

# **RECORD QUARTERLY REVENUE OF \$6.08M AND FY22 REVENUE OF \$29.24M**

PlaySide Studios Limited (ASX: PLY) ("PLY" or "PlaySide"), Australia's largest publicly listed video game developer, is pleased to provide its Q4 FY22 Quarterly Activities Report and Appendix 4C.

## **HIGHLIGHTS**

- Quarterly revenue of \$6.08m, a very strong increase of 94% on previous corresponding period ("pcp").
- Generated \$5.39m cash from customers during the quarter, a strong increase of 49% on pcp.
- Robust cash position of \$37.9m as of 30 June 2022.
- Significant 16-month extension and expansion of the work-for-hire development agreement with Meta Platforms (formerly Facebook).
- Signed a significant six-month contract to provide an important new VR initiative for Meta to be delivered in October 2022.
- FY22 full year unaudited revenue of \$29.24m, delivering significant growth of 169% over prior year.
- Work-for-hire existing contracted backlog of \$15.67m as of 30 June 2022.

**PlaySide's CEO, Gerry Sakkas said:**

*"This is our fourth consecutive quarter of strong quarterly revenue growth with Q4 FY22 increasing by 94% over pcp."*

*"Our work-for-hire business segment was particularly strong during Q4, achieving 337% revenue growth over pcp and our Original IP business segment focused on development as we prepared to launch several titles including the global launch of Legally Blonde and The Godfather in Q1 FY23."*

*"Overall, it was exceptionally pleasing to achieve full year unaudited revenue of \$29.24m growing 169% over FY21 driven primarily by our Original IP titles and Web 3.0 initiatives. Given our strong cash position, strong pipeline of original IP titles, newly established third-party publishing division, and our ability to deliver projects with some of the world's largest and best-known clients such as Meta, we are confident of continuing our momentum in FY23."*

## **1. Quarterly Key Achievements**

### **Original IP**

The Company's Original IP business, achieved \$2.1 million in revenue. This was a development-focused quarter in preparation for several title launches in Q1 FY23.

This result included initial revenue contribution from the soft launch of *Legally Blonde*. The title was soft launched across several countries and the Company continued to modify existing features in order to optimise key metrics such as Average Revenue Per User, Cost per Install and Cost per Purchaser. The trends in key metrics are very pleasing in preparation for its global launch in Q1 FY23.

The Company also soft launched *The Godfather* at the end of Q4 and initial key metrics are very promising. The title is following a similar iterative approach to *Legally Blonde* in readiness for its global launch later in Q1 FY23.

## Work-for-Hire

The work-for-hire business continued its strong growth trajectory, recording revenue of \$3.97m, up 337% on pcp. Key achievements included the 16-month extension and expansion of the existing development agreement with Meta and an additional significant separate six-month contract to provide an important new VR initiative.

As of 30th June, the Company has \$15.67m in existing contracted work-for-hire ("backlog") with a substantial amount of the total to be recognised in FY23. The Company expects to sign additional work-for-hire contracts and extensions to existing contracts in the normal course of business during FY23.

Notwithstanding this strong position in work-for hire, the Company expects Original IP to have the largest contribution to overall revenue in FY23.

## 2. Games Update

In line with PlaySide's growth plans, the Company continues to invest in its game development roadmap in addition to its work-for-hire portfolio. This strong investment in Original IP titles across mobile, PC & console will provide the Company with a deep pipeline of releases in FY23 and beyond. Below is a brief update on the key titles recently launched and currently in development.

### Original IP Key Titles in Development: For Launch in FY23:

#### Mobile Division

##### 1) Legally Blonde

- Soft launch period was conducted across multiple markets and has demonstrated continuous improvement in key metrics ahead of global launch in Q1 FY23.

##### 2) The Godfather

- Soft launch has commenced with very positive initial key metrics.
- The title is on track for global launch later in Q1 FY23.

##### 3) Dumb Ways to Die 4 (DWTD4)

- PlaySide has commenced development on its DWTD4 title which is planned to soft launch in Q3 FY23.
- The title will be based around the original game with new minigames and additional features.

##### 4) Dumb Ways to Die: Dumb Choices (DWTD:DC)

- The Company plans to soft launch a new casual DWTD title (DWTD: DC) in Q1 FY23.
- The title is a choice-based casual puzzle game themed around the Beans' first holiday away.

##### 5) Dumb Ways to Sleep (DWTS)

- Development of a new subscription-based health and wellness app is nearing completion. Based on the Dumb Ways to Die characters, it is aimed at assisting parents with their children's bedtime routines.
- The app is planned to be soft launched in Q1 FY23.

**6) Dumb Ways to Die: Match 3 Title**

- The Company has commenced development on a new Dumb Ways to Die Match 3 puzzle-based game utilising existing internal IP to accelerate development.
- The title is planned to be soft launched in Q3 FY23.

**7) Idle Recycle**

- A new recycling themed idle game which is based on the Idle Area 51 technology is in final stages of development and is planned to soft launch in Q1 FY23.

**8) Dino Warfare**

- A new dinosaur themed merge idle battler which is based on the WARKit technology is in final stages of development and is planned to soft launch in Q1 FY23.

**9) Fantasy Warfare**

- A new fantasy / monster themed merge idle battler which is based on the WARKit technology is in development and is planned to soft launch in Q2 FY23.

**PC / Console**
**1) World Boss co-development with key influencers LazarBeam & Fresh**

- Development and testing progressing strongly towards the planned Early Access launch on PC in Q1 FY23.

**2) Age of Darkness: Final Stand**

- Development of co-op multiplayer and campaign mode progressing positively towards a global launch in Q2 FY23.

**3) Pillage Party Co-development with Thomas Middleditch**

- Solid progress being made on development.
- The title is planned to be launched in Q1 FY24 on PC via Steam and subsequently on multiple consoles including Nintendo Switch, PlayStation 5, and Microsoft Xbox.

**Web 3.0**
**1) BeanLand**

- The company has commenced development on Beanland, a PvP arena brawler title containing MMO-like social hub features with NFT's as an opt-in feature within the game.
- Soft launch is planned for Q4 FY23 on PC.

**2) New NFT IP Brand Collection**

- The company has been developing a new NFT brand collection with further details to be announced in Q2 FY23.

## **3. New Publishing Division**

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During July, the company announced the launch of its third-party publishing division, PlaySide Publishing.

The new division will be focussed on PC and Console given the scale and revenue opportunities of titles in this segment and offer a full suite of publishing services for independent developers across the globe.

PlaySide Publishing services include marketing and communications, game localisation, quality assurance, and release management. It is common practice for a milestone-based investment to be paid by the publisher to the developer to complete the title prior to launch, and such investment and publishing services are provided in return for an agreed revenue share model between the publisher and the developer on sales of the title.

## 4. Quarterly Cashflow

As detailed in the Appendix 4C below, PlaySide finished the June quarter with \$37.9m in cash reserves, representing a decrease of \$2.1 million for the quarter.

The main components of this negative movement were:

- (i) Net Cashflow from operating activities, which were slightly negative at -\$37k, meaning the business only narrowly missed having its 3<sup>rd</sup> consecutive quarter of positive operating cashflow; and
- (ii) Net cash outflows used in investing activities of \$1.93m, which included \$1.72m invested in intellectual property and \$0.21m invested in capital expenditure.

### IPO Use of Funds Reconciliation

Pursuant to Listing Rule 4.7C2, the Company confirms that during the period since listing on the ASX on 17 December 2020, its expenditure incurred is in line with the Use of Funds as set out in its prospectus, with a summary as shown in the table below:

Use of Funds under Prospectus (\$'000)	Note	Funds allocated under the Prospectus	Funds Spent June 2022 Qtr.	Funds Spent Since Listing
Expand Data & Analytics Team		1,000	145	660
Sales and Marketing (including User Acquisition)	2	4,000	126	3,845
Brand Licensing	5	3,000	116	483
Additional resources, licensing and technology for development of new and existing titles	3	1,500	2,879	6,642
Future growth opportunities, including potential acquisitions	1	2,000	-	2,250
Interest Accrued on Convertible Notes		55	-	42
Expenses of the Offer		1,350	-	1,741
Corporate and Administrative Costs	4	800	1,428	4,194
Working Capital		1,814	-	369
<b>Total</b>		<b>15,519</b>	<b>4,694</b>	<b>20,226</b>

Notes per Above:

1. Dumb Ways to Die Acquisition of \$2.25m paid 1st October, 2021.
2. Increased user Acquisition spend on original IP games Animal Warfare, Battle Simulator, Idle Area, Toy Warfare and Garbage Truck.
3. Hired additional heads and internally promoted current staff members.
4. Costs incurred as a result of increased recruitment, software purchases and consultant fees.
5. Licence Fees paid in the quarter.

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**  
Managing Director & CEO



**Cris Nicolli**  
Chairman

### About PlaySide Studios

PlaySide Studios Limited is Australia's largest publicly listed video game developer. It provides titles in a range of categories, including self-published games based on original intellectual property and game development services in collaboration with studios such as Take-Two Interactive, Activision Blizzard, Meta, Disney, Pixar, Warner Bros, and Nickelodeon. The company's portfolio consists of 60 titles that are delivered across 4 platforms, which include mobile, virtual reality, augmented reality, and PC. The company was incorporated in 2011, is listed on the Australian Securities Exchange, and is headquartered in Port Melbourne, Australia

# Appendix 4C

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

PLAYSIDE STUDIOS LIMITED

ABN

73154789554

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows

Current quarter \$A'000

Year to date (12 months)  
\$A'000

### 1. Cash flows from operating activities

1.1 Receipts from customers

5,388

29,222

1.2 Payments for

(a) research and development

-

-

(b) product manufacturing and operating costs

-

-

(c) advertising and marketing

(1,455)

(8,309)

(d) leased assets

-

-

(e) staff costs

(3,019)

(8,966)

(f) administration and corporate costs

(1,521)

(4,813)

1.3 Dividends received (see note 3)

-

-

1.4 Interest received

8

28

1.5 Interest and other costs of finance paid

(21)

(62)

1.6 Income taxes paid

-

-

1.7 Government grants and tax incentives

584

614

1.8 Other (provide details if material)

-

-

1.9 Net cash from / (used in) operating activities

(37)

7,713

2. Cash flows from investing activities		Current quarter \$A'000	Year to date (12 months) \$A'000
2.1 Payments to acquire or for:			
(a)	entities	-	-
(b)	businesses	-	-
(c)	property, plant, and equipment	(212)	(899)
(d)	investments	-	-
(e)	intellectual property	(1,717)	(6,415)
(f)	other non-current assets	-	-
2.2 Proceeds from disposal of:			
(g)	entities	-	-
(h)	businesses	-	-
(i)	property, plant, and equipment	-	-
(j)	investments	-	-
(k)	intellectual property	-	-
(l)	other non-current assets	-	-
2.3 Cash flows from loans to other entities		-	-
2.4 Dividends received (see note 3)		-	-
2.5 Other (provide details if material)		-	-
<b>2.6 Net cash from / (used in) investing activities</b>		<b>(1,929)</b>	<b>(7,314)</b>

3. Cash flows from financing activities	Current quarter \$A'000	Year to date (12 months) \$A'000
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	28,000
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(1,299)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(71)	(233)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(71)</b>	<b>26,468</b>
4. Net increase / (decrease) in cash and cash equivalents for the period	Current quarter \$A'000	Year to date (12 months) \$A'000
4.1 Cash and cash equivalents at beginning of period	40,031	11,235
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(37)	7,713
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,929)	(7,314)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(71)	26,468
4.5 Effect of movement in exchange rates on cash held	(86)	(194)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>37,908</b>	<b>37,908</b>



5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous Quarter \$A'000
5.1 Bank balances	16,983	19,110
5.2 Call deposits	20,911	20,910
5.3 Bank overdrafts	-	-
5.4 Other (Cash on Hand)	13	11
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>37,908</b>	<b>40,031</b>
6. Payments to related parties of the entity and their associates	Current quarter \$A'000	
6.1 Aggregate amount of payments to related parties and their associates included in item 1 (Remuneration Payments to Directors)		227
6.2 Aggregate amount of payments to related parties and their associates included in item 2 (Software Development payments to Director Related Entity)		263
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.		
7. Financing facilities Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Answer: N/A		

8. Estimated cash available for future operating activities	Amount drawn at quarter end \$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(37)
8.2 Cash and cash equivalents at quarter end (item 4.6)	37,908
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	37,908
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b> Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A." Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.	1,024.5
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

**Compliance statement**

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

**Date:** 29<sup>th</sup> July 2022

**Authorised by:** By the Board

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board." If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]." If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee."
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.