



2026 half-year results and financial situation update

- | H1 2026 revenue of €6.1 million, down 14%
- | Operating EBITDA¹ loss of €4.3 million compared to -€2.0 million in H1 2025
- | Continuation of the transformation and cost-reduction plan
- | Post-closing: opening of safeguard proceedings for DON'T NOD Entertainment SA, to secure business continuity and facilitate the search for a sustainable financing solution

Paris, October 20, 2026 - DON'T NOD, an independent video game creation and development studio, publishes its results for the first half of 2026 as approved by the Board of Directors at its meeting held on October 19 and announces that the *Tribunal des activités économiques de Paris* (Paris Business Court) has granted his request to open safeguard proceedings of DON'T NOD Entertainment SA.

Oskar Guilbert, Chairman and CEO of DON'T NOD, said:

"Since 2024, DON'T NOD has undertaken a profound transformation of its organization and operating model. The costs savings achieved, as well as the partnership entered into with Netflix in Canada, represent significant milestones in the execution of this plan.

Nevertheless, the video game industry continues to face an exceptionally challenging environment, marked in particular by highly selective access to financing. In this context, our current cash position does not allow us to adequately secure all the financing requirements associated with our operations and projects.

The application to open safeguard proceedings is a proactive, protective measure. It is intended to provide the necessary framework and time to build a sustainable solution, while continuing our operations and preserving the value of our assets, our projects and our expertise.

We are fully aware of the impact of this period of transformation on our teams, particularly for employees affected by the planned organizational changes. We are committed to managing this process responsibly, maintaining an open dialogue and providing dedicated support to those concerned.

Together with our teams and partners, we remain fully committed to navigating this phase and building DON'T NOD's future on a stronger foundation. »

¹ Operating income + depreciation, amortization and provisions net of reversals + Video game tax credits



PRESS RELEASE

The 2026 half-year results were approved by the Board of Directors at its meeting of October 19, 2026².

Consolidated figures in €000	H1 2025	H1 2026
Revenues	7,048	6,064
- incl. development	460	2,604
- incl. sales	6,589	3,460
Capitalized production ³	6,847	-
Total operating revenues⁴	13,895	6,064
Other operating revenues	7	3
Total operating expenses (excl. depreciation, amortization, and prov.)	(18,874)	(12,355)
Tax credits	2,998	1,953
Operating EBITDA (including tax credits)⁵	(1,974)	(4,335)
Depreciation and amortization	(19,746)	(2,699)
Deferred/exempt tax	(144)	(267)
Operating EBIT (including tax credits)⁶	(21,864)	(7,301)
Financial income/(expense)	(637)	193
Non-recurring income/(expenses)	1,681	(3)
Consolidated net income/(loss)	(20,820)	(7,111)

H1 2026, a still challenging market environment

In the first half of 2026, DON'T NOD's operating revenue stood at €6.1 million, down 56% year-on-year, against the backdrop of a persistently challenging market environment for the video game industry, marked by highly selective funding conditions.

Half-year revenues also amounted to €6.1 million, down 14%. Sales, at €3.5 million primarily comprised recognized revenues from PlayStation Plus and Game Pass for Bloom & Rage, initial sales of Aphelion and its inclusion in Game Pass, as well as the back catalogue. However, sales of Aphelion came in below the Group's expectations, weighing on the half-year's performance. Development revenues totaled €2.6 million, generated by the Montreal teams' development of a narrative game based on a major Netflix IP.

² The results for the first half of 2026 have not been audited or reviewed by the Statutory Auditors. The half-year financial report will be made available by 31 October 2026 at the latest.

³ Costs incurred on co-produced and self-published games up to release.

⁴ Revenues + capitalized production.

⁵ Operating income + depreciation, amortization and provisions net of reversals + Video game tax credits.

⁶ Operating income + Video game tax credits.



Over the period, no capitalized production costs were recognized: the production costs for Aphelion and the P14 project were not capitalized, as the latter does not meet the financing capability criteria required for capitalization, despite receiving expressions of interest. The Montreal-based production of the Netflix-financed narrative game is likewise not capitalized.

Performance plan and cost optimization

The performance plan rolled out by DON'T NOD since the end of 2024, aimed at strengthening the Group's competitiveness and sustainably adjusting its cost structure, continued over the period.

Personnel expenses⁷ fell sharply by 34% (-€4.3 million) to €8.2 million in the first half of 2026, compared to €12.5 million a year earlier. Adjusted for non-recurring expenses related to employment protection plan (PSE) support measures recorded in 2025, Group's personnel expenses decreased by 25%, representing a reduction of €2.7 million over the period.

This trend reflects the results of the performance plan initiated at the end of 2024, which reorganized the Paris studio around two production lines with associated budget discipline, alongside the realignment of Montreal resources to a single production line dedicated to the project partnered with Netflix.

Other operating expenses amounted to €4.0 million in H1 2026, compared with €6.1 million in H1 2025, representing a decrease of 35%. This mainly reflects a €1.6 million reduction in marketing and publishing expenses, due to fewer published titles (three games in 2025, including Bloom & Rage, versus just one in H1 2026), as well as a €0.6 million decrease in subcontracting costs following the completion of production on Aphelion. Overhead costs also continued to be streamlined.

As a result, operating EBITDA, including tax credits (French and Canadian) came to -€4.3 million in the first half of 2026, compared with -€2.0 million a year earlier. This decline was mainly due to the absence of capitalized production, lower sales and lower tax credits (-€1.0 million) stemming from a smaller eligible scope. These headwinds were only partially offset by operational cost savings.

Depreciation, amortization and provisions amounted to -€2.7 million compared to -€19.7 million in the first half of 2025, heavily impacted by impairments of €15.4 million. Operating EBIT, including tax credits stood at -€7.3 million in the first half of 2026, compared with -€21.9 million a year earlier

After considering financial result (€0.2 million), net loss Group share stood at €7.1 million, showing an improvement compared to the first half of 2025.

⁷ Average full-time equivalent for the Group: 194 people as of 30/06/26 vs 279 as of 30/06/25



Financial structure and cash flow

ASSETS (in €000)	2025	H1 2026	LIABILITIES (in €000)	2025	H1 2026
Fixed assets	4,555	2,214	Shareholders' equity & other equity	19,888	12,742
Inventories & work in progress	-	-	Provisions	3,294	3,608
Trade receivables	2,154	1,305	Borrowings	360	16
Other receivables	8,315	8,516	Trade payables	1,742	1,285
Cash and cash equivalents	15,463	9,887	Other payables	5,202	4,270
TOTAL	30,487	21,922	TOTAL	30,487	21,922

In the first half of 2026, DON'T NOD generated negative free cash flow⁸ (FCF) of €5.2 million, an improvement of €3.5 million compared to the first half of 2025, reflecting the reduction in operating expenses (personnel expenses and other operating expenses).

Cash flows from financing operations were down at €0.3 million compared to €0.7 million a year earlier.

Consequently, in the first half of 2026, cost-reduction and expenditure control efforts helped contain cash burn to €5.6 million (vs. €9.5 million in the first half of 2025).

As of end-June 2026, DON'T NOD cash & equivalents amounted to €9.9 million, compared to €15.5 million at December 31, 2025. In addition, the Group hold a tax credit receivable of €7.5 million, against which a provision of €1.9 million has been recognized for the reimbursement of the tax credit related to Aphelion.

As of June 30, 2026, shareholders' equity stood at €12.7 million and gross financial debt was immaterial.

Given the available cash and the cash flow forecast, the company's ability to continue operations over the next 12 months remains dependent on securing external financing to cover business operation and project development needs.

This situation represents a material uncertainty regarding the company's ability to continue as a going concern beyond January 31, 2027.

⁸ See cash flow statement in the appendix



Organizational transformation already underway

Since 2024, DON'T NOD has undertaken a profound evolution of its organization to ensure the long-term sustainability of the Company.

Despite the measures already implemented, DON'T NOD announced on September 1, 2026, a new transformation plan designed to adapt its operations to ongoing market developments.

The project presented notably outlines a refocusing of French operations around a single production line, with no impact on the Montreal studio's activity, and could lead to workforce adjustments affecting up to 85 positions in France.

The initial information and consultation meetings with the Social and Economic Committee (CSE) and the Health, Safety and Working Conditions Commission (CSSCT) were held in line with the schedule announced by the Company.

Opening of safeguard proceedings

As part of these adaptation measures and in order to address its financial difficulties, DON'T NOD Entertainment SA announces that the *Tribunal des activités économiques de Paris* (Paris Business Court) has granted its request to initiate safeguard proceedings.

This decision provides the Company with a legal framework designed to ensure business continuity and facilitate the implementation of solutions tailored to its financing needs and medium- to long-term development.

In its judgment dated October 19, 2026, the *Tribunal des activités économiques de Paris* (Paris Business Court) also appointed SELARL DÉTROIT, represented by Maître Charles-Henri Carboni, as court-appointed administrator and opened an initial 6 months observation period.

Pursuant to applicable statutory provisions, all liabilities incurred prior to the opening ruling are frozen for the duration of the proceedings.

The Company will keep the market informed of any developments in the proceedings, in compliance with its legal and regulatory obligations.

About DON'T NOD

DON'T NOD is an independent French developer with studios in Paris and Montréal creating original narrative games in the adventure (*Life is Strange™*, *Tell Me Why™*, *Twin Mirror™*), RPG (*Vampyr™*, *Banishers: Ghosts of New Eden™*), 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 such as *Harmony: The Fall of Reverie™*, *Jusant™* and *Lost Records: Bloom & Rage™* 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

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APPENDIX - Simplified cash flow statement

In €000	H1 2025	H1 2026
Gross operating cash flow	(2,620)	(4,618)
Change in working capital cash flow	802	(561)
Cash flow from operating activities	(1,818)	(5,179)
Cash flow from investing activities	(6,880)	(33)
Free Cash-Flow	(8,698)	(5,212)
Cash flow from financing activities	(705)	(344)
Opening cash and cash equivalents	32,872	15,458
Closing cash and cash equivalents	23,412	9,882
Change cash and cash equivalents	(9,460)	(5,575)