



Appendix 4D

For the half-year ended 31 December 2021

1. Company details

Name of entity:	PlaySide Studios Limited
ABN:	73 154 789 554
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities for the half-year	up	87%	to	9,404
Loss from ordinary activities after tax for the half-year attributable to the owners of PlaySide Studios Limited	down	(78%)	to	(444)
Loss for the half-year attributable to the owners of PlaySide Studios Limited	down	(78%)	to	(444)

3. Dividend Information

PlaySide Studios Limited has not paid, and does not propose to pay dividends, for the half-year ended 31 December 2021 (1HFY21: \$nil).

4. Net tangible assets

	Reporting period \$	Previous period \$
Net tangible assets per ordinary security (i)	<u>0.083</u>	<u>0.043</u>
(i) Net tangible asset backing per ordinary share (including right-of-use assets).		

The commentary on the results for the period is contained in this PlaySide Studios market disclosure announcing half-year financial results and the review of operations and financial results in the Directors' Report accompanying the attached half-year Financial Report for the half-year ended 31 December 2021.

Information should be read in conjunction with PlaySide Studios 30 June 2021 Audited Accounts and the attached half-year Financial Report. This report is based on the consolidated half-year financial report for the half-year ended 31 December 2021 which has been reviewed by BDO Audit Pty Ltd with the Independent Auditor's Report included in the half-year Financial Report.

5. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to loss	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
Digital Business Holdings Pty Ltd	26.66%	26.66%	21	-
Profit/(loss) from ordinary activities after income tax			<u>21</u>	<u>-</u>

PlaySide Studios acquired a 26.66% share in Digital Business Holdings Pty Ltd on 30 June 2020. An equity accounted share of the previous year half-year earnings was not booked as it was immaterial

PlaySide Studios Limited

ABN 73 154 789 554

Interim Report – Half-Year ended 31 December 2021

PlaySide Studios Limited

Contents

31 December 2021

Directors' report	6
Auditor's independence declaration	9
Consolidated statement of profit or loss and other comprehensive income	10
Consolidated statement of financial position	11
Consolidated statement of changes in equity	12
Consolidated statement of cash flows	13
Notes to the consolidated financial statements	14
Directors' declaration	20
Independent auditor's report to the members of PlaySide Studios Limited	21

General information

The financial statements cover PlaySide Studios Limited as a consolidated entity consisting of PlaySide Studios Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is PlaySide Studios Limited's functional and presentation currency.

PlaySide Studios Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

75 Crockford Street
PORT MELBOURNE VIC 3207

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2022.

PlaySide Studios Limited
Directors' Report
31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of PlaySide Studios Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Director Details

The following persons were directors of PlaySide Studios Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

- Cristiano Nicolli – Independent Non-Executive Chairman
- Hans ten Cate – Independent Non-Executive Director
- Gerry Sakkas – Managing Director & Chief Executive Officer
- Aaron Pasiyas – Non-Executive Director
- Mark Goulopoulos – Non-Executive Director

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Development of mobile games on a Work-for-Hire basis for external IP Owners; and
- Development and monetisation of PlaySide games.

Review of operations and financial results

A summary of the Company's statutory financial results from operations for H1 FY22 and the prior corresponding six-month period is set out below:

	Half-year ended 31 Dec 2021 \$'000	Half-year ended 31 Dec 2020 \$'000	Increase (Decrease) \$'000
--	--	--	----------------------------------

Statutory Results

Revenue - Sales	9,404	5,022	4,382
Revenue - Other	7	832	(825)
Revenue - Total	9,411	5,854	3,557
EBITDA	(147)	(1,625)	1,478
NPAT	(444)	(2,050)	1,606

Revenue Growth

Total Revenue grew 61% to \$9.41m in the period, up from \$5.85m in the prior corresponding period ("PCP"). This increase was the combination of:

- Revenue – Sales, up \$4.38m (87%) on PCP.

Increased Revenue came from PlaySide Original IP Revenue which at \$5.99m was \$3.01m up on PCP, which was driven by the success of casual games Battle Simulator, Animal Warfare and Garbage Truck, whilst Age of Darkness was also a significant contributor despite only being launched in October 2021.

Work for Hire Revenue at \$3.41m was \$1.37m up on the PCP, which reflects the impact of a number of material contracts signed and commenced during the half year with partners including Facebook, Shiba and 2K Games.

PlaySide Studios Limited

Directors' Report

31 December 2021

- Revenue – Other, down \$825k to \$7k.

Main decrease relates to Revenue from Government Grants (down \$0.69m on PCP), primarily relating to the Research and Development Incentive and Export Market Development Grant. Work associated with these initiatives is nearing completion and will be recognized in the second half of the current financial year. It is expected that the amounts received this year will be similar to the PCP.

EBITDA

The EBITDA loss of \$0.15m, which is a \$1.48m improvement on the PCP (EBITDA Loss: \$1.63m), represents the net effect of:

- Total Revenue increase of \$3.56m or 61% to \$9.41m;
- An increase in Selling Expenses of \$1.8m, mainly increased User Acquisition advertising incurred to drive Original IP revenue;
- An increase in General & Administrative Expenses of \$0.43m, mainly in the areas of contracting, legal, insurance, audit & accounting fees and software license fees; and
- A slight reduction of Employee Benefits expenses of \$0.14m. This mainly reflects the significant number of Original IP Games that have either just launched or are yet to launch, which has seen an increase in the amounts Capitalized to Intangibles for these games of \$1.50m in the half (PCP: NIL). In addition, in the PCP, there was a non-recurring \$445k in Employee Share Option Plan expense that was booked leading into the Initial Public Offering.

Significant changes in the state of affairs

The major change during the half year was that during November and December the Company undertook a Capital Raising process whereby \$25 million was raised from a Private Placement and \$3 million was raised from a Share Purchase Plan. This resulted in the issuance of 33.33 million and 4 million shares respectively, with the associated capital raising costs incurred of \$1.3 million (Net Proceeds: \$26.7 million).

In addition, the Company acquired the Dumb Ways to Die brand on the 30 September 2021 for an amount of \$2.25 million plus GST (refer note 6).

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the half-year

Subsequent to balance date, the Company launched its first Metaverse and Web 3.0 related initiative, namely its BEANS NFT's (non-fungible tokens) project, with the BEANS being based on the highly successful Dumb Ways to Die brand.

The Company engaged an independent third party to mint the BEANS, convert the proceeds to Australian dollars, and remit the funds back to the Company. In early February, this third party sold approximately 10,000 NFT's, and the net revenue due to this initial sale process, net of associated costs, is expected to be approximately \$7.8 million. The Company will receive the net proceeds on a monthly basis.

In addition, the Company will earn a royalty on all secondary sales of the BEANS NFT's on the OpenSea and Rarible marketplaces; these secondary sales to date have seen the Company earn in excess of \$0.5 million in royalty income, which will also be received from the third party on a monthly basis.

The Company sees this BEANS NFT's project as its first Web 3.0 related initiative, with the Company planning to invest further into this space, which will likely include the development of a massively multiplayer online role-playing game ("MMORPG").

In addition, the Company is in the process of finalizing a five-year lease for a new Gold Coast based office, with the lease due to commence from 1st April 2022, which has a starting Gross Rental of \$180,120 per annum plus GST.

PlaySide Studios Limited
Directors' Report
31 December 2021

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors.



Cristiano Nicolli

Chairman

25 February 2022
Melbourne, Australia

DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF PLAYSIDE STUDIOS LIMITED

As lead auditor for the review of PlaySide Studios Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of PlaySide Studios Limited and the entities it controlled during the period.



David Garvey
Director

BDO Audit Pty Ltd

Melbourne, 25 February 2022

PlaySide Studios Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	Consolidated	
		Dec-21 \$ '000	Dec-20 \$ '000
Revenue	2	9,404	5,022
Other income	4	7	832
Share of profits of associates accounted for using the equity method		21	-
Expenses			
Employee benefits expense	5	(3,436)	(3,571)
General and administrative expenses		(1,713)	(1,289)
Selling expenses		(4,423)	(2,619)
Finance costs	5	(28)	(14)
Depreciation and amortisation expense	5	(430)	(92)
		<hr/>	<hr/>
Loss before income tax expense		(598)	(1,731)
Income tax benefit / (expense)		154	(319)
		<hr/>	<hr/>
Loss after income tax expense for the half-year attributable to the owners of PlaySide Studios Limited		(444)	(2,050)
Other comprehensive income for the half-year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the half-year attributable to the owners of PlaySide Studios Limited		(444)	(2,050)
		<hr/>	<hr/>
		Cents	Cents
Basic earnings per share	8	(0.12)	(0.74)
Diluted earnings per share	8	(0.12)	(0.74)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

PlaySide Studios Limited
Consolidated statement of financial position
As at 31 December 2021

	Note	Consolidated Dec-21 \$ '000	Consolidated Jun-21 \$ '000
Assets			
Current assets			
Cash and cash equivalents		33,011	11,235
Trade and other receivables		2,881	1,536
Other financial assets		84	84
Other current assets		258	129
Total current assets		36,234	12,984
Non-current assets			
Investments accounted for using the equity method		37	17
Property, plant and equipment		1,023	648
Right-of-use assets		1,266	1,404
Intangibles	6	5,815	2,137
Deferred tax		809	473
Total non-current assets		8,950	4,679
Total assets		45,184	17,663
Liabilities			
Current liabilities			
Trade and other payables		3,592	2,685
Lease liabilities		260	226
Employee benefits		846	726
Total current liabilities		4,698	3,637
Non-current liabilities			
Lease liabilities		1,101	1,234
Employee benefits		74	96
Total non-current liabilities		1,175	1,330
Total liabilities		5,873	4,967
Net assets		39,311	12,696
Equity			
Issued capital	7	45,084	17,995
Reserves		307	337
Retained profits		(6,080)	(5,636)
Total equity		39,311	12,696

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

PlaySide Studios Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued capital \$ '000	Reserves \$ '000	Retained profits \$ '000	Total equity \$ '000
Balance at 1 July 2020	-	562	243	805
Loss after income tax	-	-	(2,050)	(2,050)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	(2,050)	(2,050)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued on conversion of convertible notes	3,050	-	-	3,050
Shares issues in Initial Public Offering	15,000	-	-	15,000
IPO listing costs	(1,340)	-	-	(1,340)
<i>Other transactions:</i>				
Share-based payments (note 5)				
- Expense incurred during the year	-	520	-	520
- Transfer to Issued Capital on Exercise of Employee Share Options	1,006	(1,006)	-	-
Other		(1)	1	-
Balance at 31 December 2020	<u>17,716</u>	<u>75</u>	<u>(1,806)</u>	<u>15,985</u>

Consolidated	Issued capital \$ '000	Reserves \$ '000	Retained profits \$ '000	Total equity \$ '000
Balance at 1 July 2021	17,995	337	(5,636)	12,696
Loss after income tax	-	-	(444)	(444)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	(444)	(444)
<i>Transactions with owners in their capacity as owners:</i>				
Private Placement	25,000	-	-	25,000
Share Purchase Plan	3,000	-	-	3,000
Capital raising costs	(1,299)	-	-	(1,299)
Tax credit associated with capital raising costs	182	-	-	182
<i>Other transactions:</i>				
Share-based payments (note 5)				
- Expense incurred during the year	-	176	-	176
- Transfer to Issued Capital on Exercise of Employee Share Options	206	(206)	-	-
Balance at 31 December 2021	<u>45,084</u>	<u>307</u>	<u>(6,080)</u>	<u>39,311</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

PlaySide Studios Limited
Consolidated statement of cash flows
For the half year ended 31 December 2021

	Note	Consolidated	
		Dec-21 \$ '000	Dec-20 \$ '000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		8,507	4,919
Payments to suppliers and employees (inclusive of GST)		(8,947)	(6,099)
Government grants received		-	887
Interest received		7	-
Interest paid on lease liabilities		(28)	(14)
Income taxes paid		-	(467)
Net cash used in operating activities		<u>(461)</u>	<u>(774)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(461)	(102)
Payments for intellectual property		<u>(3,796)</u>	<u>-</u>
Net cash used in investing activities		<u>(4,257)</u>	<u>(102)</u>
Cash flows from financing activities			
Proceeds from issues of equity securities (excluding convertible debt securities)		28,000	15,000
Proceeds from issue of convertible debt securities		-	3,050
Transaction costs related to issues of equity securities or convertible debt securities		(1,299)	(1,664)
Repayment of lease liabilities		<u>(99)</u>	<u>(50)</u>
Net cash provided by financing activities		<u>26,602</u>	<u>16,336</u>
Net increase in cash and cash equivalents		21,884	15,460
Cash and cash equivalents at the beginning of the half-year		11,235	520
Effects of exchange rate changes on cash and cash equivalents		<u>(108)</u>	<u>93</u>
Cash and cash equivalents at the end of the half-year		<u>33,011</u>	<u>16,073</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

PlaySide Studios Limited
Notes to the consolidated financial statements
31 December 2021

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Revenue

	Consolidated	
	Dec-21	Dec-20
	\$ '000	\$ '000
<i>Revenue from contracts with customers</i>		
Work for hire services	3,413	2,046
Revenue from original intellectual property	5,991	2,976
Revenue	<u>9,404</u>	<u>5,022</u>

Note 3. Segment Information

PlaySide Studios Limited operates within the one reportable segment (development and monetization of mobile, PC and console video games).

The Company generated \$9,404k (1H 2021: \$5,022k) in Operating Revenue from its only reportable segment and is not reliant on any one single customer or contract.

Note 4. Other Income

	Consolidated	
	Dec-21	Dec-20
	\$ '000	\$ '000
Net foreign exchange gain	-	144
Interest received	7	-
Government grants	-	688
Other income	<u>7</u>	<u>832</u>

PlaySide Studios Pty Ltd
Notes to the consolidated financial statements
31 December 2021

Note 5. Expenses

	Consolidated	
	Dec-21	Dec-20
	\$ '000	\$ '000
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	21	15
Fixtures and fittings	12	7
Buildings right-of-use assets	138	54
Computer equipment	52	16
Total depreciation	<u>223</u>	<u>92</u>
<i>Amortisation</i>		
Computer software	1	-
Games	206	-
Total amortisation	<u>207</u>	<u>-</u>
Total depreciation and amortisation	<u>430</u>	<u>92</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	28	14
Finance cost expensed	<u>28</u>	<u>14</u>
<i>Net Foreign Exchange Loss</i>		
Net Foreign Exchange Loss	<u>108</u>	<u>-</u>
<i>Employee benefits expense</i>		
Defined contribution superannuation expense	355	243
Share-based payments expense	176	520
Employee benefits expense excluding superannuation	2,905	2,808
Total employee benefits	<u>3,436</u>	<u>3,571</u>

Note 6. Intangibles

	Consolidated	
	Dec-21 \$ '000	Jun-21 \$ '000
<i>Non-current assets</i>		
Patents, licenses and trademarks – at cost	2,903	661
Software – finite life	3	4
Original IP Work in Progress – finite life	1,614	1,472
Original IP Post Launch – finite life	1,295	-
	<u>5,815</u>	<u>2,137</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Patents licences and trademarks \$'000	Software \$'000	Original IP Work in Progress \$'000	Original IP Post Launch \$'000	Total \$'000
Balance at 1 July 2020	1	69	-	-	70
Additions – internally generated	-	-	1,472	-	1,472
Additions – licenses purchased	661	4	-	-	665
Amortisation	(1)	(69)	-	-	(70)
Balance at 30 June 2021	<u>661</u>	<u>4</u>	<u>1,472</u>	<u>-</u>	<u>2,137</u>
Balance at 1 July 2021	661	4	1,472	-	2,137
Additions – internally generated	-	-	1,643	-	1,643
Additions – licenses purchased	2,242	-	-	-	2,242
Transfer from WIP to Production	-	-	(1,501)	1,501	-
Amortisation	-	(1)	-	(206)	(207)
Balance at 31 December 2021	<u>2,903</u>	<u>3</u>	<u>1,614</u>	<u>1,295</u>	<u>5,815</u>

Note 7. Issued Capital

	Consolidated			
	Dec-21 Shares	Jun-21 Shares	Dec-21 \$ '000	Jun-21 \$ '000
Shares issued and fully paid for:	404,889,741	366,528,201	44,902	17,995
Beginning of the year	366,528,201	180,000	17,995	-
Subdivision of Capital (1,444.44 securities issued per every 1 security held)	-	259,820,002	-	-
PlaySide Studios Limited Employee Share Option Plan under a cashless exercise	-	12,149,950	-	-
Transfer of Employee Share Premium Expense from SBPR on Conversion of Options	-	-	-	1,006
Pre-IPO Raise - Conversion of Convertible Notes: Converted at 16cps	-	12,306,250	-	1,969
Pre-IPO Raise - Conversion of Convertible Notes: Converted at 15.286cps	-	7,071,999	-	1,081
Initial Public Offering at 20cps	-	75,000,000	-	15,000
Exercise of performance options	1,028,206	-	206	-
Private Placement – 33.33m shares @ 75cps	33,333,334	-	25,000	-
Share Purchase Plan – 4m shares @ 75cps	4,000,000	-	3,000	-
Total Contributed equity at the end of the reporting period, pre listing costs.	404,889,741	366,528,201	46,201	19,056
IPO Listing/capital raising Costs	-	-	(1,299)	(1,340)
Tax credit associated with IPO listing costs	-	-	182	279
Total Contributed equity at the end of the reporting period	404,889,741	366,528,201	45,084	17,995

PlaySide Studios Limited
Notes to the consolidated financial statements
31 December 2021

Note 8. Earnings per share

	Consolidated	
	Dec-21 \$ '000	Dec-20 \$ '000
Loss after income tax attributable to the owners of PlaySide Studios Limited	(444)	(2,050)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	374,378,503	276,642,057
Adjustments for calculation of diluted earnings per share:		
Adjustment for Employee Options & Performance Rights	3,665,071	8,398,039
Weighted average number of ordinary shares used in calculating diluted earnings per share	378,043,574	285,040,096
	Cents	Cents
Basic earnings per share	(0.12)	(0.74)
Diluted earnings per share	(0.12)	(0.74)

Note 9. Contingent assets and liabilities

The Company has no contingent assets or liabilities as at 31 December 2021 or 31 December 2020.

Note 10. Commitments

The Company had no commitments for capital expenditure as at 31 December 2021 or 31 December 2020.

Note 11. Events after the reporting period

Subsequent to balance date, the Company launched its first Metaverse and Web 3.0 related initiative, namely its BEANS NFT's (non-fungible tokens) project, with the BEANS being based on the highly successful Dumb Ways to Die brand, which the Company acquired for \$2,250k (refer note 6) plus GST on the 30th September 2021.

The Company engaged an independent third party to mint the BEANS, convert the proceeds to Australian dollars, and remit the funds back to the Company. In early February, this third party sold approximately 10,000 NFT's, and the net revenue due to this initial sale process, net of associated costs, is expected to be approximately \$7,800k. The Company will receive the net proceeds on a monthly basis.

In addition, the Company will earn a royalty on all secondary sales of the BEANS NFT's on the OpenSea and Rarible marketplaces; these secondary sales to date have seen the Company earn in excess of \$500k in royalty income, which will also be received from the third party on a monthly basis.

Note 11. Events after the reporting period (continued)

The Company sees this BEANS NFT's project as its first Web 3.0 related initiative, with the Company planning to invest further into this space, which will likely include the development of a massively multiplayer online role-playing game ("MMORPG").

In addition, the Company is in the process of finalizing a five year lease for a new Gold Coast based office, with the lease due to commence from 1st April 2022, which has a starting Gross Rental of \$180,120 per annum plus GST.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

PlaySide Studios Limited
Directors' declaration
31 December 2021

In the directors' opinion

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Cristiano Nicolli
Director

25 February 2022
Melbourne, Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PlaySide Studios Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of PlaySide Studios Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'David Garvey', written over a small, stylized BDO logo.

David Garvey
Director

Melbourne, 25 February 2022