

**RIGHT OF REPLY FROM NACON FOLLOWING FROGWARES' ALLEGATIONS**

FROGWARES published an article on March 1st, 2021, accusing NACON of having "pirated" the game The Sinking City; NACON hereby wishes to set the record straight regarding these unjustified accusations.

NACON is contractually the sole exclusive distributor of The Sinking City game on STEAM.

NACON has contributed to the financing of development and the payment of royalties to FROGWARES to the tune of 8.9 million euros to date (including the full payment for a version of the game for STEAM), making the global investment far above 10 million euros when integrating the marketing costs. Contrary to FROGWARES' allegations, NACON has paid all amounts due.

Today, unless FROGWARES is acting in bad faith, it has no reason not to make the game available to NACON on STEAM.

In the past, FROGWARES has improperly relied on accusations regarding a lack of payment to refuse delivery of the game on STEAM, at which point they tried to unsuccessfully terminate the contract. The Paris Court of Appeal deemed this action "manifestly unlawful"; ordering the continuation of the contract and encouraging FROGWARES to refrain "from any action which would impede such continuation".

In line with the courts' decision, NACON has repeatedly and unsuccessfully requested that FROGWARES make the game available on STEAM, failing which it would apply a clause in the contract wherein such a case, the game would be adapted by a third party. FROGWARES then attempted, without the knowledge of NACON and in violation of our rights, to make the game available on STEAM without mentioning NACON in its capacity as the publisher. This is, therefore clear proof that no technical impossibility prevents the game from being put back on STEAM.

Despite this blocking situation created exclusively by FROGWARES, NACON has allowed players to access the game on STEAM while still expressly indicating the ownership of FROGWARES' rights to the game. FROGWARES will also receive the royalties generated by STEAM sales.

By encouraging the gaming community via Twitter not to buy the game on STEAM, FROGWARES is once again sabotaging our investments in the game.

NACON obviously regrets this conflict, for which it is not responsible, and for which it did everything possible to avoid.

NACON regrets all the more that FROGWARES has demanded the withdrawal of the game from STEAM, thus depriving the gaming community of the unique experience provided by The Sinking City.

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NACON reserves the right to take legal action against FROGWARES for its aggressive and prejudicial comments. FROGWARES has been careful not to indicate that all court decisions in the dispute between NACON and FROGWARES have thus far been favorable to NACON.

**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 10 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.

<https://www.nacongaming.com/>

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