

31 January 2023

Streamplay Gaming Quarterly Update and Appendix 4C

Streamplay Studio Limited (“Streamplay” or the “Company”) (ASX:SP8) is a leading provider of competitive casual gaming and eSports technology, music streaming services, and telco value-added services. The Company, which offers a diverse range of entertainment solutions for its users, including the ability to stream and play games, music, and access various telco services all in one place, is pleased to provide its report for the quarter ended 31 December 2022 (the “Quarter”).

During the Quarter, Streamplay completed the acquisition of the Mobimedia VAS business. On completion of the acquisition, the Company sought and received approval from shareholders to change its name Streamplay Studio Limited.

The VAS business is now operated under a new wholly owned subsidiary, Streamplay Pacific Pty Ltd. This acquisition bolts on a number of profitable and revenue-generating services focussed on the Pacific Islands region via agreements with various Mobile Network Operators (“MNOs”). (Telikom PNG, Our Telekom Solomon Islands, uCall Tonga and Bluesky American Samoa). It also allows the integration of the acquired businesses into Streamplay’s existing business in South Africa and vice versa to distribute Streamplay’s existing products into the Pacific Islands.

Streamplay owns and operates online “Competitive Social Gaming Platform” technology and bespoke “Cloud Streaming” technology. This IP and related services enable cutting-edge online casual gaming tournament and competition facilitation platforms where subscribers enter tournaments, play their favourite casual games, and earn rewards and prizes, while engaging socially. Music and entertainment content streaming services have now been added to this offering.

Streamplay operates through a B2B2C business model partnering with multinational MNOs in South Africa and the Pacific Islands.

HIGHLIGHTS

- **Streamplay completed the acquisition of Mobimedia’s Telco focused VAS business.**
- **Acquisition includes a number of new profitable products and revenue streams complementary to Streamplay’s existing gaming & streaming service offerings.**
- **Cash at bank as at 31 December 2022 of A\$16.5M (previous quarter A\$17.7M). Cash of A\$0.5M was used for the acquisition. First receipts from acquisition to be banked next quarter (Q3 FY23).**
- **This acquisition provides an immediate boost to Streamplay’s revenues and allows integration of the acquired business into Streamplay’s existing businesses in South Africa.**
- **Game streaming service MTN Arena 5G launched with 3 premium games produced by the Streamplay Game Studio.**
- **MTN Arena 5G gains positive feedback from users and MNO partner MTN, and demonstrates the potential of streaming technology at scale. Development underway for game streaming technology to support real time competitive multiplayer features**
- **Streamplay Game Studio meets development milestones triggering MTN’s further investment of ~A\$200,000 into the development of additional premium games and multiplayer features (invoiced and to be received next quarter).**



- **Streamplay Game Studio completes development of 2 further premium quality games with 3 more in development (total library of 8 exclusive premium content game titles, and growing).**
- **Streamplay to launch new feature rich version of ArcadeX platform into the Pacific Islands region.**

The Quarter saw Streamplay launch its recently developed game streaming technology under the product brand MTN Arena 5G with MTN funded promotional support of ~A\$100,000 and a further commitment to invest ~A\$200,000 into the development of additional premium games and multiplayer features into its game streaming technology.

Go-to-Market Strategies

Streamplay has three GTM strategies for its products and technology: -

- B2B2C partnerships with MNOs
- B2C business model leveraging direct selling by consumers
- B2B distribution partnerships

Streamplay has an established B2B2C partnership with MTN (**MTN Arena**). During the Quarter, the Company both expanded its product offering (**MTN Arena 5G**); and drove MNO partnership expansion through the acquisition of the Telco focused VAS business which has MNO partnerships including Telikom Limited, Papua New Guinea and Our Telekom, Solomon Islands.

Streamplay's customer receipts during the Quarter were derived from user subscription revenues and, since the launch of MTN Arena 5G, also through token sales. The acquired VAS business includes a number of new products and profitable revenue streams which are complementary to Streamplay's existing gaming and streaming technology service offerings. Streamplay continues to explore opportunities to diversify its offerings, revenue streams and expand its footprint geographically into new regions.

MTN Arena – South Africa “B2B2C” - Operational Overview

Streamplay operates its Competitive Social Gaming technology under the MTN Arena brand in South Africa for a leading emerging market MNO, MTN. MTN Arena is a competition and tournament platform with a social element, which allows casual gamers to enter competitions, win prizes and earn points whilst engaging in their favourite casual games.

Although the main focus of the Company has been on the launch of the 5G product, during the Quarter, MTN supported the base product by using its internal database to deliver messaging to millions of potential platform subscribers. The immediate result of these marketing efforts were ~22,000 additional subscribers and a revenue increase over the average daily rate. Further marketing support will be provided by MTN in the form of ad space via their owned media channels such as MTN's Play Portal.

The MTN Arena platform recorded ~117,000 (30 September 2022: ~168,000) new monthly subscribers in the Quarter. Marketing initiatives reduced slightly as focus was placed on the launch of the 5G Streaming product. As at 31 December 2022, there were ~250,000 active subscriptions (30 September 2022: ~290,000) and the gross platform revenue generated during the quarter was ~A\$172,000 (30 September 2022: ~A\$247,000). Streamplay earns as revenue 50% of the shareable revenue derived from the MTN Arena platform.

During the previous year, Streamplay has invested heavily into its product development and is getting ready to launch enhanced platform features including enhanced user profiles, improved social engagement, gamification, and brand hosted tournament functionality. Streamplay plans to launch an updated feature rich version of MTN Arena in Q1 calendar 2023.

The launch of the updated version will seek to drive value through greater subscriber acquisitions, improve engagement and increase billing success rates.



MTN has 34.5 million mobile subscribers in South Africa alone, and MTN Arena has accessed more than 1.3 million new subscribers, or 4%, of the MTN South Africa subscriber base. There is further opportunity to grow Streamplay revenues in this market.

Game Streaming Service – MTN Arena 5G



During the Quarter, Streamplay and MTN South Africa launched game streaming service **MTN Arena 5G** with Streamplay's revenue share from this service set at 60% (ASX: 10 October 2022) of shareable revenue.

MTN Arena 5G is a new game streaming service offered as a complimentary product to the existing MTN Arena platform. Game streaming subscribers will redeem 'play tokens' for entries into tournaments offering custom designed competitive premium games that are streamed through a browser launch web application. Tournaments offer streamed games and players will be ranked by high score in the leader boards with the opportunity to win enticing rewards and prizes.

The initial 6 months post launch will be used primarily as a research and discovery phase to properly test the technology, content and market appetite.

Streamplay is pleased to announce steady organic growth in its subscriber base after opening up the new platform with over 1,000 new subscribers acquired. The platform's token system, which grants new subscribers 10 free tokens upon subscribing and prompts them to purchase more tokens when they run out or expire, has seen strong usage. Over 8,200 games were played for a total of over 185 hours, with the most hours of gameplay observed in a single day recorded at 10.2 hours. To date, the highest usage by a single competitive user stands at over 640 games. Of the tokens currently in circulation, 49% have been purchased by subscribers.

The platform has received daily (unprompted) feedback from customers with an overall customer satisfaction rating of 4.0 / 5 while a recent survey prompting for detailed customer feedback on the platform, games and prizes yielded an overall 4.5 / 5 customer satisfaction rating with further positive feedback on all current games and responsiveness of the streaming technology. These early statistics are encouraging but even more pleasing is MTN's decision to invest in the platform via Streamplay Studio, refer below).

Streamplay Pacific - Operational Overview

Streamplay Pacific brings new revenue streams to the Company including mobile games content, SMS games, On-Deck Portal delivering localised content and the popular mJams music and video streaming applications. These offerings are enjoyed by an active user base of ~300k subscribers (ASX: 12 December 2022).

During the Quarter, the launch of services with a local MNO partner, Telikom in Papua New Guinea has been a resounding success. Throughout the Quarter, significant growth in the number of subscribers was recorded on all Streamplay products and services on the Telikom network, with over 70,000+ subscribers enjoying a variety of Streamplay's product offerings. .

This is a testament to the popularity of Streamplay Pacific's services in Papua New Guinea, and the Company is excited to continue expanding its reach in the region. The Company is confident that this growth trend will continue as it works to expand offerings and improve relationships with partners.

Streamplay Pacific has observed significant uplift in Papua New Guinea and continues to experience robust growth in the usage of its mJams music service throughout the South Pacific region. The Company is actively expanding into new territories while also observing expansion in established markets, as an increasing number of subscribers utilise the streaming service to meet their localised music streaming requirements.

In January 2023, Streamplay Pacific entered into a partnership with the Australian High Commission in the Solomon Islands to utilise the mJams product for live-streaming upcoming concerts. This partnership will enable audiences to experience the performances remotely while supporting local artists.

The Australian High Commission in collaboration with the Wantok Musik Foundation presents

Wantok Musik 2023
FREE CONCERT
Live music gig open to members of the public

21 January 2023
GATES OPEN: 4:30pm - 8:00pm
VENUE: Pacific Crown Hotel

FEATURING:

- CHARLES MAIMAROSIA
- JARO LOCAL
- KAUMAAKONGA
- TJUPURRU
- POPPY
- DAVID BRIDIE
- DREAMCAST
- ELIZABETH FANGATA
- JOHN HOUKARAWA
- NATTY D

Solomon Islands, Indigenous Australian and non-Indigenous Australian musicians coming together for cultural exchange, capacity building and harnessing the power of music to bring people together.

Proudly supported by

ANZ, Australian Aid, mJams Music, BYGroup

Figure: Facebook post, Australian High Commission in the Solomon Islands referring to mJams Music

The state-of-the-art streaming service will ensure that the concerts can be accessed by a broader audience, thereby contributing to the growth of the local music scene. This collaboration demonstrates the shared dedication of Streamplay Pacific and the Australian High Commission to advancing and promoting the arts in the Solomon Islands.

First cash receipts from the acquisition of the Streamplay Pacific business will be reflected in the Company's next quarterly report.

Streamplay Game Studio

Streamplay Game Studio is a division of the Company consisting of both Unity and Unreal game developers.

During the Quarter, the Game Studio continued to work side by side with Streamplay's game streaming platform developers and commercial managers to develop and produce proprietary high quality premium games using the Unity and Unreal game engines. These game engines enable the delivery of cutting-edge content, competitive experiences and immersive virtual worlds. The Game Studio successfully met development milestones set for it, triggering a \$200k investment by MTN (ASX: 3 August 2022).

In terms of output, the Game Studio expanded Streamplay's current library of games to 5 unique titles and 2 adaptations with further games in the genres of puzzle, fighting, action and adventure expected to be completed within the next reporting quarter.

In addition to this, Streamplay's game studio and streaming technology developers have continued to work closely to develop new games and multiplayer features that will allow two or more devices to connect to the same game and compete against each other as well as to make use of Bluetooth game controllers for a richer mobile gaming experience. These new features set the framework for a variety of new experiences, multiplayer games, titles and competitive features to be developed in the future. This takes the premium game library of competitive game streaming titles to 8 games and growing.

MNO Expansion Opportunities

Streamplay has established itself as an experienced gaming company with proven technology and demonstrated marketing and content production capabilities. Streamplay's established prize distribution logistics and customer relations systems underpin its platform operations.

The results of the MTN Arena platform in South Africa provided the foundation for further extrapolation of this commercial model with offerings to the remaining 20 countries where MTN services more than 240 million subscribers.

The Company will continue to implement its MNO expansion strategy and is in discussions targeting new markets in the MTN Group with a total addressable market of ~120 million mobile subscribers leveraging MTN Arena's performance in South Africa. Engagement and meetings between MTN country, MTN Group and Streamplay have led to strong country interest in launching both the MTN Arena platform and the MTN Arena 5G game streaming technology.

Streamplay continues to market to other multinational MNOs with large subscriber bases and to prospective partners across its various GTM strategies. It also continues to seek strategic acquisitions to grow its revenues, geographical reach and/or product offerings.

Streamplay's Core Technology – R&D

Streamplay developed and owns core technology for gaming platforms with competition, tournament, social engagement, profile, shop, messaging and all other core features central to its intellectual property.

Streamplay has invested into R&D of game streaming technology capable of streaming premium games, realtime multiplayer features, new competition features (such as Head-to-Head competition), extended brand engagement features and new social engagement features.

Streamplay developed its own bespoke browser-based game streaming technology together with a configurable controller module consisting of a touch-enabled on-screen display for mobile devices and the ability to integrate popular physical gaming controllers with Bluetooth technology.

Streamplay has achieved good results from its R&D activities and will seek to leverage these new features in the continued execution of its GTM strategy.



Company Financial and Corporate Overview

Cash at the end of the quarter (i.e. 31 Dec 2022) was AUD\$16.5M (30 September 2022: AUD\$17.7M).

Streamplay banked A\$73k in cash receipts from customers this quarter, (Q1: A\$131k). Amounts invoiced by Streamplay and not yet received at the end of the Quarter totalled A\$773k.

Cash receipts from MTN Arena reduced slightly as focus was placed on the launch of the 5G Streaming product and marketing efforts being held over for the launch of the new feature rich platform later in the next quarter.

Business activities expenditure totalled \$703k (Q1: \$550k) for the Quarter consisting of advertising and marketing (\$90k), operating costs (\$107k) and research and development (\$248k) with the balance being administration and staff costs (combined for \$258k).

Streamplay invested A\$488k in the acquisition of the Mobimedia VAS business.

The aggregate amount of payments to related parties and their associates included in the current quarter totalled ~A\$86k. These payments consisted of Directors' fees and salaries paid to directors, technical and other consultancy fees, and corporate advisory fees. All payments were on normal commercial terms.

The management team continue to incur costs with financial and commercial discipline to maximise the Company's benefit from the spend. The Company has maintained a strong flexibility in its costs through low impact termination clauses allowing for swift supplier changes in a rapidly evolving industry.

Strategy and outlook

Streamplay looks forward to implementing its growth and GTM strategies within the context of its strategic execution plans. The Company is targeting country expansion across Africa via its MTN agreement, product expansion in the Pacific Islands, cross selling of products between its South African and Pacific Islands operations, further complementary acquisitions and is reviewing its B2C business opportunities.

For further information:

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About Streamplay Studio

Streamplay Studio Limited (ASX:SP8) is a leading provider of competitive casual gaming and eSports technology, music streaming services, and telco value-added services. The company offers a diverse range of entertainment solutions for its users, including the ability to stream and play games, music, and access various telco services all in one place. Streamplay continues to innovate and expand its offerings to meet the ever-changing needs of its partners and customers.

More information: www.Streamplay.studio



Forward-looking Statements

This Announcement may contain forward-looking statements. Any forward-looking statements contained in this document are not guarantees of future performance. Such statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company. Readers should not place undue reliance upon any forward-looking statements and the Company disclaims any responsibility for any reader who does so. All numbers presented in this Announcement are unaudited.

ASX release authorised by the Board of Directors of Streamplay Studio Limited



Appendix 4C

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

Name of entity

STREAMPLAY STUDIO LIMITED

ABN

31 004 766 376

Quarter ended ("current quarter")

31 DECEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	73	204
1.2 Payments for		
(a) research and development	(248)	(464)
(b) product manufacturing and operating costs	(107)	(244)
(c) advertising and marketing	(90)	(155)
(d) leased assets	-	-
(e) staff costs	(143)	(250)
(f) administration and corporate costs	(115)	(292)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Others	-	-
1.9 Net cash from / (used in) operating activities	(625)	(1,177)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(488)	(488)
(c) property, plant and equipment	-	(2)
(d) investments	-	(460)
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	834
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	-
2.6	Net cash from / (used in) investing activities	(488)	(116)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	17,678	17,868
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(625)	(1,177)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(488)	(116)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5	Effect of movement in exchange rates on cash held	0	(10)
4.6	Cash and cash equivalents at end of period	16,565	16,565

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	16,565	17,678
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,565	17,678

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	86
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	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)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>		
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(625)
8.2	Cash and cash equivalents at quarter end (item 4.6)	16,565
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	16,565
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	26.5
<i>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.</i>		
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	
<i>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.</i>		

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: 31 January 2023

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 – eg 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.