



UBISOFT REPORTS THIRD-QUARTER 2021-22 SALES

Recent industry news cast a positive light
on Ubisoft's organic model and asset strengths

Q3 performance in line with expectations
Robust back-catalog trends

Net bookings for the first nine months of fiscal 2021-22

	In €m 9 months 2021-22	Reported change vs. 2020-21	% of total net bookings	
			9 months 2021-22	9 months 2020-21
IFRS 15 sales	1,417.2	-17.7%	NA	NA
Net bookings	1,464.3	-16.6%	NA	NA
Digital net bookings	1,087.6	-12.6%	74.3%	70.8%
<i>PRI net bookings</i>	535.7	-9.2%	36.6%	33.6%
Back-catalog net bookings	937.0	-7.7%	64.0%	57.8%

- **Third fiscal quarter:** Net bookings of €746.1 million, in line with the target range
- **Back-Catalog** up 10% YoY and up 37% vs. Q3 FY20, together with back-catalog PRI growth, highlighting the strength of Ubisoft's recurring business
 - **Assassin's Creed® Valhalla** life-to-date net bookings and PRI were up respectively over 70% and over 80% vs. Assassin's Creed Odyssey
 - **Tom Clancy's Rainbow® Six Siege** reached 80 million unique active players life-to-date, adding 10 million players over the past twelve months
- **Far Cry® 6** ranked in the **Top 5¹ of 2021 calendar year new releases and saw playtime per player and PRI per player increase respectively 45% and 30% vs. Far Cry 5**
- **Strong player reception for Riders Republic® with playtime per player and PRI up respectively 60% and 4x vs. Steep™**

Tom Clancy's Rainbow Six Extraction reached 5 million unique active players, expanding the Rainbow Six franchise

2021-22 targets confirmed

¹ Premium new releases on PlayStation and Xbox based on NPD, GSD and Company estimates

Paris, February 17, 2022 – Today, Ubisoft released its sales figures for the third quarter of fiscal 2021-22, i.e. the three months ended December 31, 2021.

Yves Guillemot, Co-Founder and Chief Executive Officer, said *"The beginning of the year offered a striking confirmation of both the great appeal of the videogame industry and of the scarcity of high-quality assets. The multiplication of platforms offers great opportunities for IP creators like Ubisoft. With our long-term approach and appetite for taking creative risks, we have developed internally some of the industry's strongest proprietary brands as well as the industry's deepest and most diversified portfolio. Along the way, we have also built the most significant production and creative capabilities, cutting-edge technologies and a strong community of engaged players. This makes us exceedingly confident about Ubisoft's future and our capacity to take full advantage of the industry's powerful momentum."*

Frédéric Duguet, Chief Financial Officer, said *"Our Q3 performance is once again a demonstration of the robustness of our model. It is based both on new releases continuously feeding the deep and diversified stream of revenues from our back-catalog and on our capacity to leverage the strength of our brands. Q4 will see very strong growth with very dynamic back-catalog trends, high-quality new releases, partnerships and significant post-launch content delivery throughout our brands."*

Yves Guillemot concluded *"Looking forward, we have unmatched production scale and creative firepower. We are investing in promising new technologies, and we have increasing access to all distribution venues, platforms, geographies and business models leveraging the strength of our brands. We could not be prouder of our teams' work on what is the richest pipeline of games in Ubisoft's history."*

An asset-based model

Value of Ubisoft's organic model

In a fast-moving IP-based industry with regular technology, platform and business model breakthroughs, companies can build a powerful portfolio of assets and strong value by relying on a range of strategies from organic investments, partnerships, M&A and licensing to outsourcing. Each approach requires very large investments. Against this backdrop, the beginning of the year offered a striking confirmation of both the great appeal of the videogame industry and of the scarcity of high-quality assets. It is now very clear that, while the organic model requires time and iterations, M&A requires unprecedented levels of investments.

Ubisoft's assets have never been so strong at a time when the value of assets has never been so high

Over our 35 years of existence, Ubisoft has developed the culture, the skills and the organization to create value organically for our players, talents and shareholders. We believe the recent industry news has cast a very positive light on what makes them so valuable. With our long-term approach and appetite for taking creative risks, we have built some of the strongest assets in the industry:

- A production powerhouse, strong of 17,000 talents, structured around the seasoned Lead & Associate organization of Ubisoft's global network of more than 45 studios, which bring together high AAA production standards with world class creative and engineering talents.
- The deepest and most diverse portfolio of proprietary brands in the industry, including some of the most beloved franchises in videogames: Assassin's Creed, Beyond Good & Evil™, Brawlhalla®, The Crew®, Tom Clancy's The Division®, Far Cry, For Honor®, Tom Clancy's Ghost Recon®, Hungry Shark®, Idle Miner Tycoon™, Immortals Fenyx Rising, Just Dance®, Mario + Rabbids®, Might & Magic®, Rainbow Six, Riders Republic and Watch Dogs®.
- Robust proprietary technologies, from cutting-edge engines (Anvil and Snowdrop) and a comprehensive online services and distribution platform (Ubisoft Connect) to i3D.net, Ubisoft's thriving video game hosting business. This is in addition to investments in promising new technologies, including cloud computing, artificial intelligence, Web3, UGC, voxel and VR.

Benefits of the vertically integrated organization

Growing in an organic manner requires not only a different mindset but also a dependable organization, unique in its structure and strategically vertically integrated. While other models rely heavily on outsourcing that proves to be increasingly expensive, we internalize most of our tasks and the several thousands of jobs that come with them. This offers better control of the production process and editorial direction at a time when projects are enormously complex. It also allows for control and ownership of technological investments and innovations. Finally, this model leverages our diverse portfolio through synergies and economies of scale. This is how Ubisoft has been able to deliver more high-quality content than any other developer in the context of major challenges related to the global pandemic.

The richest pipeline of games in Ubisoft's history

Additionally, our organic investments – to expand our premium portfolio and bring our established franchises to a significantly wider audience through free-to-play – require several thousand talents to work on new technology and game projects for several years before generating revenues. While it takes time, this is how, over its history, Ubisoft has delivered major topline growth and massive shareholder value. As we develop our own capabilities across platforms for free-to-play, we are also partnering with Tencent, one of the most prolific developers of mobile games for core audiences. This partnership is getting closer to bear meaningful fruits. Equally, our ambitious roadmaps for our biggest franchises, combined with our investments in Avatar: Frontiers of Pandora™, Beyond Good and Evil 2, Skull & Bones™, the Star Wars game and unannounced new IPs are expected to expand our premium portfolio in a significant way.

The multiplication of platforms benefits IP creators

Looking ahead, the multiplication of platforms offers great opportunities for IP creators like Ubisoft. As demonstrated by our recent partnerships, there is a growing need to bring high-quality content and engaged

communities to all platforms. We have therefore been increasingly valuing the strengths of our IPs and the depth and diversity of our portfolio.

Q3 & FY22 commentary

New releases

Players continue to have a great time in Far Cry 6 – which ranked in the top 5² biggest new releases in calendar 2021 – and its post-launch content released over the quarter that included the Vaas: Insanity DLC, Far Cry 3 Blood Dragon and the Danny Trejo live event. Playtime per player is now up 45% when compared with Far Cry 5, with PRI per player up 30%. Far Cry 6 will continue to deliver exciting new content, including the recent Rambo live event and upcoming Stranger Things crossover mission. Riders Republic launched on October 28th with a positive reception from press and the community, with playtime per player and PRI up 60% and 4x respectively versus Ubisoft Annecy’s previous game Steep. The launch of the Winter Bash mid-December and the introduction of the season progression, new sponsors, new gear, and live events drove acquisition and engagement throughout December. Just Dance 2022 continues to leverage Switch momentum and delivered a third consecutive year of strong performance.

Back-catalog

With third quarter back-catalog bookings up 10% year-on-year and 37% vs. 2 years ago, Ubisoft’s deep portfolio of games continues to deliver a solid performance, highlighting its recurrence and resilience. The main drivers were Assassin’s Creed Valhalla and Odyssey, Brawlhalla, The Crew 2, Far Cry 5, Ghost Recon Breakpoint, For Honor, Immortals Fenyx Rising, Mario + Rabbids Kingdom Battle, Rainbow Six Siege and Watch Dogs Legion.

Assassin’s Creed

Assassin’s Creed Valhalla posted a remarkable performance in Q3 with overall engagement now up more than 30% when compared to Assassin’s Creed Odyssey life-to-date. This solid performance coupled with a stronger post-launch program delivered impressive life-to-date net bookings and PRI growth of respectively over 70% and over 80%. On March 10, Ubisoft Sofia, the team behind Assassin’s Creed Rogue, will be bringing the Dawn of Ragnarök expansion, Ubisoft’s biggest ever expansion.

Elsewhere in the Assassin’s Creed universe, the introduction of the Crossover stories in December, bringing new free content to both Valhalla and Odyssey, drove Odyssey’s strongest month of the year in terms of engagement. Ubisoft is bringing today The Ezio Collection to Switch, allowing fans to step into the legendary footsteps of Master Assassin, Ezio.

Altogether, the Assassin’s Creed brand confirms its status as a powerful evergreen franchise.

Tom Clancy’s Rainbow Six

Despite intense competition, Rainbow Six Siege recently passed the 80 million player mark, adding 10 million players over the past twelve months, and continues to be one of the biggest multiplayer shooters on the market. In esports, the Six Invitational, the game’s biggest competition of the year, is in full swing this week, with the Grand Final scheduled on February 20 and with exciting reveals for Year 7 of the game. Players will have a lot to look forward with the most ambitious year of new features and content to date.

Rainbow Six Extraction was released on January 20 and expands the Rainbow Six franchise with a co-op focused experience IGN calls “*one of the boldest games in recent Ubisoft history.*” Extraction has already exceeded 5 million unique players to date, bringing in new players to the franchise and Siege’s engaged fans, as well as a significant number of reactivated lapsed franchise players. An innovative Buddy Pass system that allows players to let their friends play free for up to two weeks will continue to fuel the game’s growth along with the title’s inclusion in Game Pass. There is more to come for Extraction players post-launch, which will be revealed during the Six Invitational broadcast tomorrow.

² Premium new releases on PlayStation and Xbox based on NPD, GSD and Company estimates

Building the future of Ubisoft

FY23 game pipeline

In line with Ubisoft's commitment to significantly expand its offering, the next fiscal year will notably include the releases of Avatar: Frontiers of Pandora, Mario + Rabbids: Sparks of Hope, Skull & Bones as well as more exciting games.

Ubisoft continues to progress towards its ambition to extend its brands' reach to a significantly larger audience through free-to-play across all geographies and platforms.

Splinter Cell remake development underway

Ubisoft announced that the development of a Splinter Cell® remake is underway. The project is led by the team at Ubisoft Toronto and will leverage the power of Ubisoft's Snowdrop engine. This once again highlights the value that lies within Ubisoft's portfolio of iconic brands.

Building a more inclusive and welcoming workplace

A recent [interview](#) with Anika Grant, Ubisoft's Chief People Officer, posted on Ubisoft News, outlines the recent changes implemented at Ubisoft.

Bringing new, experienced talent to the Editorial department

Ubisoft appointed Fawzi Mesmar as the newest VP of Editorial, a veteran game designer with more than 18 years of experience. Most recently the Head of Design at DICE, Fawzi will work closely with Ubisoft's worldwide production teams to help shape the creative vision of Ubisoft's vast portfolio of games and franchises. He will also partner with teams across Ubisoft to ensure they are including diverse perspectives throughout the production process.

TAFEP concludes investigation into Ubisoft Singapore

The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) in Singapore completed its investigation into the Ubisoft Singapore studio and concluded that the studio has a structured system in place to handle any workplace misconduct reports, that past reports were handled appropriately and that salaries are performance-based.

New studio in Sherbrooke and extension of the partnership with Québec to 2030

25 years after its first steps in Québec, Ubisoft announced in November the opening of a fourth video game development studio in the province, in the city of Sherbrooke, as well as an extension of its partnership with the province to 2030. This new studio reaffirms Ubisoft's commitment as a major economic player serving the province's workforce, communities and ecosystems and it will leverage the city's hotbed of talent and high-tech expertise as well as its burgeoning digital ecosystem. This partnership is yet another example of the virtues of Ubisoft's Lead & Associate organization, enabling a regional and international footprint to attract the best talents all over the world in order to deliver its organic growth opportunities.

Note

The Group presents indicators which are not prepared strictly in accordance with IFRS as it considers that they are the best reflection of its operating and financial performance. The definitions of the non-IFRS indicators are appended to this press release.

Sales and net bookings

In € millions	Q3		9 months	
	2021-22	2020-21	2021-22	2020-21
IFRS 15 sales	665.9	965.1	1,417.2	1,722.1
Deferred revenues related to IFRS 15	80.2	35.9	47.1	33.6
Net bookings	746.1	1,001.0	1,464.3	1,755.7
Digital net bookings	530.2	588.4	1,087.6	1,243.8
PRI net bookings	187.1	218.4	535.7	589.9
Back-catalog net bookings	340.8	308.5	937.0	1,015.2

IFRS 15 sales for the third quarter of 2021-22 came to €665.9 million, down 31.0% (31.8% at constant exchange rates³) compared with the €965.1 million generated in third-quarter 2020-21.

For the first nine months of 2021-22, IFRS 15 sales amounted to €1,417.2 million, down 17.7% (17.3% at constant exchange rates) compared with the €1,722.1 million figure for the first nine months of 2020-21.

Net bookings for third-quarter 2021-22 totaled €746.1 million, in line with the Group's target of between €725.0 million and €780.0 million and representing a decrease of 25.5% (26.1% at constant exchange rates) compared with the €1,001.0 million recorded for the third quarter of 2020-21.

For the first nine months of 2021-22, net bookings stood at €1,464.3 million, down 16.6% (16.2% at constant exchange rates) on the €1,755.7 million generated in the first nine months of 2020-21.

OutlookFull-year 2021-22

The Company confirms its Net bookings target of between flat to slightly down and its non-IFRS operating income target of between €420 million and €500 million.

³ Sales at constant exchange rates are calculated by applying to the data for the period under review the average exchange rates used for the same period of the previous year.

Conference call

Ubisoft will hold a conference call today, Thursday February 17, 2021, at 6:15 p.m. Paris time/5:15 p.m. London time/12:15 p.m. New York time.

The conference call can be accessed live and via replay by clicking on the following link:

<https://edge.media-server.com/mmc/p/a3wsxdhw>

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About Ubisoft

Ubisoft is a creator of worlds, committed to enriching players' lives with original and memorable entertainment experiences. Ubisoft's global teams create and develop a deep and diverse portfolio of games, featuring brands such as Assassin's Creed®, Brawlhalla®, For Honor®, Far Cry®, Tom Clancy's Ghost Recon®, Just Dance®, Rabbids®, Tom Clancy's Rainbow Six®, The Crew®, Tom Clancy's The Division®, and Watch Dogs®. Through Ubisoft Connect, players can enjoy an ecosystem of services to enhance their gaming experience, get rewards and connect with friends across platforms. With Ubisoft+, the subscription service, they can access a growing catalog of more than 100 Ubisoft games and DLC. For the 2020–21 fiscal year, Ubisoft generated net bookings of €2,241 million. To learn more, please visit: www.ubisoftgroup.com.

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APPENDICES

Definition of non-IFRS financial indicators

Net bookings corresponds to sales restated for the services component and including unconditional amounts related to license or distribution agreements recognized independently of the achievement of performance obligations.

Player Recurring Investment (PRI) corresponds to sales of digital items, DLC, season passes, subscriptions and advertising.

Non-IFRS operating income calculated based on net bookings corresponds to operating income less the following items:

- Stock-based compensation expense arising on free share plans, group savings plans and/or stock options.
- Depreciation of acquired intangible assets with indefinite useful lives.
- Non-operating income and expenses resulting from restructuring operations within the Group.

Breakdown of net bookings by geographic region

	Q3 2021-22	Q3 2020-21	9 months 2021-22	9 months 2020-21
Europe	39%	39%	35%	36%
Northern America	48%	48%	49%	49%
Rest of the world	13%	13%	16%	15%
TOTAL	100%	100%	100%	100%

Breakdown of net bookings by platform

	Q3 2021-22	Q3 2020-21	9 months 2021-22	9 months 2020-21
PLAYSTATION®4 & PLAYSTATION®5*	29%	36%	31%	34%
XBOX One™ & XBOX Series X/S™**	16%	23%	18%	21%
PC	29%	21%	25%	23%
NINTENDO SWITCH™	14%	13%	11%	11%
MOBILE	7%	5%	9%	8%
Others**	5%	2%	6%	3%
TOTAL	100%	100%	100%	100%

* Backwards compatibility allows users of new-generation consoles to continue playing games previously purchased on the older generation of consoles.

**Ancillaries, etc.

Title release schedule
4th quarter (January – March 2022)

PACKAGED & DIGITAL

TOM CLANCY'S RAINBOW SIX® EXTRACTION	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
ASSASSIN'S CREED® VALHALLA: DAWN OF RAGNARÖK	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
THE SETTLERS®	PC

DIGITAL ONLY

ASSASSIN'S CREED®: THE EZIO COLLECTION	NINTENDO SWITCH™
CLASH OF BEASTS™	IOS, ANDROID
FAR CRY® 6: DLC – EPISODE 2: CONTROL	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
FAR CRY® 6: DLC - EPISODE 3: COLLAPSE	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
FOR HONOR®: YEAR 6 – SEASON 1	PC, PLAYSTATION®4, XBOX ONE
ODDBALLERS™	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S
TOM CLANCY'S RAINBOW SIX® SIEGE: YEAR 7 – SEASON 1	AMAZON LUNA, PC, PLAYSTATION®4, PLAYSTATION®5, STADIA, XBOX ONE, XBOX SERIES X/S