

Attention: Company Announcements

Australian Securities Exchange Limited

26 October 2022

Dear Sir/Madam

**CHAIRMAN'S AND CEO'S ADDRESSES – 2022 ANNUAL GENERAL MEETING (“AGM”)**

Attached please find copies of the Chairman's and CEO's addresses that will be made at today's PlaySide Studios Limited (“PlaySide”) AGM commencing at 2.30pm.

These addresses have been authorized for release by the Board of PlaySide.

Yours sincerely

PlaySide Studios Limited



**DARREN BRIGGS**

CFO & Company Secretary

## Chairman's Address to Shareholders by Mr Cris Nicolli

Welcome,

I am delighted to report that PlaySide has had an outstanding year and it is hard to imagine with what the team has achieved, that we listed this company less than two years ago.

We have continued to aggressively pursue our key strategic objectives of developing world class games based on our own IP, being at the forefront of games development including Web 3.0 and delivering outstanding quality and services to our major clients such as Meta, 2K, Activision Blizzard and others.

We achieved a number of very pleasing results with record FY22 operating revenue of \$29.24m – up 169% over last year.

EITDA was a record at \$5.9m up from a prior year loss of \$5.4m.

This rapid growth required a strong management team to balance capital allocation of the company through employee recruitment, to deliver the “work for hire” commitments made to key clients, through to the investment in innovation and the building of our IP based games.

The major investment in developing our own IP has already paid dividends. Following the acquisition of the Dumb Ways to Die franchise we launched the highly successful Web 3.0 Beans NFT sale delivering over \$9m in revenue and a substantial profit which was a key reason for the overall profit improvement.

Perhaps even more significant from a game's development perspective was the initial launch of Age of Darkness – Final Stand, our first major PC platform release based on our own IP. Gerry will mention this in more detail but the innovation, quality and game play in this release has propelled the image of PlaySide as a world class developer.

Additionally, we have invested in licences from which to develop our own IP based games for mobile which include recently released Legally Blonde, and soon to be released Godfather – City Wars.

The team has also done an excellent job of building the brand of PlaySide to major “work for hire” clients such as Meta, 2K, Activation Blizzard and others by delivering to those client's requirements with a consistent quality and in accordance with agreed timelines. They trust us to deliver. The challenge of maintaining high quality and integrated teamwork when adding over 100 staff and opening a new office on the Gold Coast cannot be underestimated. While we are continuing to learn the challenges of scaling our operations, I congratulate the managers and executive team for the manner in which this scale has been achieved.

Our committed pipeline of business to be delivered has also been solid with a value of \$15.7m providing a strong base for FY23 revenue growth.

The recognition of the company position and potential in the Games market supported the very successful capital raise of \$28m earlier in the year. I thank our shareholders who have supported the company from listing in December 2020 to today, and especially for the support of the capital raising.

PlaySide is well positioned to continue strong revenue growth and is well funded with cash reserves at the end of June of \$37.9m.

The achievements to date are part of our strategic plan to be recognised as a global leader in games development across mobile, PC and console titles and the building of significant scale to compete on the global market. We have made excellent progress over the last 12 months.

We operate within the large global entertainment market with global gaming the largest market segment. The market continues to grow steadily with market leaders continuing to drive investment and innovation. Given our reputation for quality and increasing scale, PlaySide sees increasing opportunities to partner and provide development services to these Global heavyweights while continuing our journey in developing our own innovation and IP.

As we continue to navigate the balance between supporting “work for hire” opportunities with our global clients, and the investment required to develop PlaySide IP games, the Board will continue to carefully prioritise and monitor the use of capital allocations and be mindful of remaining nimble and flexible in our approach within a sensible risk framework.

Our future looks positive. We are delivering the seeds of successful PlaySide IP based games, our Global clients continue to provide increasingly strong opportunities to partner, our Web 3.0 plans are well advanced, and our team is enthusiastic and continues to grow.

I want to take the opportunity to thank all our employees for their outstanding contributions and the way they have adapted to the different working conditions still partly impacted by Covid and for their loyalty and resilience. Our people are our brand and our difference – thank you for pushing PlaySide to become the brand it is today.

In particular the executive and management team deserve special recognition for winning the opportunities, building the relationships, driving, and managing the growth of the company while maintaining the focus of the key priorities that will deliver longer term benefits.

I thank all our shareholders for their investment and support of the Company, and trust that they will benefit from the investment in PlaySide as we continue to grow, and further increase our reputation in the global market.

We have recently added some additional capability to the company to further drive and manage the next phase of the company growth and strategy – Gerry will cover these shortly – It indicates our confidence in continuing the investment in growth and building the capability needed to further the PlaySide aspirations.

Moving forward in to FY23 we remain optimistic about meeting our aspirations and our ability to continue to grow our revenues and our brand. The outlook is positive, with strong levels of work in the pipeline, a motivated team of over 200 employees, new games about to be released and a current (30 Sept) strong balance sheet with \$34.7m in cash.

Lastly, my thanks to the executive team for their significant effort and to my fellow Board members, including Hans who has recently stepped down to pursue his new business ventures – our thanks for your contribution, Hans, especially your US based connections and insights – and for the rest of the Board for your energy, willing contribution to having the challenging conversations and for your enthusiastic and professional approach to guiding the company.

I will now pass over to Gerry.

## CEO Address to Shareholders by Mr Gerry Sakkas

Thank you, Cris and good afternoon fellow shareholders, my name is Gerry Sakkas, and I am the CEO of PlaySide Studios.

Speaking to you in our second year as a listed company it's remarkable to think about how much the business has grown in that time. On Monday we welcomed our 219th employee to the business, Liam Pickering. Liam starts as a Junior in our Quality Assurance team, a role that is close to my heart because it was my first role in the industry when I started at EA Games more than ten years ago. While Liam joins us in the Port Melbourne studio, we are now regularly welcoming people across not only our physical offices in Port Melbourne and on the Gold Coast, but remotely across other Australian states as well as internationally.

From a financial perspective we have gone from strength to strength, having posted \$12m in total revenue in FY21 and recently reporting \$30m in total revenue in our FY22 result. This growth would simply not have been possible without a team of highly engaged and capable people, and in this regard, we have been fortunate to attract games development talent from global studios such as EA, Epic, King, Riot, Team17, and Activision Blizzard.

I think we attract these people because we offer them the opportunity to have a meaningful contribution to the new titles that we are developing in a fantastic culture, and at a time in the business when we are still experiencing high levels of growth as we transition from a largely mobile-focused game developer to titles across PC, console, virtual reality and mixed reality. Importantly, these team members bring a hunger to work on quality games and a strong appreciation of best practices in games development processes, which is invaluable to us as we manage a growing pipeline of titles with increasing degrees of sophistication and complexity. More than at any other time in the company's history I believe we have everything we need internally to make the kind of titles I dreamed of being able to make when we started the business, and I remain excited about the opportunities we have in front of us.

This year we launched our first ever PC title, the real-time strategy game *Age of Darkness: Final Stand* which is in Early Access on the Steam Platform. Our efforts to develop a world-class title have been recognised externally, with a nomination for Best Strategy or Simulation Game at GamesCon, and three nominations at the Australian Game Design Awards, resulting in PlaySide receiving the award for Excellence in Technical Design for this title.

In terms of a recap of our first quarter in FY23, I would like to draw your attention to the following highlights:

- On August 19 we launched our mobile title based on the *Legally Blonde* film franchise globally, which was featured worldwide by Apple on the App Store, and we are pleased with its initial performance.
- We also soft launched a number of other titles including *Dino Warfare*, an idle battler based on our highly successful *Warfare* franchise, *Idle Recycle* and *Dumb Ways To Sleep*. We continue to challenge ourselves as to how far we can take the *Dumb Ways* brand, in terms of the value and scope of the franchise, which now has 350m mobile downloads, 1.5m followers on TikTok and more than a million YouTube subscribers engaging with the brand.
- We are progressing our mobile title based on *The Godfather* film franchise to global launch and having spent many hours enjoying the gameplay myself I am excited about the potential to really connect with fans of the film in a game that I think is very true to the essence of what makes *The Godfather* movies great.

- We launched our Publishing division with a number of key hires. Publishing presents as a strong medium-term opportunity for PlaySide and as an established games developer ourselves I think we bring immediate credibility and identifiable value-add to indie studios looking to bring great ideas to life and give them the best chance of being successful in a highly competitive marketplace.
- Finally, we announced our third extension and expansion of our work-for-hire agreement with Meta since our IPO, and I think that speaks volumes of our value as a development partner in the VR space. We remain very excited to collaborate with Meta as they push the boundaries of what the consumer experience in VR can be.

With a strong cash balance, a growing pipeline of work-for-hire projects, a solid back catalogue of mobile titles and considerable opportunities in front of us right now, I remain confident that FY23 will be another year of strong growth at PlaySide.

I thank you for your continued commitment as shareholders and will hand you back to Cris to conduct the formal business of today's meeting.