

# PLAYSIDE REPORTS STRONG FINISH TO THE YEAR WITH RECORD JUNE QUARTER



PlaySide Studios Limited (ASX: PLY) ("PLY" or "PlaySide"), Australia's largest publicly listed video game developer, is pleased to provide its 4QFY23 Quarterly Activities Report and Appendix 4C.

FY23

## Highlights JUNE QUARTER IN REVIEW

### FINANCIAL HIGHLIGHTS

- Record quarterly underlying revenue of \$12.7m (MarQ: \$9.3m, pcp: \$6.1m, +108%)
- Original IP revenue of \$4.4m (MarQ: \$5.0m, pcp: \$2.1m, +106%)
- Record Work for Hire revenue of \$8.3m (MarQ: \$4.3m, pcp: \$4.0m, +110%)
- Cash receipts of \$11.6m
- Net operating cash inflow of \$1.8m
- Increase in net cash balance to \$32.2m (MarQ: \$31.2m)

### OPERATIONAL HIGHLIGHTS

- *Dumb Ways to Die 4* launched successfully, with more than 65m minigames played
- Deal signed to bring *Dumb Ways to Die* Original IP to Meta Quest devices (subsequent to period end)
- *Age of Darkness* campaign mode released worldwide on 19 April
- *World Boss* global launch, moving out of Early Access on 30 June
- PlaySide Publishing signs Rocket Flair Studios' *Dynasty of the Sands*
- Development commenced on VR title for Skydance Interactive (refer ASX announcement 27 April 2023)

### FULL YEAR RESULT AND FY24 GUIDANCE

- FY23 unaudited sales revenue of \$38.4m vs guidance of \$35m+ (pcp: \$20.2m\*, +90%)
- FY23 result to be announced on Thursday 24 August
- FY24 revenue guidance of \$50-55m (refer ASX announcement 26 July 2023)

*Our business continues to experience great momentum, with a record quarter in terms of revenue and a second consecutive quarter of positive operating cash flow. Our development teams have worked hard to deliver milestones on several of our Original IP projects in the last couple of months, enabling us to prepare for a new slate of projects to commence in FY24.*

*PlaySide enters the new financial year with a continued commitment to **developing valuable Original IP content across multiple platforms**, supported by a pipeline of **multi-year Work for Hire projects** and a **healthy cash balance**. We are confident of another year of strong revenue growth in FY24, with revenue guidance of \$50-55m for the year.*

**GERRY SAKKAS, PLAYSIDE CEO**

\* excluding \$9m NFT revenue

# Operating update

## MANAGEMENT COMMENTARY

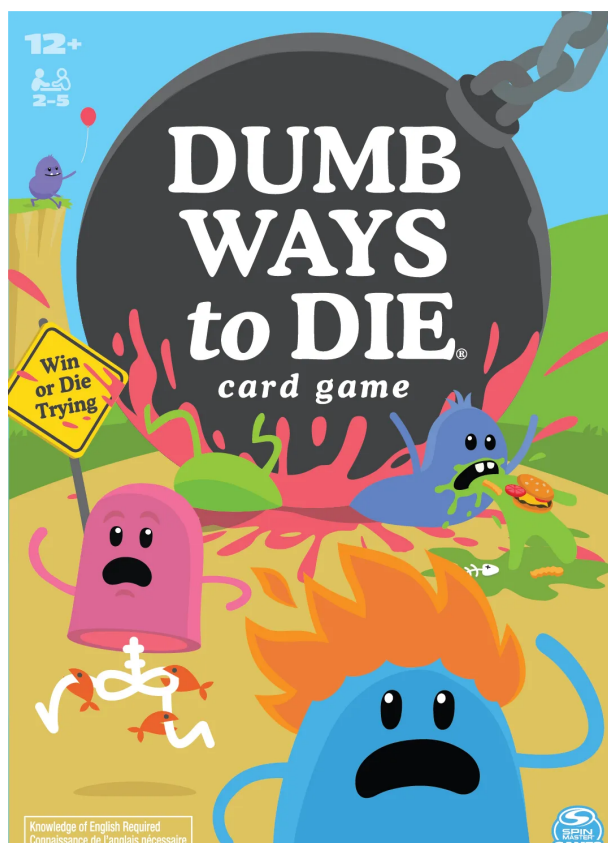
### ORIGINAL IP (\$4.4M REVENUE)

Pleasingly Original IP revenues were only marginally (\$0.6m, -13%) below the record achieved during the March quarter, when Dumb Ways to Die went viral on social media. Downloads of the original Dumb Ways to Die mobile game remain well above historic trends and we are observing higher LTVs across this expanded user base. To support this, we have remained active on social media (where the Dumb Ways to Die TikTok account now has 4.5m followers, making it one of the largest gaming accounts on the platform globally) as well as introducing fresh content into the game.

Dumb Ways to Die 4 was released in May, exceeding our expectations on launch and meeting its primary objective of maintaining interest in the brand. We also launched the Dumb Ways to Die card game in conjunction with Spin Master, available initially on Amazon and subsequently launched across major global retail channels such as Walmart, Target and Barnes & Noble in July.

During the quarter we also progressed development milestones on our PC titles. In April we released the first two Acts of a three-act campaign mode for Age of Darkness. The global launch for World Boss occurred in June, with several enhancements to gameplay and player mechanics.

We will shortly implement a number of updates to Legally Blonde which will add additional monetisation options and events, as well as new story and level content for players. The Godfather will see additional limited time events added to the game, as well as the integration of several key characters from the movie available for players to purchase. Both games are expected to see continued improvements in retention and ARPU as a result, and we look forward to reporting details at the full year result.



**DUMB WAYS TO DIE CARD GAME, WHICH WAS PRODUCED IN PARTNERSHIP WITH SPIN MASTER**

In May the PlaySide Publishing team signed a deal with Rocket Flair Studios for its forthcoming strategy title Dynasty of the Sands. This was an exciting moment for PlaySide Publishing, having spent its first ten months establishing a world-class team, reviewing hundreds of potential games, and formalising a business unit strategy that we believe is an appropriate use of our capabilities and cash.

# Operating update (cont.)

## MANAGEMENT COMMENTARY



DEVELOPMENT ON WORLD BOSS IS COMPLETE FOLLOWING ITS GLOBAL LAUNCH IN JUNE



THE AGE OF DARKNESS CAMPAIGN WAS RELEASED IN APRIL WITH NEW MISSIONS AND A NEW CHARACTER

### WORK FOR HIRE (\$8.3M REVENUE)

Work for Hire revenues were at record levels during the June quarter, with work commencing on our 30-month contract with Skydance Interactive to co-develop a new VR title based on highly recognisable IP. This time of year is a busy one for our Business Development team, which recently attended the Games Development Conference (San Francisco), Augmented World Expo (San Jose) and the Las Vegas Licensing Expo, and will attend Gamescom (Cologne) in August. These events generate leads for potential Work for Hire, Original IP and licensing deals which will be qualified and explored over the course of the following year.

The quarter also saw significant developments in the virtual and mixed reality space, with Meta announcing its Quest 3 headset which will be available in the December quarter, and Apple announcing its forthcoming Vision Pro mixed reality headset. We remain of the view that these initiatives are critical to driving broader consumer interest in VR and MR, which should continue to drive demand for gaming content.

### OUTLOOK & FY23 RESULT

Subsequent to the end of the period, we announced a deal to bring our Dumb Ways to Die IP to Meta Quest devices via the development of a new VR title (refer ASX announcement dated 26 July 2023). We continue to explore appropriate opportunities to extend the reach and value of this IP, which is significantly greater than when we acquired it in October 2021.

Having moved out of Early Access, development on World Boss is now complete and team has been redeployed to other Original IP projects including Project Phoenix, the indie PC/Console title we commenced development of during the quarter.

**PlaySide will report its FY23 result on Thursday 24 August.** We intend to hold an Investor Webinar on the day and look forward to sharing an update on the year ahead.

# PlaySide Studios

AUSTRALIA'S LARGEST PUBLICLY LISTED VIDEO GAME DEVELOPER

PlaySide Studios Limited 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 approximately 60 titles that are delivered across multiple platforms including 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.

**Release approved by the Chairman on behalf of the board.**

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

[investor.playsidestudios.com](http://investor.playsidestudios.com)

## INVESTOR RELATIONS

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## FURTHER CONTACT

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**Gerry Sakkas**

Managing Director & CEO



**Cris Nicolli**

Chairman

For presentation purposes only

## Appendix 4C

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

**Name of entity**

PLAYSIDE STUDIOS

**ABN**

73154789554

**Quarter ended ("current quarter")**

30 JUNE 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	11,555	36,920
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(413)	(7,365)
(d) leased assets	-	-
(e) staff costs	(7,606)	(24,024)
(f) administration and corporate costs	(1,760)	(7,692)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	446
1.5 Interest and other costs of finance paid	(7)	(73)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	36
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,786</b>	<b>(1,752)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(134)	(735)
(d) investments	-	-
(e) intellectual property	(146)	(2,767)
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	4
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(280)</b>	<b>(3,498)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	(55)	(356)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(55)</b>	<b>(356)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	31,186	37,908
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,786	(1,752)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(280)	(3,498)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(55)	(356)
4.5	Effect of movement in exchange rates on cash held	(437)	(102)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>32,200</b>	<b>32,200</b>

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	7,767	4,451
5.2	Call deposits	24,431	26,732
5.3	Bank overdrafts		
5.4	Other (cash on hand)	2	3
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>32,200</b>	<b>31,186</b>

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 (Directors Remuneration \$197k; Other Services from a Director Related Entity \$51k)	248
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.*

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7. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	1,786
8.2 Cash and cash equivalents at quarter end (item 4.6)	32,200
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	32,200
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<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: 28<sup>th</sup> July 2023

Authorised by: By the Board of PlaySide Studios Limited

## 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.