

23 January 2023

tinyBuild, Inc

("tinyBuild" or the "Company")

Pre-Close Trading Update and Notice of Results

tinyBuild (AIM:TBLD), a premium video games publisher and developer with global operations, is pleased to provide a trading update for the twelve months ended 31 December 2022 ("FY 2022"). The Company expects to publish FY 2022 results on 29 March 2023.

Highlights

- Revenue in line with expectations, with adjusted EBITDA broadly in line
- Eight new titles released in H2 2022, plus Hello Neighbor animated series debut
- Potion Craft passed 1,000,000 downloads, ahead of PS and Switch launch

Following a solid second half of trading, the Company is on track to deliver another year of strong growth with revenues in line with expectations for FY 2022. Progress in its strategy focused on own-IP also means the Company is on track to deliver Adjusted EBITDA broadly in line with expectations for FY 2022, reflecting a greater investment in marketing to accelerate revenue growth. The cash position at the end of FY 2022 was over \$25m, also impacted by timing of M&A and higher development spending on new titles, both announced and unannounced.

Current trading

Overall, FY 2022 was a challenging year which started with the invasion of Ukraine and was marked throughout by the cost of living crisis, with expectations that video games sales and operations in Eastern Europe may be negatively impacted. Conversely, tinyBuild performed strongly in the second half of 2022, both in terms of sales and game development.

tinyBuild has continued to diversify its games portfolio into new genres (e.g. simulation, action, strategy), and its revenue sources to benefit from platform competition and the growth in subscription services. This trend gives the Company greater visibility regarding its future revenue growth while helping de-risk ongoing investments.

Portfolio and pipeline

In the second half of 2022, tinyBuild released a number of new titles, including Tinykin, SpiderHeck, Asterigos and Hello Neighbor 2, plus version 1.0 of Cartel Tycoon, Despot's Game and Potion Craft, and a number of platform launches which generated growth across the entire portfolio.

Recent announcements include the release date for Rhythm Sprouts across PC and consoles and Hello Neighbor: Search and Rescue, a brand new VR title in the Hello Neighbor franchise that will launch both on PSVR2 (Sony) and on Oculus (Meta).

People

The number of staff has increased from 147 in March 2021, at the time of the IPO, to over 500 currently. tinyBuild helped staff and their families relocate to safer areas in Eastern Europe and it is carefully monitoring the geopolitical situation adapting its contingency plans to the evolving circumstances. This response to protect staff has resulted in one-off costs during the year, of which up to \$2m are expected to be classified as exceptional in the full year results.

tinyBuild aims to offer employees the best working conditions in the industry. For example, the Company has implemented clear policies against crunching, the industry practice by which developers overwork to meet certain

targets. In December 2022, tinyBuild also gave all direct employees an extra week of holiday, following a similar move in June 2022 and FY 2021. As a result, tinyBuild has one of the lowest levels of staff turnover, low single-digit, compared to an estimated 15.5.% at an industry level (Wired).

Employee Benefit Trust

As set out in the Company's FY 2022 interim results, tinyBuild established an independent employee benefit trust, known as the tinyBuild Share Incentive Trust (the "EBT"). The EBT has purchased 154,300 of the Company's common shares of \$0.001 in order, to among other things, satisfy potential future option exercises of vested options granted pursuant to the Company's share incentive arrangements and to satisfy the settlement of any other awards granted pursuant to the Company's current and future incentive award schemes.

Outlook

Early indicators of positive consumer traction across the Company's diversified portfolio and pipeline are very encouraging, and the Board looks ahead to FY 2023 with confidence.

Alex Nichiporchik, Chief Executive Officer of tinyBuild, commented:

"2022 validated our strategy of investing in long-term, sustainable franchises and the people behind them. We faced unprecedented challenges, all while integrating acquisitions and moving to a decentralised approach that empowers people to make the right decisions."

"Our focus and shared love for video games resulted in a record Q4 sales period, with a highly diversified portfolio of games across all platforms and early signs of success of our cross-media strategy. We are building something to outlive us as a generation."

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About tinyBuild:

Founded in 2013, tinyBuild (AIM: TBLD) is a leading premium AA-rated and indie video games publisher and developer. tinyBuild strategically secures access to IP and partners with developers to establish a stable platform on which to build multi-game and multimedia franchises. tinyBuild has a strong portfolio of over 40 titles, and its upcoming pipeline includes over 20 new titles currently in development.

Headquartered in Bellevue, Washington, USA, the Company has key operations worldwide, with employees, contractors or partners in multiple locations across five continents. tinyBuild's geographic diversity enables it to source high-potential IP, cost-effective development resources and a loyal customer base through innovative grassroots marketing. tinyBuild was admitted to AIM, a market operated by the London Stock Exchange, in March 2021.

For further information, visit: www.tinybuildinvestors.com.

information, please contact ms@seg.com or visit www.ms.com.

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