



## 2022 annual results – a year focused on development, before a bold 2023-2025 release cycle

- | Rich line-up of eight intellectual property titles in production over the 2022-2025 period, with two releases announced for 2023: *Harmony: The Fall of Reverie* in June and *Banishers: Ghosts of New Eden* at year-end
- | Record operating revenues, up 12.5%
- | Operating EBIT of €3.1 million
- | Net income of €2.6 million
- | Cash and cash equivalents of €34.9 million and additional financing of €45.9 million in February 2023 (post-closing)

**Paris, April 17, 2023** - DON'T NOD, an independent studio that creates, develops, and publishes video games, today presents its 2022 full-year consolidated results, as approved by the Board of Directors on April 17, 2023. The Statutory Auditors have completed their audit assignment and the 2022 financial report will be published in the coming days, at the latest on April 30, 2023.

Oskar Guilbert, Chairman and Chief Executive Officer of DON'T NOD, said: *"2022 ends a two-year cycle primarily dedicated to building the richest intellectual property line-up in DON'T NOD's history. This demonstrates our ability to harness talent to ramp up production output. At the same time, we also managed to unite three third-party studios and market our first external co-production. Backed by a team of over 360 people, we remain one of the most attractive studios in Europe and Canada.*

*After focusing all our efforts on content creation and publishing, in 2023 we will start an unprecedented cycle of releases, generating profitable and sustainable growth. Two games have already been announced for 2023, including *Harmony: The Fall of Reverie* in June, and our most ambitious action-RPG game *Banishers: Ghosts of New Eden* at the end of 2023.*

*Finally, we are entering the new year with greatly increased financial resources, which will help us strengthen our position in action-RPG, a proven segment with strong sales potential, and ensure a robust release rate beyond 2025."*



Audited consolidated figures in €000	2021	2022
<b>Revenues</b>	<b>10,501</b>	<b>7,049</b>
- incl. development	4,763	6,110
- incl. sales	5,738	939
Capitalized production <sup>1</sup>	16,168	22,964
<b>Total operating revenues<sup>2</sup></b>	<b>26,669</b>	<b>30,012</b>
Other operating revenues	99	187
Total operating expenses (excl. depreciation, amortization and provisions)	(25,349)	(33,551)
Tax credits (including CIJV)	4,411	6,850
<b>Operating EBITDA<sup>3</sup> (including tax credits)</b>	<b>5,831</b>	<b>3,498</b>
Depreciation and amortization	(9,275)	(124)
Deferred taxes	(97)	(252)
<b>Operating EBIT<sup>4</sup> (including tax credits)</b>	<b>(3,541)</b>	<b>3,122</b>
Financial income/(expense)	202	388
Non-recurring income/(expenses)	396	(646)
Amortization of goodwill	(314)	(314)
<b>Consolidated net income/(loss)</b>	<b>(3,257)</b>	<b>2,551</b>

### Controlled ramp-up of the eight production lines at the end of 2022

DON'T NOD 2022 operating revenues were up 12.5% year on year to €30.0 million, reflecting:

- | a 42% increase in capitalized production to €23.0 million, in keeping with the bold 2022-2025 line-up comprising eight games under development,
- | revenues from development operations up 28.3% driven by the ramp-up of *Banishers: Ghosts of New Eden* in partnership with Focus Entertainment, scheduled for release end of 2023,
- | revenues from *Gerda: A Flame in Winter* and back catalog sales totaling €0.9 million in 2022. The studio experienced a challenging basis for comparison with 2021 (Twin Mirror guaranteed minimum amount).

<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 + tax credits

<sup>4</sup> Operating income + tax credits



### Operating EBIT of €3.1 million

As expected, the 2022 results reflect the ramp-up of ongoing game developments.

Staff costs<sup>5</sup> came to €24.2 million in 2022, up 29.5% from €18.7 million a year earlier due to the recruitment of new talent required for the ramp-up of the six in-house production lines. Other expenses, up 41.5% to €8.9 million in 2022, included subcontracting commitments relating to the progress of development cycles, as well as marketing and publishing costs incurred.

As such, operating EBITDA including tax credits (French and Canadian) amounted to €3.5 million in 2022, down €2.3 million compared to 2021, in line with the transitional decrease in revenues from sales during a period marked by the absence of any major releases along with ongoing developments.

After depreciation, amortization and provisions (non-material over the period), operating EBIT including tax credits amounted to €3.1 million, a significant improvement compared to 2021.

Consolidated net income for 2022 rose sharply to €2.6 million compared to a €3.3 million loss in 2021.

### Solid financial structure, greatly strengthened post-closing

ASSETS	2021	2022	EQUITY & LIABILITIES	2021	2022
Fixed assets	29,889	<b>52,974</b>	Shareholders' equity	85,618	<b>88,073</b>
Inventories & work in progress	-	-	Provisions	2,141	<b>2,286</b>
Trade receivables	1,381	<b>3,538</b>	Borrowings	4,106	<b>4,324</b>
Other receivables	6,370	<b>8,814</b>	Trade payables	1,368	<b>1,498</b>
Cash & cash equivalent	58,438	<b>34,907</b>	Other payables	2,845	<b>4,052</b>
<b>TOTAL</b>	<b>96,078</b>	<b>100,233</b>	<b>TOTAL</b>	<b>96,078</b>	<b>100,233</b>

In 2022, DON'T NOD generated positive gross operating cash flow of €3.8 million, versus €5.9 million in 2021. 2022 capital expenditure (€22.8 million) primarily focused on the rich and mainly self-published line-up scheduled to be delivered between 2023 and 2025.

At December 31, 2022, borrowings (including a €3.6 million state-guaranteed loan repayable at maturity in 2026) totaled €4.3 million, up from €4.1 million in 2021, and DON'T NOD's shareholders' equity stood at €88.1 million.

In February 2023 (post-closing), DON'T NOD significantly strengthened its equity and cash position through a €45.9 million capital increase subscribed by institutional and individual investors and Tencent Holdings Limited (€36 million), aiming to consolidate its position in the action-RPG segment beyond 2025.

<sup>5</sup> Average headcount of 324 as of 12/31/22 vs 258 as of 12/31/21



## Outlook and development

2023 will be marked by the highly anticipated releases of **Harmony: The Fall of Reverie** in June and **Banishers: Ghosts of New Eden** at year-end. This game will mark a new stage in the studio's development into action-RPG segment following the massive success of Vampyr (more than two million copies sold).

In keeping with its growth target, DON'T NOD will continue to develop a robust portfolio of assets, comprising six intellectual property titles, including four developed in-house and two externally (Studio Tolima and Tiny Bull Studios).

Finally, DON'T NOD has solid financial resources enabling it to ensure growth beyond 2025, by:

- | investing in action-RPG, a segment with strong sales potential, and
- | continuing to recruit high-level talent in its marketing and publishing departments, while maintaining a controlled management through distribution partnerships to secure revenues.

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

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

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