

PLAYSIDE DELIVERS RECORD YEAR OF STRONG GROWTH WITH REVENUE OF \$29.24M AND EBITDA OF \$5.90M

PlaySide Studios Limited (ASX: PLY) ("PlaySide"), Australia's largest publicly listed video games developer, is pleased to announce its results for the financial year ended 30 June 2022.

HIGHLIGHTS

- Record commercial revenue of \$29.24 million, a strong increase of 169% from \$10.88 million on the prior corresponding period (pcp)
- Record EBITDA of \$5.90 million, up from \$5.40 million EBITDA loss in FY21
- Record NPAT of \$4.85 million, up from \$5.88 million NPAT loss in FY21
- Original IP revenue of \$19.08 million, up 161% on pcp of \$7.32 million, driven by the successful launch of the BEANS NFT's collection in March (revenue: \$9.05m), PC/Console Game *Age of Darkness: Final Stand* and several mobile casual games
- Work-for-hire revenue of \$10.16 million, up 185% on pcp of \$3.57 million, driven by contracts with 2K Games, Activision Blizzard, Shiba Inu, and Meta
- Completed a capital raising of \$28 million, including a \$3 million Share Purchase Plan, to support the Company's strategy and accelerate growth
- Acquired the Dumb Ways To Die (DWTd) franchise for \$2.25 million in October 2021
- Strong cash position of \$37.91 million at 30 June 2022
- Significantly expanded workforce from 79 employees to over 200 employees, including the establishment of a Metaverse R&D team, and opened first new office on the Gold Coast
- Launched third party publishing division Playside Publishing
- Started FY23 with a strong pipeline of existing contracted backlog of \$15.67 million along with the planned launch of several significant Original IP titles

PlaySide CEO Gerry Sakkas said:

"I am very proud of the progress and strong growth that we achieved in FY22. We worked extremely hard to deliver record revenue and profit and significantly grow both our Original IP and work-for-hire divisions. We delivered high quality titles and partnered with top studios and industry influencers while strengthening our global reputation and reinforcing our capabilities."

"PlaySide has a reputation for delivering strong AAA content and this has been reflected through the year with key work-for-hire agreements which strongly contributed to overall revenue whilst introducing new strategic partnerships."

"Simultaneously, we will continue investing in our studios and team to further improve our capabilities and cater for rising demand and growth in Original IP, with a focus on PC and Next Generation Console strategic partnership opportunities."

"Several launches are planned in FY23 including Legally Blonde, The Godfather, World Boss and Age of Darkness: Final Stand (full launch). These are exciting times for PlaySide and its shareholders and we look forward to continue delivering on our growth trajectory."

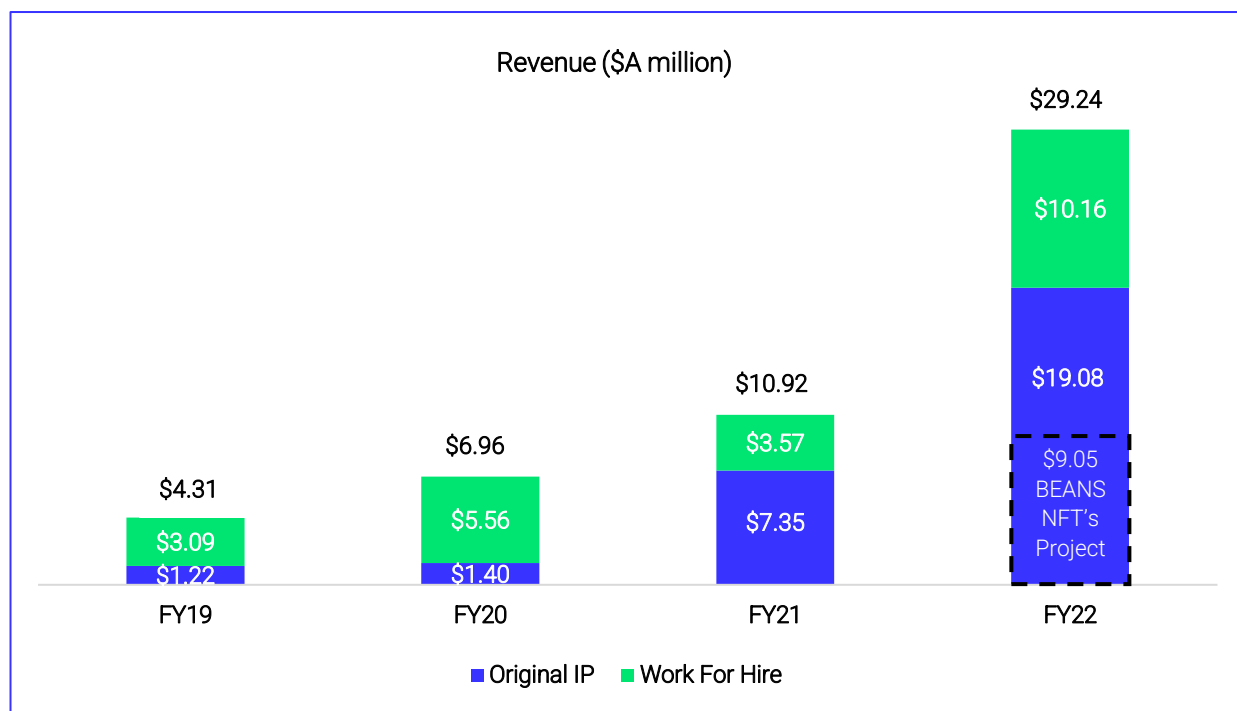
1. Financial and Operational Highlights

PlaySide reported revenue of \$29.24 million in FY22, achieving strong growth of 169% on pcp. The Company's Original IP division delivered revenue of \$19.08 million, a rapid increase of 161% on pcp and contributing 65% of total sales revenue. The work-for-hire division delivered revenue of \$10.16 million, a strong increase of 185% on pcp and contributing 35% of sales revenue.

PlaySide acquired the Dumb Ways to Die (DWTG) franchise for \$2.25 million, one of the largest Australian made gaming brands with a truly global organic reach. Since the acquisition, the Company released its first NFT project titled *BEANS NFT's* which generated revenue of \$9.05 million and will further expand the DWTG portfolio with several games planned to launch in FY23.

PlaySide successfully completed a capital raising of \$28 million to support investments in Original IP titles, further scale its work-for-hire business and new license opportunities, fund the opening of its Gold Coast office, and support the expansion of its workforce, including the establishment of a Metaverse R&D team.

PlaySide increased its net cash position by \$26.95m to \$37.91m at year-end, where the highlight was the \$7.62 million generated from operating activities, a significant turnaround from the \$3.8m used in operating activities in the pcp.



Based on the committed order book and development road map, PlaySide has expanded its workforce from 79 employees to over 200 as at July 2022. This included specific resources such as Producers, Programmers, Artists, QA, Design, Marketing, Communications & Community Management. The Company also opened an office on the Gold Coast where nearly 30 employees are currently employed.

In July 2022, 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. PlaySide Publishing services will be provided in return for an agreed revenue share model between the publisher and the developer of sales of the title.

The Company commenced R&D efforts for its Web 3.0 initiatives during the year. The team has already developed a NFT based project, *BEANS NFT's*, that will link to multiple products and environments over the coming years.

2. Work-for-Hire

The work-for-hire business continued its strong growth trajectory recording total revenue of \$10.16 million, up 185% on FY21 revenue of \$3.57 million. Key contributors included new agreements with 2K Games, Shiba Inu, Activision Blizzard, and renewed agreements with Meta. Additionally, PlaySide started FY23 with a strong pipeline of existing contracted backlog of \$15.67 million and will continue to scale its work-for-hire business.

2K Games

PlaySide entered into a significant work-for-hire development agreement with 2K Games, a label owned by global developer, publisher, and marketer of interactive entertainment Take-Two Interactive Software. It is the largest work-for-hire agreement PlaySide has signed since listing.

Shiba Inu

PlaySide signed a material work-for-hire contract with Shiba Inu Games, a derivative entity formed from the globally recognized Ethereum-based token and decentralized cryptocurrency Shiba Inu, providing PlaySide with opportunities to showcase its development capabilities in a new area of gaming expected to significantly grow.

Activision Blizzard

PlaySide signed a material work-for-hire co-development services agreement with Activision Blizzard (NASDAQ: ATVI), one of the world's most successful standalone interactive entertainment companies. This is in line with the Company's strategy to target larger contracts with AAA studios.

Meta

In Q1 FY22, PlaySide extended and expanded its development agreement with Meta for a further 6 months and delivered several mini games. In Q4 FY22, the agreement was extended for a further 16-month period, in addition to a separate six-month contract to provide an important VR initiative to be delivered in October 2022.

3. Original IP

The Original IP business delivered strong growth with total revenue of \$19.08 million, an increase of 161% compared to \$7.32 million in FY21. Key contributors were *BEANS NFT's*, *Age of Darkness: Final Stand*, *Battle Simulator: Warfare*, *Animal Warfare* and additional revenue from several mobile casual games.

BEANS NFT's

PlaySide launched its first NFT project *BEANS NFT's* in March 2022 which contributed a significant portion of the Company's total Original IP revenue, generating \$9.05 million. This was the Company's first initiative into a rapidly evolving Metaverse strategy for its DWTD brand.

Age of Darkness: Final Stand

In Q1 FY22, PlaySide entered a long-term strategic publishing agreement with Team17 for its first PC title *Age of Darkness: Final Stand* which successfully launched into Early Access on the Steam store. Under the agreement, PlaySide has been mandated to continue to develop the title while Team17 will publish it.

Legally Blonde

Legally Blonde was soft launched in Q4 FY22 and key metrics have demonstrated solid performance during the soft launch phase which has provided confidence for PlaySide to globally launch the title. In August 2022, the title successfully launched globally on iOS and Android mobile devices. Beyond global launch, PlaySide will scale its user acquisition, launch the marketing campaign, and continue to enhance the gameplay and monetisation of the title throughout FY23.

The Godfather

PlaySide soft launched *The Godfather* at the end of Q4 FY22 and the early retention figures are very promising. The title is following a similar iterative approach to *Legally Blonde* in readiness for its global launch in Q1 FY23.

4. Original IP Key Titles Recently Launched and in Development for Launch in FY23

In line with PlaySide's growth plans, the Company continued 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 provides the Company with a deep pipeline of releases in FY23 and beyond. Below is a brief update on the key titles recently launched and titles currently in development for launch in FY23 and beyond.

Mobile Division

1) Legally Blonde

- Soft launch period was conducted across multiple markets and has demonstrated continuous improvement in key metrics.
- Recently launched globally and will continue to improve the title throughout 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 mini games and additional features.

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

- The Company has soft launched 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 utilizing 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 has been soft launched in Q1 FY23.

8) Dino Warfare

- A new dinosaur themed merge idle battler which is based on the WARKit technology has been soft launched 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 progressing towards a planned global launch in 2H FY23. The decision was taken to push the launch out to facilitate a higher quality cinematic driven campaign, new heroes and a more robust multiplayer co-operative mode.

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, and Microsoft Xbox.

5. NFT Projects and Web 3.0 Initiatives

During FY22, PlaySide has commenced release of products as part of its planned initiatives. The Company will continue to invest in its dedicated Web 3.0 team to pursue global trends and invest in software, integration APIs and optimised processes to ensure it is at the forefront of developments globally. The Company plans to launch new initiatives from its Web 3.0 strategy over the next 12-18 months:

Initiatives completed in FY22

- BEANS Collection: The Company released the highly successful BEANS NFT collection in Q3 FY22.
- Classic BEANS Collection: The Company released 20 free unique digital collectibles based on the BEANS from the original games in Q3 FY22.
- BEANS Loot: The Company released free Loot accessories to add to your BEANS in Q4 FY22.
- BEANS Pets: BEANS Pets are NFT based characters which will accompany their BEAN in "Bean Land." The company completed the launch of BEANS Pets to BEANS holders in Q4 FY22.
- 3D Wallet Viewer (EXO Viewer): A web-based wallet viewer that display owners NFT's in a hand-crafted way that is fully animated to provide owners a more enjoyable viewing experience of their NFT's in different customizable environments. This was launched for BEANS NFT's in Q4 FY22

Initiatives to launch in FY23

- New NFT brand collection titled "*Anti:Gen*" is planned to launch in Q2 FY23.
- "Bean Land ": Bean Land, a PvP arena brawler title containing MMO-like social hub features with NFT's as an opt-in feature within the game is currently under development and is planned to release into Early Access on PC in Q1 FY24.

With a strong balance sheet, PlaySide is well positioned to continue its growth trajectory and further scale its work-for-hire business while capitalizing on its strong pipeline of contracted work. Moving into FY23, the Company will focus on launching several of its Original IP titles and will continue investing in its team to cater for rising demand and growth in Original IP and to further develop its Web 3.0 initiatives.

Release approved by the Chairman on behalf of the board.

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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

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