



2023 half-year results

- Strong line-up with six upcoming games in 2024-2025
- Operating revenues up 10.3%
- Operating EBITDA¹ at €1.1 million
- Balance sheet strengthened: cash and cash equivalents of €64.2 million

Paris, October 16, 2023 - DON'TNOD, an independent French studio that creates, develops, and publishes video games, today presents its first half 2023 results as approved by the Board of Directors on October 12, 2023².

Upon publication of the first half 2023 results, Oskar Guilbert, Chairman and CEO of DON'T NOD, stated: *"The first half results reflect the ramp-up of our intellectual property rights in line with our development strategy.*

DON'T NOD is already looking ahead to the second half, which will be shaped by the highly anticipated release of Jusant, which was announced at the Microsoft Xbox annual conference and has aroused great enthusiasm within our communities. We will also benefit from the February 2024 release of Banishers: Ghosts of New Eden, our ambitious action-RPG project co-produced with Focus Entertainment, to strengthen our position in this strategic segment following the resounding success of Vampyr.

Thanks to the Group's record-high net cash position, we will continue our development plan to deliver an ambitious project pipeline."

¹ Operating income + Depreciation and amortization charges & provisions net of reversals + CIJV + CTMM (video game and multimedia title tax credits)

² The Statutory Auditors have completed their limited review of the first half financial statements and their report will be published in the coming days. The half-year financial report will be available in October.



Consolidated figures in €000	H1 2022	H1 2023
Revenues	3,554	2,663
- incl. development	3,076	2,050
- incl. sales	478	613
Capitalized production ³	11,366	13,800
Total operating revenues⁴	14,919	16,463
Other operating revenues	169	14
Total operating expenses (excl. depreciation, amortization and provisions)	(16,622)	(19,170)
Tax credits	3,359	3,764
Operating EBITDA (including tax credits)	1,826	1,071
Depreciation and amortization	58	(485)
Deferred taxes	-	(218)
Operating EBIT⁵ (including tax credits)	1,883	368
Financial income/(expense)	444	258
Non-recurring income/(expenses)	(497)	(1,336)
Amortization of goodwill	(157)	(157)
Consolidated net income/(loss)	1,674	(866)

First-half 2023 Group business

DON'T NOD posted first half 2023 operating revenues of €16.5 million, up 10.3% from €14.9 million in first half 2022. This performance was driven by:

- | a 28.2% increase in sales, boosted by the back catalog's robust performance (*Vampyr* and the *Life is Strange* license) and the contribution of *Harmony: the Fall of Reverie*, released in June,
- | a 21.4% increase in capitalized production to €13.8 million, which shows the ramp-up in development for the 2023-2025 line-up,
- | development revenues down 33.4% as reflecting the completed development of *Banishers: Ghosts of New Eden*.

³ Costs incurred on co-produced and self-published games until release

⁴ Revenues + capitalized production

⁵ Operating income + CIJV + CTMM (video game and multimedia title tax credits)



Ramp-up of expenses as part of a project release cycle

The first half 2023 financial statements confirm the increase in ongoing game developments as well as costs incurred, highlighting the acceleration of the 2023 release cycle and the growing share of self-published projects.

Staff costs⁶ at €13.6 million at June 30, 2023, increased due to the recruitment required to support projects. Moreover, other operating expenses rose 23.5% to €5.3 million, reflecting the increase in subcontracting commitments along with marketing and publishing costs to support games sales.

As a result, operating EBITDA including tax credits (French and Canadian) amounted to €1.1 million in H1 2023, down €0.8 million versus H1 2022.

After depreciation, amortization, and provisions (€(0.5) million) and deferred taxes (€(0.2) million), operating EBIT including tax credits amounted to €0.4 million in H1 2023 versus €1.9 million the previous year.

The Group posted a €1.3 million non-recurring expense in H1 2023, compared to a €0.5 million expense the previous year. The company has strategically redirected certain assets in the pre-production phase, developed within the Paris studio. This realignment resulted in the withdrawal of a portion of the asset not in line with the new development priorities, amounting to €1.4 million.

Finally, DON'T NOD posted a €0.9 million net loss Group share in H1 2023, compared to net income Group share of €1.7 million in H1 2022.

A strengthened financial structure

ASSETS	31/12/2022	30/06/2023	EQUITY & LIABILITIES	31/12/2022	30/06/2023
Fixed assets	52,974	65,153	Shareholders' equity	88,073	132,631
Inventories & work in progress	-	-	Provisions	2,286	2,264
Trade receivables	3,538	3,599	Borrowings	4,324	3,688
Other receivables	8,814	12,266	Trade payables	1,498	2,064
Cash & cash equivalent	34,907	64,227	Other payables	4,052	4,597
TOTAL	100,233	145,244	TOTAL	100,233	145,244

⁶ Average headcount 349 at 6/30/2023 - 324 at 12/31/2022 - 308 at 6/30/2022



In H1 2023, DON'T NOD generated positive gross operating cash flow of €1.4 million versus €2.2 million in H1 2022. H1 2023 capital expenditure (€14.1 million) mainly related to games under development.

Following the fundraising initiative in February 2023 (€45.9 million through a capital increase open to institutional and individual investors without preferential subscription rights) as part of the financing arrangements for the next growth cycle for the action-RPG segment beyond 2025, DON'T NOD's balance sheet was strengthened at the end of the first half.

Shareholders' equity stood at €132.6 million, up from €88.1 million at December 31, 2022, while cash and cash equivalents rose to a solid level of €64.2 million, versus €34.9 million at December 31, 2022.

Outlook and development

In the second half of 2023, DON'T NOD will benefit from sales of *Jusant*, its next self-published IP, scheduled for release on October 31, 2023, on PC (Steam), PlayStation 5, and Xbox Series X|S.

Banishers: Ghosts Of New Eden, the studio's next narrative action-RPG game, is due to be released on February 13, 2024, on Steam, PlayStation 5, and Xbox Series X|S.

Lastly, thanks to more robust financial resources, DON'T NOD will pursue its development strategy aimed at:

- | strengthening its ownership of intellectual property rights while favoring a balanced model of self-published and co-produced games,
- | focusing its production on the buoyant action-RPG and action-adventure/narrative adventure segments,
- | confirming the target of two annual releases on average, to ensure both recurring revenues and the creation of a solid back catalog.

Backed by a rich pipeline of **eight original creations**, including five self-published games, DON'T NOD confirms its status as a developer and publisher in the worldwide video game ecosystem.

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





DON'T NOD

Oskar Guilbert
Chief Executive Officer

Benoît Gisbert Mora
Deputy General Manager
invest@dont-nod.com

ACTUS finance & communication

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

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