

PLAYSIDE ANNOUNCES CAPITAL RAISING OF UP TO \$28 MILLION TO ACCELERATE GROWTH OPPORTUNITIES

HIGHLIGHTS

- ✖ PlaySide announces a Capital Raising of up to \$28 million, comprising a \$25 million Placement and a subsequent Share Purchase Plan to raise up to \$3m.
- ✖ Funding from the Placement and SPP will be used to support investments in Original IP titles, new license opportunities and to further scale the Company's work-for-hire business.
- ✖ Proceeds to also fund the opening of new studios in Australia and team expansion, commencing with a new studio on the Gold Coast in Q3 FY22.
- ✖ PlaySide to establish a dedicated Metaverse R&D team to pursue opportunities in this rapidly evolving space.
- ✖ Shares will be issued at a price of A\$0.75 per share, representing a 13.8% discount to the last closing price of A\$0.87 per share at 12 November 2021.

PlaySide CEO Gerry Sakkas said:

"We see an opportunity to accelerate the implementation of our growth strategy, solidifying our position as Australia's leading independent gaming developer. The recent agreement with 2K Games has recognised our capabilities and highlighted the opportunities to grow within our target market. We are in a position to capitalise on this momentum to further expand our original IP titles, new licenses, work-for-hire as well as scale our operations and team to cater for these planned investments."

1.

Summary

PlaySide Studios Limited (ASX: PLY) ("PlaySide" or "the Company"), Australia's largest publicly listed video games developer, is pleased to announce that it has received firm commitments from institutions and sophisticated investors qualifying under s708 of the Corporations Act 2001 (Cth) to subscribe for a placement of 33.33 million fully paid ordinary shares (Shares) in the Company at an issue price of \$0.75 per Share to raise gross proceeds of \$25 million (Placement).

PlaySide received significant demand that exceeded the offer size, with strong cornerstone support from leading institutions and broad support from both existing shareholders and a wide group of institutional investors. In addition, PlaySide proposes to offer a Share Purchase Plan to eligible shareholders in Australia and New Zealand ("SPP") to raise up to a further \$3 million ("Capital Raising").

2.

Use of funds

The proceeds from the Capital Raising will be used to invest in different areas of the business to accelerate growth opportunities. These opportunities include:

Original IP, licensing, and work-for-hire

PlaySide intends to expand its investment in Original IP titles with a particular focus on PC and Next Generation Consoles. The investment will deepen its portfolio across a range of platforms and genres, reaching even more new players.

Additionally, PlaySide will leverage its relationships with global movie studios and other IP property rights holders to invest in additional license opportunities and launch new titles across a variety of platforms including Mobile, PC and Console.

The Company plans to scale its work-for-hire business further with selective global Publishers to be the developer of choice for AAA titles across multiple genres and platforms.

New studio location and team expansion

The Company will invest in studio expansion over the next 18 months to cater for rising demand and growth by opening new studios in selected states across Australia to capitalise on the availability of local talent, commencing with the Gold Coast in Q3 FY22. PlaySide expects to make further investments to expand PlaySide's development capabilities to meet the demand of Original IP, Brands and Licensing and Partnership opportunities.

Metaverse & Blockchain Research and Development

The industry is witnessing significant investment by global brands into the Metaverse, as the opportunities arising from the way individuals will merge their virtual and real-life experiences increase. In response to the rapid emergence of this new global trend, PlaySide intends to establish a dedicated R&D team to pursue these exciting opportunities as they evolve.

In addition, with the significant growth in Blockchain Gaming and its linkage to the Metaverse, the Company will invest in software, integration APIs and optimised processes to ensure it is at the forefront of Blockchain Gaming globally.

PlaySide CEO Gerry Sakkas said:

"I would like to take this opportunity to thank new and existing shareholders for their strong support. The cornerstone support from Australia's leading institutions is particularly pleasing. It's truly an exciting time to be part of the Company and industry. We value your commitment and look forward to the journey ahead."

"PlaySide has always been at the forefront of gaming technology. The Company believes that NFT's and Blockchain Gaming technology will help form the initial foundation for continuity in the Metaverse and plan to invest in these emerging technologies to drive that vision."

3.

Placement

Under the Placement, PlaySide will issue 33,333,334 shares at a price of A\$0.75 per share ("Placement Shares"), representing:

- A 13.8% discount to the last closing price of A\$0.87 per share at 12 November 2021
- A 5.7% discount to the volume weighted average price of the Company's shares as traded on the ASX over the 5 days up to and including 12 November 2021 (the last day of trading prior to the trading halt commencing on 15 November 2021).

The Shares issued under the Placement will rank equally with existing PlaySide shares on issue with effect from their date of issue.

Canaccord Genuity (Australia) Limited is acting as Lead Manager to the Placement with Cumulus Wealth acting as Co-Manager.

4.

Share Purchase Plan

Following the completion of the Placement, PlaySide will conduct an offer of new shares ("SPP Shares") by way of a Share Purchase Plan of up to \$3m to existing shareholders in the Company with a registered address in Australia and New Zealand (as at 5.00pm Sydney, Australia time) on 16 November 2021, and who are not in the United States or acting for the account or benefit of a person in the United States (Eligible Shareholders).

The SPP will provide each of the Eligible Shareholders with the opportunity to apply for up to \$30,000 of SPP Shares at \$0.75 being the price payable per Placement Share. The SPP Shares will rank equally with existing PlaySide shares with effect from their date of issue and PlaySide will seek quotation of the SPP Shares issued on the ASX.

The SPP offer booklet containing further details of the SPP is expected to be released on 22 November 2021 and will be sent to all Eligible Shareholders.

5.

Indicative timetable

Event	Date (2021)
Trading halt announced	15 November
Record Date for SPP	16 November
Announcement of Capital Raising	17 November
Settlement of Placement	23 November
Allotment and normal trading of Placement Shares on ASX	24 November

SPP Opening Date and Offer Document sent	22 November
SPP Offer closes	6 December
Announcement of results of SPP	9 December
Settlement of SPP	9 December
Allotment and normal trading of SPP Shares on ASX	10 December

Release approved by the Chairman on behalf of the board.

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

<https://playside.investorportal.com.au>

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Gerry Sakkas

Managing Director & CEO



Cris Nicolli

Chairman

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 games developed in collaboration with studios, such as Disney, Pixar, Warner Bros, and Nickelodeon. The Company's portfolio consists of 50+ titles that are delivered across 4 platforms, which include mobile, virtual reality, augmented reality, and PC. The Company was incorporated in 2011, listed on the Australian Securities Exchange in December 2020, and is headquartered in Port Melbourne, Australia.