

UNAUDITED 1HFY25 RESULT, TRADING UPDATE & FY25 GUIDANCE

PlaySide Studios Limited (ASX: PLY) ("PLY" or "PlaySide"), Australia's largest video game developer and publisher, provides a trading update in conjunction with its unaudited financial results for the half year ended 31 December 2024.

UNAUDITED 1HFY25 RESULT

- Revenue of \$28.5m (pcp: \$36.2m, -21%)
 - Original IP revenue of \$9.9m (pcp: \$17.7m, -44%)
 - The prior period included the receipt of fees relating to the signing of a major *Dumb Ways to Die* licensing agreement
 - Work for Hire revenue of \$18.6m (pcp: \$18.5m)
- EBITDA loss of \$2.8m (pcp: \$12.2m profit)
 - Higher average headcount than pcp on a lower revenue base
 - Marketing initiatives of circa \$3.5m (pcp: \$0.1m) were expensed relating to major Original IP projects which are currently in development and slated to launch from the December 2025 half onward
- Closing cash of \$28.5m (FY24: \$37.1m, pcp: \$38.3m)

FY25 TRADING UPDATE

Management expects FY25 financial performance to be below the guidance provided to the market in October 2024, specifically:

- Revenue of \$50-54m (prev: \$62-68m); consisting of:
 - Original IP revenue of \$17-18m
 - WFH revenue of \$33-36m
- EBITDA loss of \$6-10m (prev: \$0-5m profit)
- Closing cash balance of \$10-15m (prev: \$15-20m)

At the midpoint, the \$13m reduction in expected revenue is explained as follows:

- **Work for Hire (\$11m):** While a number of small expansions and extensions to existing Work for Hire contracts were awarded during the December half, late stage negotiations with several counterparties regarding major new work have resulted in project decisions being deferred later into the 2025 calendar year.
- **Original IP (\$2m):** Our Original IP title *Kill Knight*, while positively reviewed and holding one of the highest Metacritic scores of games released globally in 2024, performed below internal sales expectations at launch. Sales momentum has continued to pick up following a recent update to the game and a strong performance in Steam's Winter Sale, however its performance is likely to land lower than management targets for FY25. Notwithstanding a weaker than anticipated start,

it is expected that the high Review Score the title has attained will result in solid ongoing sales over the medium-term and a positive return on investment over the lifetime of the title, as well as strengthen the studio's reputation for game quality ahead of major forthcoming title launches.

Relative to the \$13m reduction in revenue, a \$5m net impact to the Company's prior cash balance guidance has been managed as follows:

- **Headcount savings (\$5m):** Current headcount of 345 compares to 351 reported at 30 June 2024. Headcount is expected to remain below June 2024 levels for the remainder of the financial year.
- **Absence of new Publishing investments (\$2m):** PlaySide had planned to invest in new Publishing projects but has yet to identify appropriate opportunities within the strict criteria being sought.
- **Reduction in discretionary overheads (\$1m)**

OUTLOOK COMMENTARY

Given the Company's strong focus on development and investment in FY25 as it builds towards a number of significant game launches from FY26 onward, management anticipated a flat revenue year. However, opportunities in Work for Hire have been slower to materialise than expected. PlaySide entered FY25 with a strong cash balance and has made appropriate adjustments to its cost base to continue to support a year focused on development, while retaining flexibility in anticipation of new Work for Hire contracts as the year progresses.

Management remains excited by the progress it is making towards significantly enhancing the value of its Original IP portfolio, with a large slate of titles to be launched from the second half of calendar 2025 onward including:

- **MOUSE: P.I. For Hire** - Dedicated marketing efforts on social media have seen wishlists for the title grow from approximately 330,000 when PlaySide signed an agreement to publish the title, to more than 800,000 wishlists at present. The title will be available on all major platforms and discussions are currently underway to negotiate boxed copy distribution. The title is expected to launch in the December 2025 half, prior to which the Company is targeting well in excess of 1m wishlists on Steam as well as execution on a marketing campaign to support consumer interest on PlayStation, Xbox and Nintendo Switch.
- **Game of Thrones real-time strategy game** - PlaySide has made a substantial investment in marketing materials ahead of the launch of a real-time strategy game it is developing using the Game of Thrones IP. A marketing campaign will commence at an appropriate window during the June 2025 half.
- **Dumb Ways to Die console title** - PlaySide is currently developing a console title based on the Dumb Ways to Die IP, seeking to leverage the global recognition of the brand and the Company's capabilities in console game development to further enhance the value of its wholly owned intellectual property. Development is tracking in line with internal milestones and the title is expected to launch subsequent to the release of the Game of Thrones real-time strategy game.

PlaySide expects to report its 1HFY25 result and host an Investor Webinar on Thursday 20 February 2025.

PlaySide Studios

AUSTRALIA'S LARGEST VIDEO GAME DEVELOPER AND PUBLISHER

PlaySide Studios Limited ("PlaySide") develops video games for multiple platforms including mobile, PC/Console, virtual reality and mixed reality, with a portfolio of approximately 60 titles. The Company publishes its own games based on original intellectual property, as well as providing end-to-end game development services in collaboration with AAA game studios and major technology and entertainment companies such as Activision Blizzard, Meta, Netflix Games and Take Two Interactive. It also has a Publishing arm which provides funding, development support, marketing and publishing of third-party games from smaller independent studios.

PlaySide was incorporated in 2011 and is headquartered in Port Melbourne, Australia. Its shares are publicly traded on the Australian Securities Exchange under the code PLY.

Release approved by the Chairman on behalf of the board.

To receive business updates and investor information from PlaySide register your details here:

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