

2022/23 FULL-YEAR RESULTS:

- SALES: €156.0 MILLION, STABLE COMPARED TO 2021/22
- OPERATING INCOME: €17.3 MILLION, UP 29.8%

STRONG, PROFITABLE GROWTH EXPECTED IN 2023/24

NACON (ISIN FR0013482791) today announces its consolidated results for the 2022/23 financial year (from 1 April 2022 to 31 March 2023) as approved by its Board of Directors on 30 May 2023.

IFRS consolidated figures (€ million)	2022/23	2021/22	Change
Sales	156.0	155.9	+0.0%
Gross margin <i>% of sales</i>	92.1 <i>59.1%</i>	77.8 <i>49.9%</i>	+18.4%
Recurring operating income before IFRS 2 expense relating to the bonus share plan <i>% of sales</i>	16.1 <i>10.3%</i>	19.0 <i>12.2%</i>	-15.3%
Non-recurring items	1.2	(5.7)	
Operating income <i>% of sales</i>	17.3 <i>11.1%</i>	13.3 <i>8.6%</i>	+29.8%
Net financial income/(expense)	(2.3)	0.1	
Pre-tax income <i>% of sales</i>	15.0 <i>9.6%</i>	13.4 <i>8.6%</i>	+12.0%
Income tax	(2.2)	(3.4)	
Net income for the period <i>% of sales</i>	12.8 <i>8.2%</i>	10.0 <i>6.4%</i>	+28.1%

2022/23: pleasing performance in a complex operating environment

Despite the release of several games being delayed, the Gaming business increased sales by 66.3% to €90.5 million. The Accessories business saw sales fall 36.6% to €61.2 million, affected by the shortage of consoles that caused a sharp contraction in the global accessories market. Overall, NACON's sales totalled €156.0 million, stable compared with the previous year.

Gross margin rose sharply (+18.4%) year-on-year. It amounted to €92.1 million, equal to 59.1% of sales (49.9% in the previous year). The improvement was due to the product mix, with Accessories making up a smaller proportion of sales (39% versus 62% in the previous year).

Operating expenses rose because of the large amount of development work underway, but also due to the full-year effect of acquisitions made in 2021/22 and that of Daedalic Entertainment in April 2022.

Ebitda after IFRS 2 expense and non-recurring items was €48.9 million, up 25.5% year-on-year (€39.0 million in 2021/22), and equalled 31.4% of sales (25.0% in 2021/22).

Operating income rose by 29.8% to €17.3 million, equal to 11.1% of sales.

Net income was €12.8 million or 8.2% of sales, as opposed to €10.0 million (6.4% of sales) in the previous year.

A financial position that reflects the Group's growth strategy

At 31 March 2023, NACON had equity of €242.6 million and €47.6 million of cash and cash equivalents.

Investments related to acquisitions during the year, including that of Daedalic in April 2022, amounted to €34.9 million. By making these investments, NACON has strengthened its ability to develop high-quality games in-house. Currently, it has 53 games under development that are valued at €116.1 million on the balance sheet.

Cash flow rose by 2.8% to €45.5 million in 2022/23.

To finance its strategy, NACON took out €46.5 million of new medium-term bank loans during the year, and its net debt amounted to €67.3 million at 31 March 2023.

Dividend In accordance with its policy of reinvesting cash flow in developing the business, the Board of Directors decided at its meeting on 30 May 2023 not to propose a dividend in respect of the 2022/23 financial year at the next Annual General Meeting.

2023/24: major growth in business and earnings

2023/24 will feature a heavy release schedule, with around 20 games due to be released during the period as opposed to 13 in the previous year.

The beginning of the financial year has already seen the release of *The Lord of the Rings Gollum™*, *TT Isle of Man: Ride on the Edge 3* and *AFL23®*, while *Cricket24* and *Rugby24*, the official game of the Rugby World Cup, will come out in July and September respectively.

The back catalogue will continue to grow with the addition of games released in 2022/23.

The Accessories business should benefit from several factors:

- a more favourable base for comparison,
- the end of pressures seen in 2022/23, with growth in the installed base of new consoles,
- an offering that will grow in the next few months with the release of several high-potential products.

Accordingly, NACON remains confident about its prospects of achieving strong growth in 2023/24.

Next key events:

Annual General Meeting: 21 July 2023

First-quarter 2023/24 sales announcement: 24 July 2023 after the market close

ABOUT NACON

2023/23 FULL-YEAR SALES
€156.0 million

NACON is a company of the Bigben group. It was founded in 2019 to optimise its skills and take advantage of major synergies in the video game market. With its 16 development studios, AA video game publishing and the design and distribution of premium gaming peripherals, NACON has 30 years of expertise in serving gamers. The creation of this unified business unit has strengthened NACON's position in the market and is enabling it to innovate while creating new, unique competitive advantages.

WORKFORCE
Over 1,000 employees

Listed on Euronext Paris, compartment B – Index: CAC Mid&Small
ISIN: FR0013482791; Reuters: NACON.PA; Bloomberg: NACON:FP

INTERNATIONAL
23 subsidiaries and a distribution network
across 100 countries
<https://corporate.nacongaming.com/>

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GLOSSARY

Back catalogue = Games released in previous financial years

Gross margin: Sales - Purchases used.

Ebitda: Operating income before depreciation, amortisation and impairment of property, plant and equipment and intangible assets