



Not for release or distribution, directly or indirectly, in the United States, Canada, Australia, Japan or to U.S. persons.

FRENCH STUDIO DONTNOD ENTERTAINMENT TO LAUNCH ITS IPO ON EURONEXT GROWTH IN PARIS

- Issue of new shares with a value of around €20.1 million¹
- Subscription commitments: €10.6 million²
- Indicative range for the offer price: between €14.62 and €19.76
- Subscription period: between May 3 and May 17, 2018 inclusive
- Eligible for PEA (share savings schemes) and PEA-PME (small and medium-sized company share accounts) and classified as an Innovative Company by Bpifrance

May 3, 2018. DONTNOD Entertainment, a French independent video game creator and developer, announces the launch of its Initial Public Offering, with a view to having its shares listed for trading on the Euronext Growth market in Paris.

The French financial markets authority (AMF) approved the prospectus, which consists of the *document de base*, filed under no. I. 18-017 on April 17, 2018, and a securities note (including the summary of the prospectus) under no.18-156 on May 2, 2018.

DONTNOD, the French studio producing hit video games

Founded in 2008, DONTNOD develops video games in popular genres: adventure, action and role-playing games (RPG), offering a unique narrative experience and gameplay. Every DONTNOD game, with a tightly controlled "AA"³ budget, is a natively multi-screen (console, PC, smartphone, tablet, Mac and TV) original creation aimed at a wide audience.

In 2017⁴, DONTNOD posted revenues of €9.7 million, up 33% and net income of €2.1 million.

A worldwide blockbuster and one of the most eagerly awaited games of 2018

With the international success of *Life Is Strange*, published by Square Enix, a blockbuster with over 3 million unique paying players⁵ and the most downloaded narrative game in the world, today the studio is recognized on an international scale for the quality of its games and its immersive and innovative worlds.

¹ Based on the median price in the indicative price range, i.e. €17.19 per share, excluding the exercise of the extension clause and over-allotment option (including €3.1 million via the offset of receivables and €17.0 million in cash).

² Including €3.1 million via the offset of receivables

³ AA: budget between €10 million and €15 million

⁴ Restated, audited data prepared in accordance with French accounting standards, intended to present performance free of error corrections from previous years – see sections 9 and 20 of the Base Document for the reconciliation of reported and restated statements

⁵ Total in May 2017, Source: Square Enix





Vampyr, DONTNOD's latest original creation published by Focus Home Interactive, is one of the most eagerly awaited games of 2018, with a degree of expectation from players on Steam⁶ and pre-orders that enable us to expect a major commercial success.

A successful model: episodic games inspired by TV series

Life is Strange adopted the successful TV series format, with its first season being released in 5 episodes, maintaining a virtuous cycle in sales of the franchise over time. This new, value-creating model means that certain phases of the game can be adapted to reflect player feedback and builds anticipation between each episode. This format is perfectly suited to new consumer habits and reflects the growing digitization of the video game industry.

Partnerships with leading publishers

DONTNOD's games are known worldwide thanks to the quality of its publisher partners, all world-class producers, such as Capcom (Street Fighter, Resident Evil), Square Enix (Final Fantasy, Tomb Raider), French publisher Focus Home Interactive (Farming Simulator, Bloodbowl) and Bandai Namco Entertainment (Dragon Ball Z, Naruto)⁷.

Thanks to its creative originality, clever narratives, visuals and playability, DONTNOD has gained the confidence of a growing number of publishers worldwide.

A pipeline of games under production until 2020

Backed by a passionate team, DONTNOD has a pipeline of games under development already offering growth over the next three years, with four games under production: *Vampyr*, the new *Life is Strange*, a narrative game with Bandai Namco Entertainment and a fourth project whose title and publisher are still under wraps. What's more, the studio is already working on the design of two new games and discussions have begun with major publishers.

Euronext Growth in order to support the strategy

DONTNOD wants to take full advantage of a global video game market that is experiencing strong growth, and already amounted to US\$109 billion in 2017⁸.

Accordingly, the net proceeds of the fund-raising performed as part of this transaction will enable the company to gather the financial resources required to implement its growth strategy; including:

- around 75% allocated to increasing the number of games in co-production and/or increase the percentage financed by DONTNOD;
- around 25% allocated to seizing opportunities for acquisition, in order to boost the studio's creative capacity.

⁶ Source: Steamspy.com total units

⁷ Non-exhaustive list of some of our publishers' games

⁸ Source: Newzoo, 2017 Global Games Market Report





Important subscription commitments received

Modern Vision Entertainment Ltd, controlled by DONTNOD's major shareholder, has undertaken to place a subscription order amounting to the receivable that it holds, i.e. €3.1 million.

Additionally, three investors who were not yet shareholders in the Company at the Prospectus date (Keren Finance, Ostrum Asset Management and Turenne Capital) have irrevocably committed to subscribe to the capital increase in a total amount of €7.5 million.

Availability of the prospectus

Copies of the prospectus approved by the AMF under no.18-156 on May 2, 2018, which consists of the *document de base* filed under no. I.18-017 by the AMF on April 17, 2018 and a securities note (including the summary prospectus), are available free of charge from DONTNOD's registered office at 134-140 rue d'Aubervilliers, 75019 Paris, on the websites of the Company (www.dontnod-bourse.com) and the AMF (www.amf-france.org).

Risk factors

DONTNOD would like to draw the public's attention to Chapter 4 "Risk Factors" of the *document de base* registered with the AMF and to Chapter 2 "Risk factors relating to the offering" of the securities note.

Financial intermediaries and advisers

Lead Manager and
Bookrunner



Co-Lead Manager
and
Bookrunner



Listing Sponsor



Financial
communication



Read more at www.dontnod-bourse.com

About DONTNOD Entertainment

Founded in 2008, DONTNOD is an independent French studio that develops "AA" budget video games in popular genres, such as adventure (*Life is Strange*), action (*Remember Me*) and RPG (*Vampyr*). Every new game is an original, natively multi-screen creation with a unique narrative experience and gameplay (consoles, PC, smartphones, tablets, Mac and TV) and is aimed at a wide audience, whether released in episodes by adopting the successful TV series format, or in "one shot" format. The studio has built an international reputation amongst leading publishers such as Square Enix, Focus Home Interactive, Bandai Namco Entertainment and Capcom.

Step into the studio's immersive and innovative universe at dont-nod.com

INVESTOR RELATIONS

ACTUS finance & communication
Corinne Puissant
dontnod@actus.fr
Tel. +33 (0)1 53 67 36 77

MEDIA RELATIONS

ACTUS finance & communication
Anne-Catherine Bonjour
acbonjour@actus.fr
Tel. +33 (0)1 53 67 36 93





SHARE CAPITAL BEFORE THE TRANSACTION

A French corporation (société anonyme) with share capital of €55,615.50, divided into 2,780,775 shares.

LISTING MARKET

Euronext Growth - ISIN Code: FR0013331212 – Ticker: ALDNE

INDICATIVE PRICE RANGE

Between €14.62 and €19.76 per share

TERMS OF THE OFFERING

- A maximum of 1,168,754 new shares, which may be increased to 1,344,067 shares if the extension clause is exercised and to 1,545,677 shares if the over-allotment option is fully exercised.

GROSS AMOUNT OF THE TRANSACTION

- Gross proceeds amounting to around €20.1 million from the issuance of the new shares (including €3.1 million via the offset of receivables and €17.0 million in cash), which may be increased up to €23.1 million if the extension clause is fully exercised and up to €26.6 million if the over-allotment option is fully exercised (on the basis of the median price in the indicative price range, i.e. €17.19 per share).

NET AMOUNT OF THE TRANSACTION

- The net proceeds of the Offering (€18.5 million on the basis of the median price in the indicative price range) exclusively from the capital increase are estimated at €15.4 million (on the basis of the median price in the indicative price range) in cash and at €3.1 million via offset against receivables.

STRUCTURE OF THE OFFERING

- A public offering in France in the form of an Open Price Offering (OPO), primarily intended for natural persons;
- A Global Placement primarily intended for institutional investors in France and outside France (specifically excluding the United States of America, Canada, Japan and Australia).

If the demand registered as part of the Open Price Offering allows, the number of shares allocated in order to fill the orders issued as part of the Open Price Offering will amount to at least 10% of the initial capital increase amount (excluding the potential exercise of the Extension Clause and Over-Allotment Option).

The orders will be broken down depending on the number of securities requested:

- Order size A1: between 1 and 200 shares; and
- Order size A2: above 200 shares.

The A1 order sizes will receive preferential treatment over A2 order sizes if all orders cannot be fulfilled.





SUBSCRIPTION COMMITMENTS

Subscription commitments received

Modern Vision Entertainment Ltd has undertaken to place a subscription order amounting to the receivable that it holds, i.e. €3.1 million or 15.4% of the capital increase (excluding the exercise of the Extension Clause and Over-Allotment Option (on the basis of a price equivalent to the median point in the indicative range for the Offer Price, i.e. €17.19). This irrevocable commitment will be fulfilled exclusively via offset against receivables, on the understanding that this order will be served on a priority basis and in full.

Subscription intentions expressed by third-party investors

Under the terms of subscription commitments signed on April 30, 2018, three investors who were not yet shareholders in the Company at the Prospectus Date (the “New Investors”) have irrevocably committed to subscribe to the capital increase in a total amount of €7.5 million, which represents 37.3% of this capital increase (on the basis of a price equivalent to the median point in the indicative range for the Offer Price, i.e. €17.19).

SHAREHOLDER RETENTION AND LOCKUP UNDERTAKINGS

- Undertaking by the company not to issue securities: 180 days
- Lock-up undertaking for all of the shareholders, all of the convertible bond holders, all of the stock option holders, and for Modern Vision Entertainment Ltd: 365 days

INDICATIVE TIMETABLE

May 2, 2018	Approval of the Prospectus by the AMF
May 3, 2018	Launch of the Open Price Offer (OPO) and of the Global Placement
May 17, 2018	Closing of the OPO and of the Global Placement
May 18, 2018	Setting of the offer price and potential exercise of the extension clause
May 22, 2018	Settlement & delivery of the OPO and Global Placement
May 23, 2018	The Company’s shares begin trading on Euronext Growth Beginning of the potential stabilization period
June 17, 2018	Cut-off date for exercise of the over-allotment option End of the potential stabilization period





ELIGIBILITY OF THE OFFER FOR PEA AND PEA-PME, AND CLASSIFICATION AS AN INNOVATIVE COMPANY⁹

DONTNOD announces that it complies with the eligibility criteria for PEA-PME specified by the application decree dated March 4, 2014 (decree no. 2014-283). As a result, DONTNOD shares can be fully included in these share savings schemes (PEA) and PEA-PME accounts, which benefit from the same tax advantages as a conventional PEA. DONTNOD is also classified as innovative company by Bpifrance

Disclaimer

No communications and no information in respect of the issue of shares (the "Shares") by DONTNOD Entertainment may be distributed to the public in a country in which a registration or approval obligation is required. No action has been (or will be taken) outside France, in any country whatsoever in which such action would be required. The issue or subscription of Shares may be subject to specific legal or regulatory restrictions in certain countries. DONTNOD takes no responsibility for any violation of any such restrictions by any person whatsoever.

This document is not a prospectus in the sense of Directive 2003/71/EC of the European Parliament and Council of 4 November 2003, as amended, and particularly by Directive 2010/73/EU of the European Parliament and Council of 24 November 2010, as amended and transposed by each of the Member States of the European Economic Area (the "Prospectus Directive"). The offer will be made to the public in France only after the granting of AMF approval of the Prospectus.

With regard to Member States of the European Economic Area other than France (the "Member States"), that have transposed the Prospectus Directive, no action has been (or will be) undertaken to allow an offer of shares to the public requiring the publication of a prospectus in one or other of the Member States. Consequently, Shares may be offered in Member States only: (a) to legal persons that are qualified investors as defined in the Prospectus Directive; or (b) in the other cases that do not require the publication by DONTNOD of a prospectus in respect of Article 3(2) of the Prospectus Directive.

For the purposes of this paragraph, the notion of "Shares offered to the public" means, in each Member State any communication in any form and by any means of sufficient information about the terms and conditions of the offer and the Shares, so as to enable an investor to decide to buy or subscribe for the Shares, insofar as this same notion may have been modified in the Member State in question during its transposition of the Prospectus Directive. This investment restriction is in addition to the other investment restrictions applicable in the Member States.

The distribution of this document has not been carried out or approved by an authorized person under the meaning of Article 21(1) of the Financial Services and Markets Act 2000. Consequently, this document is only being distributed to and is only directed at persons (i) who are outside the United Kingdom, (ii) who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (iii) who fall under Article 49(2) (a) to (d) (high net worth entities, non-registered associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iv) other persons to whom this document may lawfully be communicated, as indicated in paragraphs (i), (ii), (iii) and (iv) (all such persons together being referred to as "Relevant Persons"). The securities are only intended for Relevant Persons and all invitations, offers or contracts in respect of the subscription, purchase or acquisition of shares may only be distributed to or signed with Relevant Persons. Any person who is not a Relevant Person must not use or rely on this document or any of its contents. This document is not a prospectus approved by the Financial Services Authority or by any other regulatory authority in the United Kingdom falling within Section 85 of the Financial Services and Markets Act 2000.

This document does not constitute an offer of securities, or in any way an offer or invitation to purchase or subscribe for any securities, or an offer for sale of securities in the United States. The securities mentioned in this document have not been and will not be registered under the 1933 U.S. Securities Act, as amended, and may not be offered or sold in the United States without registration or an exemption from this required registration pursuant to the U.S. Securities Act. DONTNOD does not intend to register the offer indicated in this document or any part of this offer in the United States, nor to carry out any other public offer in the United States.

The distribution of this document in certain countries may constitute a violation of current legal provisions. The information contained in this document does not constitute an offer of securities in the United States, Canada, Australia or Japan.

⁹ These arrangements are conditional, and within the limit of the available caps. Interested persons are invited to contact their financial adviser.

