022, down €1.5 million versus H1 2021 due to lower Royalties.

After depreciation, amortization and provisions (not relevant over the period), operating EBIT including video game tax credits tripled versus H1 2021 to €1.9 million.

Consolidated net income for first half 2022 rose sharply to €1.7 million compared to €0.4 million last year.

### A sound financial structure

ASSETS	12/31/2021	6/30/2022	EQUITY & LIABILITIES	12/31/2021	6/30/2022
Fixed assets	29,889	<b>41,046</b>	Shareholders' equity	85,618	<b>87,262</b>
Inventories & work in progress	-	-	Provisions	2,141	<b>2,284</b>
Trade receivables	1,381	<b>1,861</b>	Borrowings	4,106	<b>3,997</b>
Other receivables	6,370	<b>9,796</b>	Trade receivables	1,368	<b>1,554</b>
Cash & cash equivalents	58,438	<b>46,126</b>	Other payables	2,845	<b>3,731</b>
<b>TOTAL</b>	96,078	<b>98,828</b>	<b>TOTAL</b>	96,078	<b>98,828</b>

<sup>5</sup> Average headcount of 308 as of 6/30/22 vs 245 as of 6/30/21



In H1 2022, DON'T NOD generated positive gross operating cash flow of €2.2 million versus €3.6 million last year. H1 2022 capital expenditure (€11.3 million) mainly related to games developed under self-publishing, co-production, and external publishing models.

As of June 30, 2022, DON'T NOD cash and cash equivalents totaled €46.1 million. Borrowings amounted to only €4.0 million (including a €3.6 million state-guaranteed loan obtained in April 2020 with a five-year repayment period). Lastly, other receivables include €8.3 million of tax credits not received at June 30, 2022.

### Outlook and development

In the second half of 2022, DON'T NOD will continue to develop its rich pipeline of **eight original creations**, including five self-published games, one co-production with FOCUS Entertainment and two with external studios Tolima and Tiny Bull, to be published by DON'T NOD. All of these games are scheduled for release between 2023 and 2025.

Meanwhile, DON'T NOD will pursue its development strategy aimed at:

- | **developing co-production** in segments with strong sales potential;
- | **strengthening partnerships** through co-financing and minimum guarantee arrangements in order to secure royalties;
- | **increasing accessibility** by diversifying gameplay mechanics of projects under development.

Following two years of capital expenditure and structuring, the coming years will mark a turning point for the Group with the release of eight self-published or co-produced games.

### 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 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](https://dont-nod.com)

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

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