

31 October 2023

Streamplay Studio 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 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 is pleased to provide its report for the quarter ended 30 September 2023 (the “**Quarter**”).

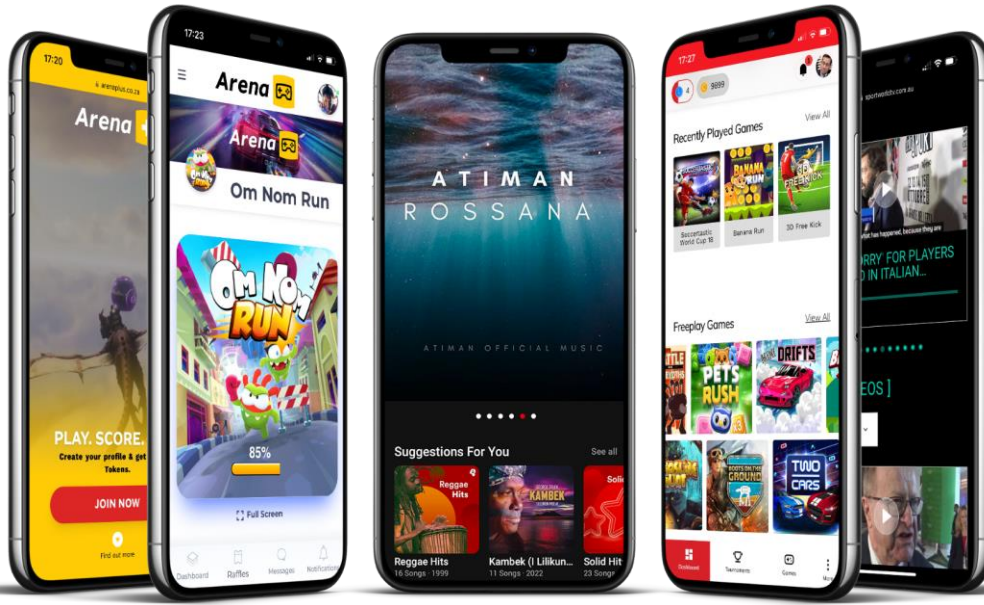
HIGHLIGHTS

- **Streamplay Pacific established as the leading Value-Added Services (VAS) business in the Pacific Islands through strategic collaborations with key Telcos.**
- **Successful launch of mGames in Papua New Guinea, American Samoa and the Solomon Islands, with further launches planned in Fiji, Palau, and Vanuatu this quarter.**
- **Increased adoption with mJams achieving 2,500+ signed artists, over \$10,000 in royalties paid, and plans to expand the content library for upcoming Digicel Pacific launches.**
- **Streamplay introduces new Sports Streaming product ‘SportWorld TV’ to the Pacific market’s sports enthusiasts.**
- **MTN South Africa platforms continue to deliver consistent performance with Streamplay collaborating with MTN to improve billing systems and find ways to target a wider audience within the ~60 million South African population.**
- **Launch of the new feature-rich version of MTN Arena to coincide with debit/credit card billing integrations.**
- **Revenues are strengthening and with new platform launches, taking into consideration MNO payment terms, an increase in receipts will flow through in coming quarters.**
- **The Company is continuing to focus on exploring partnerships and opportunities in new territories, including India, the Middle East, and North Africa.**

Streamplay Pacific – Operational Overview

Streamplay has successfully established Streamplay Pacific as the leading Value-Added Services (“**VAS**”) business in the Pacific Islands. The integration of VAS products is a vital component of our broader expansion strategy. Our collaboration and strategic partnerships with key Telcos have been instrumental in expanding our reach and ensuring seamless delivery.





The Company has fostered strong relationships with leading Telcos across the Pacific region including: Telstra-owned Digicel Pacific (ASX: 18 May 2023), Telikom Limited (Papua New Guinea), Bluesky Communications (American Samoa), Tonga Communications (Tonga), Our Telekom (Solomon Islands) (ASX: 12 December 2022) and PNCC (Palau) (ASX: 22 May 2023).

These partnerships in the Pacific region have been critical to our expansion and the delivery of a wide range of services tailored to the unique needs of the Pacific Islands, including Music, Gaming, and Sports content services.

In the current Quarter, key foundational development and integration work has been completed to enable launches of new products in these regions with these telco partners. The first of these efforts came to fruition with the successful soft launch of mGames (a branded version of our revolutionary casual gaming platform ArcadeX) in Papua New Guinea (PNG) with Bemobile Limited, a Telikom Limited company (ASX 10 July 2023). Impressively, mGames has already established a presence in PNG before any formal marketing campaigns have kicked off.

Streamplay anticipates that with this first successful new product launch, further roll outs will occur with greater pace and bringing these products to market across multiple jurisdictions will result in strong growth in revenue. In this regard, the Company is pleased to advise that the mGames platform is now also live in American Samoa with integrations recently also completed in Solomon Islands. The Company expects revenues to trend up in the next quarter.

The culmination of the work performed in the Quarter will see Streamplay launch mGames, our music streaming platform mJams, and VAS in Fiji in the coming weeks, marking a significant expansion into the Pacific Islands. This strategic move into Fiji is another milestone in our mission to transform digital entertainment in the Pacific Islands, opening up exciting over-the-top (OTT) opportunities and enriching the digital experiences of communities across the region.



Next, roll out of services in Palau and Vanuatu (ASX: 23 October 2023) will follow, further extending our reach in the Pacific Islands. This expansion into Fiji and the upcoming rollouts in Palau and Vanuatu reaffirm the appeal of competitive casual gaming and eSports in the Pacific Islands.



mJams (B2C2C) – Operational Overview

The Company's popular music streaming service, mJams, has experienced a notable upswing in performance across the Pacific markets, with a thriving community now supporting over 2,500 signed artists who have submitted approximately 20,000 music tracks and 500 music videos on the platform to date.

In this Quarter, we've seen a substantial distribution of royalties, putting more money into the pockets of our talented artists with over \$10,000 in royalties paid to date. This not only incentivises artists to create more content on mJams, but to also market and promote mJams to a wider audience.

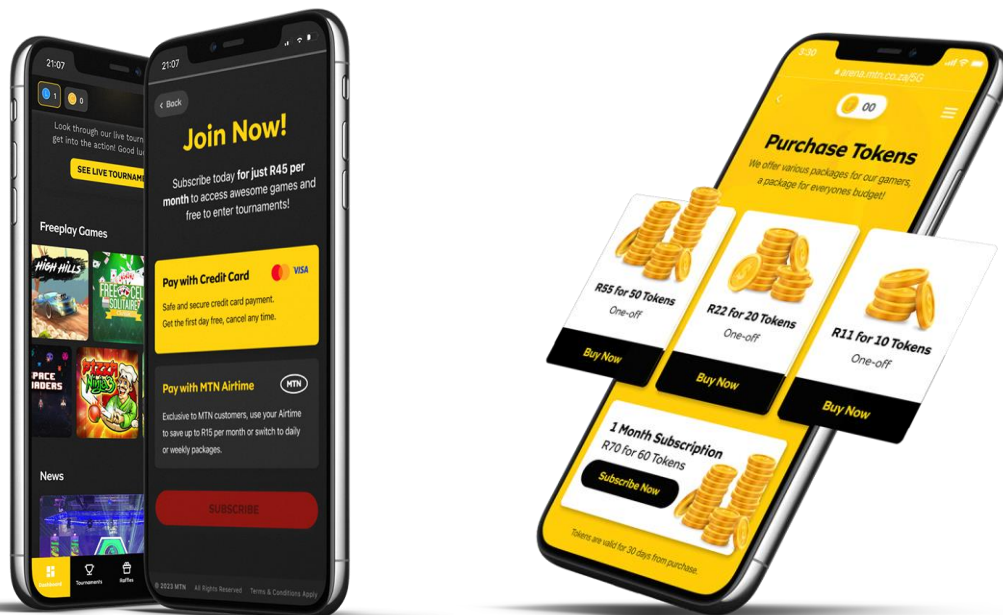
Moreover, to enhance the customer experience for subscribers, we've added a diverse range of fresh and popular content to the mJams platform with negotiations underway with prominent music labels in Hawaii to expand the content library further. Additionally, we're engaging with hundreds of musicians from Digicel Pacific markets such as Fiji, Vanuatu, and Samoa as we gear up for our highly anticipated mJams launch into those Pacific regions.

MTN South Africa (B2B2C) – Operational Overview

During the Quarter, both MTN Arena and Arena Plus platforms continue to deliver consistent performance. However, both platforms remained limited to MTN network subscribers only and are heavily reliant on established Telco billing systems and marketing efforts.

In an exciting development, the Company is working closely with MTN South Africa to not only improve the overall billable success of current billing systems, but to also adapt both platforms to include alternative payment methods, starting with debit/credit card billing. This expansion is expected to broaden our market reach and enable us to target a much wider audience among the approximately 60 million South African population through traditional digital marketing channels.

This strategic move not only extends our reach but also sets the stage for a new era of growth and innovation in the South African market, where a diverse audience can enjoy our competitive social gaming technology. We're committed to creating an accessible and engaging gaming experience for a wider user base and, with Streamplay taking the lead in digital marketing efforts and the imminent removal of these previous limitations, we are eagerly anticipating the platform's immense potential.



MTN Arena has successfully accessed over 1.8 million subscribers, representing approximately 5% of MTN's South African subscriber base, which boasts 36.6 million mobile subscribers. The Company sees further opportunities to grow Streamplay revenues in this dynamic market once the platform is open to the broader ±60 million South African population. The launch of the new feature-rich version of the Company's ArcadeX technology will coincide with these implementations to replace the current MTN Arena portal.



Various new marketing initiatives have resulted in MTN Arena Plus seeing substantial growth, recording ~27,500 subscribers (+115%) during the Quarter, compared to ~2,200 in the previous quarter (30 June 2023).

Streamplay earns 50% of the shareable revenue derived from the MTN Arena service and 60% of the shareable revenue derived from the MTN Arena Plus service (ASX: 10 October 2022).



Streamplay Game Studio

Streamplay Game Studio, a division of the Company comprising Unity and Unreal game developers, continues to be a cornerstone of our commitment to innovation and creativity in the gaming industry.

In this Quarter, we've adjusted our strategic approach. While we remain dedicated to providing captivating gaming experiences, our primary focus in the short term is optimising our existing gaming content and solutions to enhance our revenue streams. Our commercial teams maintain active engagement with potential partnership relationships, exploring collaborations with various indie developers, publishers, and licence holders interested in our Cloud Gaming solution.

We believe in the long-term potential of our gaming initiatives, and we remain excited about the progress made by Streamplay Game Studio. However, we understand the importance of financial stability and as such spending has been largely deferred on new products pending the outcomes of new developments on MTN Arena and Arena Plus as well as the rollout of integrations into new jurisdictions in the Pacific Islands.



Our commitment to innovation and creativity endures, and we look forward to future opportunities to bring captivating original gaming experiences to a broader audience, setting new standards in game streaming when the time is right.

Streamplay's Core Technology – R&D

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

Last Quarter saw the future-proofing of several technology stacks as well as the development of a number of new and innovative features for the Company's cloud gaming divisions (ASX: 31 July 2023) which, having recently been deployed, are now poised for market testing, representing a significant step in our roadmap.

The upcoming quarter signifies a continuation of our commitment to innovation and fiscal responsibility as we reduce spending and shift focus to exploring strategic growth opportunities, such as the integration of debit and credit card billing on our MTN Arena and Arena Plus platforms, and the pursuit of new partnerships and integrations in the Pacific region. These initiatives exemplify our disciplined approach to spending and investment, underpinning our objective to enhance our revenue streams across the group which the Company expects to see increases in revenue in the up and coming quarters.

The Company will also focus on ensuring the return and securing of the Company's intellectual property following the Exercise of Call Option on Miggster Sale (ASX: 6 October 2023) as part of our commitment to protecting Streamplay's intellectual property, assets and investments.

New Business Initiatives

In addition to our ongoing Pacific expansion, Streamplay has actively pursued significant opportunities in new territories during the Quarter, marking a pivotal phase in our growth strategy. The Company is exploring strategic business development partnerships that hold immense potential in India, the Middle East, and North Africa.

As part of these efforts, the Company has engaged with the Baatine Agency in Senegal in a White Labelled Partnership & Distribution agreement. This agreement will see Streamplay initiate efforts in the next quarter to design, integrate and deploy a version of the new ArcadeX portal which, similar to mGames, is designed to serve as a central casual tournament and esports hub for the African market. The agreement is an opportunity to tap a large new market with minimal outlay due to the Baatine Agency CEO's dominant position in the African market as an award winning hip-hop artist, influential celebrity and president of CONAPES (the National Esports Promotion Committee) in Senegal. Streamplay will share 50% of the net revenue after deductions with Baatine Agency who are covering 100% of marketing contributions.





Streamplay is also excited to introduce SportWorld TV, a game-changing addition to our entertainment portfolio in collaboration with S&MI LTD ("**SportLocker**"). This video-on-demand and sports streaming service is set to revolutionise the Pacific market's sports enthusiasts' experience. With a diverse range of sports content and international events, SportWorld TV accommodates subscribers' schedules, addressing the challenges posed by diverse time zones in the Pacific Islands. Our well-established partnerships with local Telcos enhance this service's potential success, underlining our commitment to expanding in the Pacific region.

SportWorld TV aligns with the growing demand for high-quality sports highlights and live events on mobile devices, making it a timely and valuable addition to the Pacific Islands' entertainment landscape. The collaboration with SportLocker not only highlights our dedication to regional expansion but also our commitment to enriching content offerings, catering to the evolving needs of our customers in this dynamic market.

Company Financial and Corporate Overview

During the Quarter, the Company recorded receipts from customers of AUD\$147k (Q4: \$171k). Receipts were down while the Company integrated products for launch into new markets as well as finalising development of the new version of ArcadeX/Arena.

The Company's cash at the end of the Quarter was \$5.1M (Q4:\$6.4M). Additionally, the Company has invested \$9.0M in long-dated term deposits, resulting in a total of ~\$14.1M in cash and cash equivalents at 30 September 2023. This financial decision was made to take advantage of favourable interest rate conditions.

Business activities expenditure for the Quarter totalled \$827k (Q4: \$1,060k). This expenditure included \$301k of research and development (Q4: \$296k), \$183k of operating costs (Q4: \$480k) with the balance of \$343k made up of administration, marketing and staff costs. Operating costs were lower as above i.e. the Company was finalising integration and development efforts.



With the first of these efforts completed, the Company anticipates that revenue and corresponding business activities expenditure will ramp up.

The aggregate amount of payments to related parties and their associates included in the current quarter totalled \$58k (Q4: \$57k). These payments covered various expenses, including Directors' fees and salaries, technical and consultancy fees, and corporate advisory fees. All payments were made on normal commercial terms.

The management team remains focused on managing costs with financial and commercial discipline to maximise the Company's benefit from its spending. The Company has provided a breakdown of its expected use of funds over the next 12 months, with AUD\$6M earmarked for potential acquisitions or transactions. This strategic allocation of funds is part of our ongoing efforts to expand our market presence and diversify our portfolio.

For further information:

Investor relations:

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About Streamplay Studio

Streamplay Studio Limited (ASX:SP8) is a leading provider of competitive casual gaming and eSports technology, music and sports 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")

30 SEPTEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	147	147
1.2 Payments for		
(a) research and development	(301)	(301)
(b) product manufacturing and operating costs	(183)	(183)
(c) advertising and marketing	(18)	(18)
(d) leased assets	-	-
(e) staff costs	(101)	(101)
(f) administration and corporate costs	(224)	(224)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	50	50
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(630)	(630)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(2)
(d) investments	(664)	(664)
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(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	(666)	(666)

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	6,404	6,404
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(630)	(630)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(666)	(666)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,108	5,108

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	5,108	6,404
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)*	5,108	6,404

*Does not include \$9M invested in long dated term deposits, total cash ~\$14.1M with these investments.

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	58
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>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.</i>		
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		-
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)	(630)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,108
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,108
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.1
<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 October 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.