



The integrate pure play in Video Gaming

Do not circulate directly or indirectly in the United States, Canada, Australia or Japan

NACON LAUNCHES ITS INITIAL PUBLIC OFFERING ON Euronext Paris Regulated Market

Lesquin, 20 February 2020

- **Share capital increase of circa €88.4m:** this amount can be increased to €107m in case of an integral exercise of the extension clause and of the over-allotment option (on the basis of the median price of the indicative price range i.e. €5.35 per share).
- **Indicative price range for the Public Offering :** between €4.90 and €5.80.
- **Structure of the Offering:** Public Offering (« OPO » or « offre à prix ouvert ») mainly to individual shareholders in France and Global Placement mainly to institutional investors (« PG ») with a private placement in France and an international private placement in certain countries (except notably the United States of America, Canada, Australia and Japan).
- **Purchase orders through the Public Offering for retail investors:** two types of orders may be issued: P (priority) Orders reserved for individual shareholders of Bigben Interactive shares and A (non priority) Orders.
- **Subscription commitments:** for €21.9m, including €10m from the investment fund Bpifrance Capital I (represented by its management company Bpifrance Investissement) (it being specified that the appointment as director of Bpifrance Investissement or a representative designated by the investment fund Bpifrance Capital I will be proposed), representing circa 24.77% of the total amount of the Offering (excluding the extension clause and the over-allotment option) on the basis of the mid-point of the indicative price range
- **Subscription period:** from 20 February 2020 to 4 March 2020 for the (OPO) Public Offering and until 5 March for the Global Placement.
- **Fixing of the Public Offering price:** 5 March 2020
- **Securities eligible to French PEA and/or PEA-PME** subject to conditions

Nacon, an integrated player in the fast-growing video game market, announces the launch of its Initial Public Offering with a view to the admission of its shares to trading on the regulated market of Euronext Paris - (ISIN code: FR0013482791/mnemonic: NACON)

On 19 February 2020, the French Financial Markets Authority (AMF) approved, under visa number 20-047, the Prospectus consisting of the Registration Document, approved on 29 January 2020 under visa number 20-003, and of a Securities Note (including the Prospectus summary).

THE WINNING STRATEGY OF THE INTEGRATED VIDEO GAME DEVELOPER-PUBLISHER BUSINESS MODEL

Founded in October 2019, following the decision of BIGBEN INTERACTIVE SA (a company listed on Euronext Paris, B compartment, under the FR0000074072 security code) to consolidate its Gaming Division into a new entity, NACON SA is a pure player in video gaming, encompassing activities carried out as a publisher-developer of video games and a designer-distributor of premium gaming accessories.

NACON's strategy lies in its desire to become an integrated player in video game publishing, positioned in the "AA"¹ video game segment on a controlled budget, with a logic of specialization and search for niches that are at present scarcely or not exploited by industry majors.

The acquisition policy carried out since 2017 is based on the integration of studios with a recognized expertise in the genres targeted by the Group (Racing, Sports, Simulation, Adventure and Action) and with technical expertise, such as the KT Engine developed by the KT Racing studio.

This presence across the entire value chain gives NACON better control over the development of new games in order to increase the quality of the games produced and reduce the risk of execution due to delays or cancellations of releases.

ONE OF THE WORLD'S LARGEST PORTFOLIOS OF AA¹ VIDEO GAMES

With the integration of the studios acquired over the past two years, NACON has to date one of the world's largest portfolios of AA¹ video games, with more than 100 games developed for consoles and PCs including 10 games with its own IP assets (*Pro Cycling Manager*, *Rugby 20*, *Styx*, *Tennis World Tour*, *V-Rally*...) and more than 200 licensing agreements signed per year (*WRC*[®], *Tour de France*[®], *Warhammer*[®]...) in order to integrate their brands, models, characters or universes into the games.

NACON, THE PREMIUM REFERENCE OF GAMING ACCESSOIRES

NACON relies on historical know-how and expertise that has been recognized for more than 20 years in the development of premium accessories. With numerous patents (35 patents and more than 5 years of research and development on just its *Pro Controller* devices), NACON also has a powerful international distribution network that ensures a commercial presence in more than 100 countries.

After quickly integrating eSports into its marketing strategy to establish the reputation of its premium accessories, NACON has signed a prestigious partnership with SONY (Sony Interactive Entertainment) to develop and market the first *Revolution Pro Controller* under PlayStation[®] 4 license. Since that first success, *Nacon*[®] has firmly established itself as one of the leading brands in the field of console accessories.

¹ NACON definition: All games with sales between 200,000 and 3 million copies and budgets between 1 and 20 M€

A STRONG AND PROFITABLE GROWTH TARGET BY 2023

With a qualified and passionate team of 430 people, including nearly 300 developers employed in its 8 expert video game studios, NACON has a large international presence with employees in 8 countries and most of its sales made with international customers (77% in 2018/19).

NACON has a strong and steady growth history, with an average annual rate exceeding 20% over the last 3 years and 113.1 M€ sales at 31 March 2019. In the first nine months of FY 2019/20, unaudited sales amounted to 104.2 M€, up by 25.1%.

The strong growth of NACON is accompanied by a marked improvement in profitability with a current operating margin² of 11.1% in FY 2018/19, compared to only 1.3% in FY 2016/17. This trend is confirmed in the current financial year, with a current operating margin² of 16.8% in 2019/20 First Half³:

Based on figures previously disclosed on 31 December 2019 and of its estimate for the last quarter, NACON expects achieving the following "consolidated"⁴ results for the financial year closing on March 31, 2020:

- a turnover between 127 and 133 M€,
- and a current operating income rate² of ca.16%.

The increase in margin in recent years can be explained by the critical size reached by NACON, as well as by the increase in digital sales that generate a higher profitability than physical sales.

In the medium term, banking on the good trend of its business and the expected improvement of its current operating margin², NACON expects for the year ended March 31, 2023:

- a turnover between 180 and 200 M€,
- and a current operating income rate² exceeding 20%.

THE IPO, ACCELERATOR OF NACON'S STRATEGY

NACON intends to build on the success of its integrated developer-publisher model, the depth of its video game offer and the premium positioning of its accessories to capture all the opportunities of this market, which is currently undergoing its digital transformation.

The net proceeds of the fundraising effected through this offering are intended to give NACON the appropriate means to increase its development, particularly in terms of financing to support its future growth, to increase the research and development budget of new games and continue its selective policy of studio acquisitions.

² Current Operating Margin = ROC Rate = Current Operating Income Related to Sales

³ Data that has been subject to limited review

⁴ The NACON figures given as at 31 March 2020 were compiled by adding 6 months of combined figures for the period 1 April 2019 - 30 September 2019 (from the combined accounts in section 18.1 and 18.2 of the URD) to the 6 months of estimated consolidated figures covering the period October 1, 2019 - March 31, 2020

The estimated net proceeds of the Offering amount to €84.1m in the middle of the range of which:

- About 65% of the funds will be dedicated to the organic development of the Company, mainly through recruitments allowing it to internalize an additional part of the developments of the games and increase the pace and profitability of the commercial launches of NACON games;
- About 35% of the funds will be used on possible external growth transactions.

The Company will not use the funds raised for the early repayment of its borrowings that were medium-term at inception, but to finance additional development costs (organic growth or acquisitions).

At the present time, the Company is not party to any agreement involving the purchase of shares in an identified target as part of a planned acquisition.

If the Offering is limited to 75% of the envisaged amount and based on the lower limit of the indicative Offering Price range, the net proceeds from the Offering will be €60,743,805. In this situation, without jeopardizing its 2020-2023 objectives, the Company will be required to adapt its strategy by reducing the amounts allocated to its organic growth and possible acquisitions proportionately.

At the end of the transaction, BIGBEN INTERACTIVE SA intends to keep a broad control of its subsidiary NACON.

INDICATIVE TIMETABLE OF THE OPERATION

19 February 2020	Approval of the Prospectus by the AMF
20 February 2020	Publication of the press release announcing the Offering and the release of the Prospectus Release by Euronext of the opening notice for the Public Offering and the Global Placement
4 March 2020	Closing of the OPO Public Offering at 5:00 pm (Paris time) for subscriptions at bank counters and at 8:00 pm (Paris time) for subscriptions via Internet
5 March 2020	Closing of the Global Placement at 12:00 pm (Paris time) Fixing of the Offering Price Signature of the Placement Agreement Publication by Euronext of the result notice for the Offering / Publication of the press release indicating the Offering Price and the Result of the Offering
9 March 2020	Settlement-Delivery for the Public Offering and the Global Placement
10 March 2020	Start of trading of the Company's shares on Euronext Paris on a listing line entitled NACON Start of the possible stabilization period
3 April 2020	Deadline for the exercise of the Over-allotment option / Deadline for the end of the possible stabilization period

ELIGIBILITY OF THE OFFERING TO FRENCH PEA AND PEA-PME

NACON announces that it complies with the eligibility criteria for the PEA-SME specified by the implementing decree dated 4 March 2014 (Decree No. 2014-283). As a result, NACON shares can be fully integrated into French equity savings plans (PEAs) and PEA-SME accounts, which enjoy the same tax advantages as the traditional PEA.

**These advantages are conditional and limited to available ceilings. Interested individuals are invited to contact their financial advisor.*

FINANCIAL INTERMEDIARIES AND COUNSEL

Joint Global Coordinators
and Lead Managers



Legal Counsel

Financial Communication

All information relating to the Initial Public Offering of NACON can be found on
<https://ipo.nacongaming.com>

AVAILABILITY OF THE REGISTRATION DOCUMENT

Copies of the Prospectus approved by the Financial Markets Authority on 19 February 2020 under the number 20-047, are available free of charge at NACON's head office, 396 rue de la Voyette, in Lesquin (59), as well as on the website (<https://ipo.nacongaming.com>) and on the AMF website (www.amf-france.org).

RISK FACTORS

The prospectus visa should not be considered as a favourable opinion on the securities offered. Investors are encouraged to carefully consider the risk factors described in Section 3 "Risk Factors" in the Registration Document and Chapter 2 of "Offer Risk Factors" in the Transaction Note.

ABOUT NACON

NACON is a company of the BIGBEN Group founded in 2019 to optimize its know-how through strong synergies in the video game market. By bringing together its 8 development studios, the publishing of AA video games, the design and distribution of premium gaming devices, NACON focuses 20 years of expertise at the service of players. This new unified business unit strengthens NACON's position in the market, enables it to innovate by creating new unique competitive advantages and achieve its ambition to become one of the world's leading players in gaming.

Discover the new video game experience: www.nacongaming.com

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Disclaimer

This press release does not, and shall not, in any circumstances constitute a public offering nor an invitation to the public in connection with any offer.

No communication and no information in respect of this transaction or of Nacon may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction (other than France) where such steps would be required. The issuance, the subscription for or the purchase of Nacon's shares may be subject to specific legal or regulatory restrictions in certain jurisdictions. Nacon assumes no responsibility for any violation of any such restrictions by any person.

This press release constitutes promotional material only and not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 (the "Prospectus Regulation"). The prospectus approved by the AMF is available on the AMF website (www.amf-france.org) and [the company's website dedicated to the IPO (<https://ipo.nacongaming.com>)].

In France, an offer of securities to the public may only be made pursuant to a prospectus approved by the AMF. With respect to the member States of the European Economic Area (each, a "relevant member State"), other than France, no action has been undertaken or will be undertaken to make an offer to the public of the shares requiring a publication of a prospectus in any relevant member State. Consequently, the securities cannot be offered and will not be offered in any member State (other than France), except in accordance with the exemptions set out in Article 1(4) of the Prospectus Regulation, or in the other case which does not require the publication by Nacon of a prospectus pursuant to the Prospectus Regulation and/or applicable regulation in the member States.

This press release does not constitute an offer of the securities to the public in the United Kingdom. The distribution of this press release is not made, and has not been approved, by an authorized person ("authorized person") within the meaning of Article 21(1) of the Financial Services and Markets Act 2000. As a consequence, this press release is directed only at persons who (i) are located outside the United Kingdom, (ii) have professional experience in matters relating to investments and fall within Article 19(5) ("investment professionals") of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended) and (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as "Relevant Persons"). The securities of Nacon are directed only at Relevant Persons and no invitation, offer or agreements to subscribe, purchase or otherwise acquire the securities of Nacon may be proposed or made other than with Relevant Persons. Any person other than a Relevant Person may not act or rely on this document or any provision thereof. This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

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The distribution of this document in certain countries may constitute a breach of applicable law. The information contained in this document does not constitute an offer of securities for sale in Canada, Australia or Japan. This press release may not be published, forwarded or distributed, directly or indirectly, in the United States, Canada, Australia or Japan.

Louis Capital Markets UK LLP, acting as Stabilization Agent, may, for a period of 30 days following the date of start of trading in the Nacon's shares on Euronext Paris (i.e., based on the indicative schedule, from 10 March 2020 to 3 April 2020 inclusive)] (but not under any circumstances), in accordance with the applicable laws and regulations, in particular those of Delegated Regulation No 2016/1052 of the European Commission of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament European Union and the Council and concerning the conditions applicable to buyback programs and stabilization measures, to carry out stabilization operations in order to stabilize or support the price of Nacon's shares on the regulated market of Euronext Paris. In accordance with Article 7 of Delegated Regulation No 2016/1052 of the European Commission of 8 March 2016, stabilization operations may not be carried out at a price higher than the offering price. Such interventions may affect the price of the shares and may result in the determination of a higher market price than would otherwise prevail. Even if stabilization operations were carried out, Louis Capital Markets UK LLP could, at any time, decide to discontinue such operations. The information will be provided to the competent market authorities and to the public in accordance with Article 6 of the abovementioned Regulation. Pursuant to the provisions of Article 8 of the abovementioned Regulation, Louis Capital Markets UK LLP, acting on behalf of the Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners of the offer, may make over-allotments in connection with the offer up to the number of shares covered by the over-allotment option, plus, if applicable, a number of shares representing 5% of the offer (excluding exercise of the over-allotment option).

Information for distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer"(for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares offered in the Offering (the "Offered Shares") have been subject to a product approval process, which has determined that the Offered Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the

Target Market Assessment, distributors should note that: the price of the Offered Shares may decline and investors could lose all or part of their investment; the Offered Shares offer no guaranteed income and no capital protection; and an investment in the Offered Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment for any particular client of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offered Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.