

ASX Release  
26 February 2021

**ASX Code: PLY**

## Capital Structure

Share Price\* \$0.44  
Shares on Issue \$366.5m  
Market Capitalisation\* \$161.3m

\*as at close of trade 25/2/21

## Major Shareholders

Gerry Sakkas 21.6%  
Mark Gouloupoulos 21.6%  
Aaron Pasias 21.6%

## Board & Management

**Cristiano Nicolli**  
Non-Executive Chairman

**Gerry Sakkas**  
Chief Executive Officer &  
Managing Director

**Mark Gouloupoulos**  
Non-Executive Director

**Aaron Pasias**  
Non-Executive Director

**Hans Ten Cate**  
Non-Executive Director

**Darren Briggs**  
Chief Financial Officer/  
Company Secretary

**Paul Fouracre**  
Chief Operating Officer

## Contact

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## PlaySide announces 63% Sales Revenue growth after successful \$15m IPO

### KEY HIGHLIGHTS

- Record first half Sales Revenue performance of \$5.0m, up 63% on prior corresponding period ("pcp")
- PlaySide Studios commenced trading on the ASX on 17th December 2020 raising \$15 million at \$0.20 per share with a market capitalisation of \$73 million at IPO
- Strong net cash position of \$16.1 million at 31 December 2020
- Animal Warfare, a PlaySide Original IP title, achieved over 6 million downloads since launch in August 2020 as at Dec 31st 2020.
- Development commenced on PlaySide's premiere "next generation" console title planned for release in late 2021.
- Strategic investment in staff and infrastructure undertaken to scale for pipeline of titles to be released in second half 2021 and beyond

### Summary Financials

|                              | Half-year ended 31<br>Dec 2020<br>\$'000 | Half-year ended 31<br>Dec 2019<br>\$'000 |
|------------------------------|--|--|
| <b>1. Statutory Results</b>  |  |  |
| Revenue - Sales              | 5,022                                    | 3,072                                    |
| Revenue - Other              | 832                                      | 9  |
| <b>Revenue - Total</b>       | <b>5,854</b>                             | <b>3,081</b>                             |
| <b>EBITDA</b>                | <b>(1,625)</b>                           | <b>5</b>                                 |
| <b>NPAT</b>                  | <b>(2,050)</b>                           | <b>(131)</b>                             |
| <b>2. Underlying Results</b> |  |  |
| <b>EBITDA</b>                | <b>(734)</b>                             | <b>(162)</b>                             |

### Financials Commentary

The Chairman of PlaySide Studios (the Company or PlaySide) (ASX: PLY), Mr Cristiano Nicolli, today announced record Operating Sales Revenue of \$5.02m for the first half of financial year 2021, representing a 63% increase on the pcp.

The highlight of this result was the growth in revenue from Original IP Games, where Revenue of \$2.98m, was up \$2.2m on the pcp, driven by the success of the Animal Warfare mobile title launched in August 2020.

Work for Hire Revenue for the half of \$2.05m was also strong given the impact from Covid-19 on international studio projects, many of which were deferred.

The Company recorded an Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) Loss of \$1.63m during the half. However, when the effect of non-recurring expenses in the current period are removed, namely Employee Share Option Plan expense and IPO Listing fees, the underlying EBITDA result was a moderate loss of \$0.73m.

|  | Half-year ended 31 Dec<br>2020<br>\$'000 | Half-year ended 31<br>Dec 2019<br>\$'000 |
|--|--|--|
| <b>Statutory Reported EBITDA</b>               | <b>(1,625)</b>                           | <b>5</b>                                 |
| <b><u>Add back: Non-Recurring Expenses</u></b> |  |  |
| <b>Employee Share Option Expense</b>           | <b>445</b>                               | <b>87</b>                                |
| <b>Listing Fees</b>                            | <b>446</b>                               | <b>0</b>                                 |
| <b>Non-Recoverable Loan</b>                    | <b>0</b>                                 | <b>70</b>                                |
| <b>Underlying EBITDA</b>                       | <b>(734)</b>                             | <b>162</b>                               |

Mr Nicolli further noted that the underlying EBITDA Loss was predominantly the result of the Company being in a rapid growth phase, which has seen a significant investment in the number of new employees as well as increased hardware and software to support the development of a number of large-scale Original IP Games.

The Company also increased advertising expenditure as part of its user acquisition strategy. This increase was planned and was proportional to the increase in revenues seen in the Original IP Division, driven by the new release of Animal Warfare. As the business continues to rapidly scale via the release of new Original IP titles, it is expected that the investment in user acquisition will continue to grow.

### Balance Sheet Provides Funding for Future Growth

Mr Nicolli stated that the combination of the pre-IPO and IPO Capital Raise, which netted the Company \$16.4m net of costs, has placed the Company's balance sheet in a very strong position to fund the planned future expansion over the next few years, with Net Cash sitting at \$16.1m as at the end of December.

### Operational Update

During this period, key PlaySide Management and Founding Directors prepared for the IPO working closely with Lead Manager Canaccord Genuity (Australia) Limited, legal advisor Steinepreis Paganin and Financial & Auditing firm BDO Corporate Finance (East Coast) Pty Ltd.

PlaySide listed on the ASX on December 17th, 2020 under the ASX code PLY after raising \$15 million at \$0.20 per share. On listing, PlaySide had approximately 366.5M shares on issue, with a market capitalisation of \$73 million at the IPO price. The IPO closed oversubscribed with strong support received from institutional, sophisticated and retail investors.

PlaySide added two new Independent Directors during this period in Non-Executive Chairman Cristiano Nicolli and Non-Executive Director Gerrit "Hans" ten Cate. Mr Nicolli brings significant strategic, ASX governance, and IT Industry Leadership expertise whilst Mr ten Cate brings scale up experience from his time at MaxPlay as well as substantial PC, console and mobile games experience through various senior roles at EA. Mr ten Cate is also Chair of the International Game Developers Association (IGDA).

As part of its growth strategy, PlaySide commenced building scale into its business to support the increased pipeline of projects. The Managing Director and CEO of PlaySide, Mr Gerry Sakkas, stated “The Company has generated a lot of momentum during the half, with both its sales growth and its level of recruitment and increased operational capability, and the focus is now firmly on developing high quality games for a variety of platforms and genres”.

During the half, PlaySide expanded the capacity and capability of its team. This included games specific resources such as Producers, Programmers, Artists, QA, User Acquisition and a Designer as well as other administration support staff including HR and Accounting. In addition, PlaySide has further invested in gaming hardware and software infrastructure.

## Original IP

One of the key objectives of the IPO was to provide the resources for PlaySide to expand into creating video games for the major console platforms. To that end, the Company is excited to announce that it has commenced work on a next generation console title planned for release at the end of 2021. This will be the Company’s first title released on “next generation” consoles such as the PlayStation 5 and Xbox Series X.

PlaySide’s Animal Warfare game launched in August 2020 has achieved 6.03m downloads as of 31st December 2020 which is well above the Company’s initial expectations. The title has received a positive response from players, scoring an average rating of 4.7/5 from over 60,000 reviews on Apple iOS. It continues to generate strong daily downloads and is achieving target DAU and monetisation metrics.

Idle Area 51 was soft launched on the 19th of December. This is a PlaySide Original IP mobile casual title within the “clicker” genre. PlaySide identified this as an attractive niche genre and conceived the concept of a secret research recovery facility formed around a UFO crash site. The title was fully developed during the quarter with the soft launch period being used to refine retention and monetization metrics ahead of the planned global launch during Q3 FY21.

## Partnerships

In mid February 2021, PlaySide signed an agreement to develop a new PC title with Click Management Pty Ltd (“Click”), “LazarBeam” and “Fresh”. PlaySide, Click, LazarBeam and Fresh will bring innovative design concepts together to jointly develop a new PC title that PlaySide will globally publish with an anticipated release date of late 2021.

World of Pets (“WOP”), a game in partnership with Norris Nuts (10 million YouTube Subscribers across all channels), continued to progress well. WOP is a Massive Multiplayer Online (MMO) adventure game. The game was announced on the Norris Nuts YouTube channel on December 6th, 2020 with registrations for closed beta testing exceeding expectations. WOP is planned to open for pre orders in early February, 2021.



### Outlook

Looking forward, Mr Sakkas stated "Our strong balance sheet will enable the business to continue to form strategic partnerships such as Norris Nuts (World of Pets) and the recently signed Click Management, LazarBeam & Fresh partnership. In addition, PlaySide is well-placed to continue its focus on developing original IP titles and licensing prime Hollywood brands."

Mr Sakkas further added "This is an exciting time for the Company. PlaySide has always been at the forefront of mobile games development and with our evolution into new platforms coupled with the recent IPO, I feel we are well placed to capitalise on these growth opportunities over the next 12 - 18 months".

### Release approved by the Chairman on behalf of the board.

To receive business updates and investor information from PlaySide register your details here: <https://playside.investorportal.com.au>

### Investor Enquiries

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#### Gerry Sakkas

A stylized, handwritten signature in black ink.

Managing Director & CEO

#### Cris Nicolli

A stylized, handwritten signature in black ink.

Chairman

### About PlaySide Studios

PlaySide Studios Limited develops mobile video games in Australia. It provides titles in a range of categories, including self-published games based on original intellectual property and games developed in collaboration with studios, such as Disney, Pixar, Warner Bros, and Nickelodeon. The company's portfolio consists of 52 titles that are delivered across 4 platforms, which include mobile, virtual reality, augmented reality, and PC. The company was incorporated in 2011 and is headquartered in Port Melbourne, Australia.

