

30 September 2024

tinyBuild, Inc

("tinyBuild" or the "Group")

2024 Half Year Results

tinyBuild (AIM:TBLD), a premium video games publisher and developer with global operations, is pleased to announce its unaudited results for the six months ended 30 June 2024.

Financial highlights:

- Revenue of 18.8m (H1 2023: 23.3m), 19% lower primarily due to a further drop in development service revenues and continued underperformance of *Versus Evil* (VE).
- Adjusted EBITDA¹ loss of 1.9m (H1 2023: 1.2m loss), due to lower revenues and relatively stable development cost amortization.
- Gross profit improved to 4.1m (H1 2023: 8.8m loss), due to lower impairment of development costs, while cost of sales remained broadly stable at 62% of revenues (H1 2023: 59%).
- Cash flows from operating activities dropped to 2.0m (H1 2023: 6.6m), reflecting the flow through of lower revenues and the negative net working capital contribution.
- Impairment of development costs 3.0m (H1 2023: 18.3m) due to lower revenue prospects for *Broken Roads* (VE title).
- In January 2024, tinyBuild raised 12.3m (11.4m net proceeds) from existing and new shareholders in a placing, subscription and open offer. Alex Nichiporchik (CEO) provided 9.7m in new funds, Atari 2m and other existing shareholders 0.6m.
- Sale of *Totally Reliable Delivery Service* and *Surgeon Simulation* for an aggregate consideration of 3m (upfront net proceeds of 2.3m were received in H1 2024).
- Net cash position of 9.2m as at 30 June 2024 (31 December 2023: 2.5m), after 8.7m investment in game development costs (H1 2023: 16.9m). Cash and cash equivalents remained higher than expected throughout the summer and it is anticipated to reduce towards the end of the year as the Company continues to invest in a disciplined manner in upcoming game releases.

¹ Includes amortisation of Development costs. Excludes impairment of Development costs (3.0m) and share-based compensation expenses (see note 6).

Operational highlights:

- Contribution from own-IP (first and second party) titles increased to 78% of Gaming revenues² (H1 2023: 65%), primarily due to stronger performance of second-party titles.
- Back catalogue³ sales decreased slightly to 89% of Gaming revenue² (H1 2023: 93%), due to a higher number of new titles launched in the first six months 2024 compared to 2023.
- Release of new titles such as *Lil' Guardsman*, *Tamarak Trail*, *Broken Roads* and *Astor: Blade of the Monolith*, plus expansion of catalogue with the launch of *Cartel Tycoon* for consoles and *Kill It With Fire 2* (early access).
- The announcement trailer of *Kingmakers* collected tens of thousands views across all social networks in the first few weeks, making it one of the most successful announcements in the Group's history.
- Among other titles already announced, *Streets of Rogue 2*, *VOIN*, *FEROCIOUS*, and *SAND* continue to track in line with expectations.

² Excludes revenues from Development Services and Events

³ Includes titles released prior to the current fiscal year

Employee Benefit Trust:

- The Employee Benefit Trust continued to purchase ordinary shares on the market from time to time and now holds a total of 3,937,587 ordinary shares as at 27 September 2024. The EBT was set up in 2022 for the benefit of current and future employees and will continue to act independently of the Group to satisfy potential future option exercises of vested options granted.

Post-Period End highlights:

- Released new titles *Train Valley World*, *Level Zero: Extraction*, *DUCKSIDE*, *Rawmen* and *Drill Core*, plus downloadable content (DLC) launches for *Not for Broadcast* and *Punch Club 2: Fast Forward*, which is now also available on iOS.
- New trailers for season 2 of the *Hello Neighbor* animated series, *Welcome to Raven Brooks*, were well received, with a release planned in the second half of the year.

Outlook

- The pipeline for the remainder of 2024 and beyond is strong and includes a number of larger-budget (above 1m), high-potential games alongside continuous investment in the catalogue including updates, DLCs and platform launches.
- The implication of the conflict in Ukraine and the evolving macroeconomic situation impose caution and vigilance in the medium and long term. In particular, tinyBuild continues to carefully assess the position of its staff, its exposure in terms of revenues and any other factor that may have an impact on the business.
- All considered, the Board remains confident the Company is on track to deliver results in line with expectations.

Alex Nichiporchik, Chief Executive Officer of tinyBuild, commented:

"In the first half of 2024 we achieved significant milestones: over 3 million wishlists across the portfolio, of which over 1 million in June alone after our new dedicated event tinyBuild Connect. Overall, our playable demos accumulated over 10 million views on YouTube with a total of 1.8 million hours played across only three games. tinyBuild currently has 4 titles on the Steam Top200 Wishlist chart, 3 of which are in the Top 100."

"In a difficult environment, our strategy of investing cautiously in higher-budget games is showing good results: we are building a diversified portfolio of own-IP, which gives us the best upside with the minimum risk. Once again, I want to thank our exceptional people for their enthusiasm and dedication - we have achieved a lot so far and we can look to the future with cautious optimism."

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tinyBuild, Inc

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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 has a strong portfolio of over 80 titles and it strategically secures access to IP and partners with developers to establish a stable platform on which to build multi-game and multimedia franchises.

Headquartered in Bellevue, Washington, USA, the Group 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.

OPERATIONAL REVIEW

The first half of 2024 in the gaming industry was a spillover of game cancellations and studio closures that occurred in 2023. Funding that was abundant until recently and supported ever more ambitious projects, suddenly disappeared leaving many studios struggling. Looking forward, we all need to listen to gamers first and foremost, validating our decisions as often as possible with the help of demos and real data.

Over the past few years we have refocused on products that connect with audiences, on infinitely re-playable games centred around systems: the one-thousand hour game. Over the past few months, we have started seeing the benefits of this approach. Since the beginning of the 2024 we have generated over three million wishlists across the portfolio, of which over one million wishlists in June alone. Shortly after our first dedicated showcase in May (tinyBuild Connect) we had six titles on the Steam Top200 Wishlist chart, three of which in the Top 100: Streets of Rogue 2, Kingmakers, Level Zero: Extraction, DUCKSIDE, SAND and FEROCIOUS.

We are also leaner and more efficient, with a lower and more flexible cost base. Significant effort has gone into enhancing internal processes, improving visibility and maintaining ownership of each line of budget, from the bottom up. We are improving the quality and timeliness of our internal reporting while making it more timely, which gives everyone more time to act in a fast-evolving industry.

In the first half, back catalogue and own-IP titles contributed 89% and 78% of Gaming revenue, respectively, (H1 2023: 93% and 65%), broadly in line with the average of the past five years. The pipeline of new titles has been

realigned to maximise the long-term revenue and profitability potential, while maintaining a well-diversified portfolio.

In an uncertain environment, the Board is pleased with the operational reorganisation achieved to date and it is confident the Group is progressing in line with expectations for the financial year 2024.

Current portfolio and pipeline

In the first half of 2024, the release schedule included titles mostly from Versus Evil, delayed from the previous year:

- *Lil' Gardsman* (PC and consoles) - A deduction adventure. Lil, an unlikely 12-year-old hero, is tasked with deciding the fate of over 100 unique characters.
- *Tamarak Trail* (PC and consoles) - A deck-building roguelike, with customisable dice as players battle through randomly generated trails.
- *Broken Roads* (PC and consoles) - A narrative-driven RPG set in Australia with a very distinct look.
- *Astor: Blade of the Monolith* (PC and consoles) - A fast-paced action RPG where players play as Astor, a young warrior determined to unveil the secrets behind his creators' unforeseen demise.
- *Kill It With Fire 2* (Early Access, PC only) - An interdimensional action comedy game about murdering spiders. As The Exterminator, players will travel across the multiverse.

After the end of the period, tinyBuild published:

- *Train Valley World* - An engrossing transport tycoon inspired by the genre classics. Build and manage efficient railroads across the globe - solo or in multiplayer.
- *Level Zero: Extraction* - Tactical extraction shooter meets immersive survival horror. Play as rival mercenaries fighting for loot, or as alien monsters hunting humans. Solo or in multiplayer.
- *Rawmen* (EPIC launch) - A light-hearted, third person food fighter. Players will battle alongside or against their taste buds (2-8 players), pitting average cooks with a talent for hurling fiery feasts against one another.
- *Downloadable content (DLC) for Not for Broadcast and Punch Club 2: Fast Forward.*
- *Drill Core* - Manage a team of miners, carriers, and guards through hazardous missions to extract minerals and power the drill platform.
- *DUCKSIDE* - A persistent world survival game with player versus player, player versus environment, crafting, base building where you play as a duck wearing funny hat while wielding dangerous weapons.

Looking at the rest of 2024 and beyond, the pipeline is looking strong:

- *Streets of Rogue 2* - an immersive role-playing game (RPG) sandbox set in a vast, randomly generated open world that gives you maximum freedom to fight, sneak, hack, farm, build, steal, or talk your way to power.
- *Kingmakers* - Go back in time to a war-torn medieval era with a vast arsenal of modern weapons, change the course of history, and save the future in this epic action/strategy sandbox.
- *FEROCIOUS* - a survival shooter in which you will discover a lost prehistoric world full of deadly creatures under the control of hostile forces.
- *SAND* - A multiplayer sandbox shooter from the developers of Secret Neighbor.

Investing and innovating for growth

In a period of uncertainty in the industry, the Group continuously reviews the quantum and allocation of investments into new higher-budget and higher-potential titles, with lower-risk investment in catalogue expansion. Since before the IPO, tinyBuild's mantra has been to build a well-diversified portfolio of own-IP that can be scaled into cross-media franchises, and we remain loyal to that while maintaining strict discipline on our investments.

Our nimble and decentralised structure is capable of handling larger projects, delivering high-quality titles across platforms on time and on budget. Recent announcements like *Kingmakers* and *DUCKSIDE* are good examples of how our sophisticated marketing strategy can attract a large audience even for a brand-new franchise.

So far in 2024, our focus has been on cash generation and financial stability. The executive team has become even more selective about signing up new titles, while we continue to take advantage of opportunities created by an uncertain macroeconomic environment. We closed two small IP disposals and we stepped away from any potential acquisitions. We continue to invest more directly in studios and we already have a good working relationship with and in titles spawned from our internal studios.

People

In late 2023, we took the difficult decision to initiate a cost action plan that led to the closure of four studios and a reorganisation of our publishing teams. These changes were not made lightly, and we understand the impact they have had on our employees. As a result, the number of employees decreased to less than 400 in June 2024.

tinyBuild continues to support all its staff (employees and independent contractors) and their families affected by the war in Ukraine and it continues to carefully monitor the situation. Having helped staff move out of the riskiest areas, the Group remains focused on mental health and administrative support so they can settle in their preferred location across Europe.

Position and strategy

tinyBuild is well-positioned with a strong pipeline of new titles and a proven ability to attract, screen and market high-quality game franchises. Our balanced investment strategy aims at building a diversified portfolio of high-potential own-IP, and our multimedia franchise model allows us to extend the life of our IP, maximising our return on investment.

Our medium-term strategy is to expand our position as a leading global video games developer and publisher, focussing on IP ownership while creating long-term scalable franchises across multiple media formats. 2024 has

seen significant progress towards that ambition, and I would like to thank all of our shareholders for their support.

Alex Nichiporchik
Chief Executive Officer
30 September 2024

FINANCIAL REVIEW

Results for the six months ended June 2024 were in line with expectations, and the Group closed two small IP disposals in the period to strengthen its financial position closing the period with 9.2m in cash and cash equivalents (no debt).

Revenue

In the six months to June 2024, tinyBuild revenues were 18.8m, a 19% decrease compared to the previous period (H1 2023: 23.3m), primarily attributable to the 3.8m drop in development services revenues and to continued underperformance of Versus Evil, only partly offset by tinyBuild core publishing label's retail sales. Excluding development services and events, revenues in the first half decreased 4% to 16.8m, highlighting the resilience of the portfolio. Back catalogue performed strongly in the first half, supported by over 80 titles and by well-established franchises such as Hello Neighbor, Graveyard Keeper, Potion Craft and Streets of Rogue. Revenue from events, primarily DevGAMM, were stable at 0.6m as the Group consolidated the new events in Central and Western Europe.

FINANCIAL REVIEW (continued)

Adjusted EBITDA and Operating Profit

Adjusted EBITDA is presented net of amortisation of development costs, excluding impairment of development costs, share-based compensation expenses, exceptional costs (e.g. legal costs related to M&A) and other operating income, giving a clear yet conservative picture of the business progression. Adjusted EBITDA was negative 1.9m (1.2m loss in H1 of 2023), reflecting a significantly lower revenue base, stable amortisation of development costs (4.5m in H1 2024 vs 5.0m in H1 2023), and a less favourable revenue mix (higher share of third- and second-party titles).

Operating profit for H1 2024 was negative 6.2m (H1 2023: 31.9m loss), after accounting for the 3.0m impairment of development costs (H1 2023: 18.3m). Excluding the impairment charges, a lower EBITDA is offset by a 0.8m gain on disposal and by lower general and administrative expenses (11.1m in H1 2024 compared with 13.6m in H1 2023).

Finance costs and taxation

As the Group carries no debt, finance costs were immaterial in H1 2024. Taxation charges were 0.3m (H1 2023: 6.4m credit).

Impairment

In H1 2024, tinyBuild incurred 3.0m charges relating to the impairment of development costs (18.3m in H1 2023) and no charges relating to M&A-related intangibles (6.1m and 2.7m relating to goodwill and other intangibles in H1 2023 respectively). These non-cash charges reflect the adjustment of expectations for future revenues of Broken Roads following a disappointing launch in April 2024.

Cash Flow

Cash flows from operating activities were 2.0m (6.6m in H1 2023), including a 1.4m decrease in net working capital (H1 2023: 4.2m increase). Software development costs, mainly consisting of developer salaries, advances, localisation and porting, decreased 48% to 8.7m (16.9m in H1 2023), reflecting the rationalisation in investment for upcoming pipeline releases carried out towards the end of 2023.

In January 2024, tinyBuild raised 12.3m (11.4m net proceeds) from existing and new shareholders in a placing, subscription and open offer. Alex Nichiporchik (CEO) provided 9.7m in new funds, Atari 2.0m and other existing shareholders 0.6m.

Employee incentive plan and EBT update

The Employee Benefit Trust continued to purchase ordinary shares on the market from time to time and now holds a total of 3,937,587 ordinary shares as at 27 September 2024. The EBT was set up in 2022 for the benefit of current and future employees and will continue to act independently of the Company to satisfy potential share awards, restricted stock units and future option exercises, once vested.

As previously announced, the Remuneration Committee of tinyBuild intends to utilise share awards to incentivise and retain key employees and executive directors and further announcements are expected to be made in the future. The share awards not only encourage share ownership and stakeholder alignment in the business but also serves to preserve cash resources that would otherwise be used by the Company to satisfy bonus awards.

Financial Position

The net cash position at the end of June 2024 was 9.2m (2.5m at the end of December 2023), with the majority of the variation driven by the 11.4m net proceeds from the capital raise closed in January. tinyBuild has zero debt.

Giasone (Jaz) Salati
Chief Financial Officer
30 September 2024

TINYBUILD INC.

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

TINYBUILD INC.

CONSOLIDATED CONDENSED INCOME STATEMENT

	Note	6 months ended 30 June 2024	6 months ended 30 June 2023	Year ended 31 December 2023
		Unaudited '000	Unaudited '000	Audited '000
Revenue	3	18,835	23,295	44,663
Cost of sales:				
- Cost of sales		(11,692)	(13,832)	(30,980)
- Impairment of development costs	7	(3,028)	(18,288)	(36,206)
Total cost of sales		(14,720)	(32,120)	(67,186)
Gross profit/(loss)		4,115	(8,825)	(22,523)
Administrative expenses:				
- General administrative expenses		(11,092)	(13,561)	(26,090)
- Impairment of intangible assets	7	-	(8,908)	(11,849)
- Share-based payment expenses		(102)	(367)	(414)
- Non-recurring costs		-	(281)	(3,500)
Total administrative expenses		(11,194)	(23,117)	(41,853)
Gain on disposal of intangible assets		773	-	-
Other operating income		137	-	619
Operating loss		(6,169)	(31,942)	(63,757)
Finance costs		(62)	(16)	(128)

Finance income		68	261	391
Loss before tax		(6,163)	(31,697)	(63,494)
Income tax (expense)/credit		(323)	6,414	649
Loss for the period		(6,486)	(25,283)	(62,845)
Attributable to:				
Owners of the parent company		(6,581)	(25,523)	(62,537)
Non-controlling interests		95	240	(308)
		(6,486)	(25,283)	(62,845)
Basic and diluted loss per share ()	5	(0.018)	(0.126)	(0.307)
Adjusted EBITDA*	6	(1,888)	(1,249)	(7,113)

*Adjusted EBITDA is a non-IFRS measure and is defined as earnings after capitalised software development costs, but before interest, tax, depreciation, amortisation, share-based payments expenses, impairment and other significant one-off other income or expense items.

TINYBUILD INC.

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 June 2024	6 months ended 30 June 2023	Year ended 31 December 2023
	Unaudited '000	Unaudited '000	Audited '000
Loss for the period	(6,486)	(25,283)	(62,845)
Other comprehensive income/(loss) net of taxation			
Exchange differences on translation of foreign operations - items that may be reclassified to profit and loss	(57)	94	(24)
Total comprehensive loss for the period	(6,543)	(25,189)	(62,869)
Attributable to:			
Owners of the parent company	(6,638)	(25,429)	(62,561)
Non-controlling interests	95	240	(308)
	(6,543)	(25,189)	(62,869)

TINYBUILD INC.

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

		30 June 2024 Unaudited '000	31 December 2023 Audited '000
ASSETS	Note		
Non-current assets			
Intangible assets	7	49,416	51,512
Property, plant and equipment:			
- owned assets		443	661
- right-of-use assets		516	374
Other receivables		383	385
Total non-current assets		50,758	52,932

Total non-current assets		30,738	32,932
Current assets			
Trade and other receivables		9,978	13,666
Cash and cash equivalents		9,202	2,500
Total current assets		19,180	16,166
TOTAL ASSETS		69,938	69,098
EQUITY AND LIABILITIES			
Equity			
Share capital	8	397	204
Share premium		76,810	65,593
Own shares		(1,100)	(1,031)
Warrant reserve		1,920	1,920
Translation reserve		(74)	(17)
Retained earnings		(24,692)	(18,213)
Equity attributable to owners of the parent company		53,261	48,456
Non-controlling interest		(256)	(351)
Total equity		53,005	48,105
LIABILITIES			
Non-current liabilities			
Lease liabilities		329	146
Deferred tax liabilities		455	388
Total non-current liabilities		784	534
Current liabilities			
Trade and other payables		15,964	20,227
Lease liabilities		185	232
Total current liabilities		16,149	20,459
Total liabilities		16,933	20,993
TOTAL EQUITY AND LIABILITIES		69,938	69,098

TINYBUILD INC.

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY

		Share capital	Share premium	Own shares	Warrant reserve	Translation reserve	Retained earnings	T a to
	Note	'000	'000	'000	'000	'000	'000	
Balance at 1 January 2024		204	65,593	(1,031)	1,920	(17)	(18,213)	
Income/(loss) for the period		-	-	-	-	-	(6,581)	
Other comprehensive income:								
Foreign exchange differences on translation of foreign operations		-	-	-	-	(57)	-	
Total comprehensive loss for the period		-	-	-	-	(57)	(6,581)	
<i>Transactions with owners in their capacity as owners:</i>								
Issue of shares, net of transaction costs	8	193	11,217	-	-	-	-	
Share-based payments		-	-	-	-	-	102	

Own shares acquired	-	-	(69)	-	-	-
Total transactions with owners	193	11,217	(69)	-	-	102
Balance at 30 June 2024	397	76,810	(1,100)	1,920	(74)	(24,692)

TINYBUILD INC.

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Note	Share capital '000	Share premium '000	Warrant reserve '000	Translation reserve '000	Retained earnings '000	Total attributable to owners of the Company
Balance at 1 January 2023		204	65,593	1,920	7	43,910	110,634
Income/(loss) for the period		-	-	-	-	(25,523)	(25,523)
Other comprehensive income:							
Foreign exchange differences on translation of foreign operations		-	-	-	94	-	94
Total comprehensive loss for the period		-	-	-	94	(25,523)	(25,429)
Transactions with owners in their capacity as owners:							
Issue of shares, net of transaction costs	8	-	-	-	-	-	-
Share-based payments		-	-	-	-	367	367
Total transactions with owners		-	-	-	-	367	367
Balance at 30 June 2023		204	65,593	1,920	101	18,754	86,572

TINYBUILD INC.

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

	Note	6 months ended 30 June 2024 Unaudited '000	6 months ended 30 June 2023 Unaudited '000	Year ended 31 December 2023 Audited '000
Cash flows from operating activities				
Cash generated from operations	9	1,987	6,289	10,617
Interest received		6	261	262
Net cash generated from operating activities		1,993	6,550	10,879
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired		-	(1,234)	(1,234)
Software development costs		(8,748)	(16,925)	(31,899)
Proceeds from disposal of intangible assets		2,557	-	-
Costs arising from disposal of intangible assets		(262)	-	-
Purchase of property, plant and equipment		(11)	(287)	(180)
Net cash used in investing activities		(6,464)	(18,446)	(33,313)
Cash flows from financing activities				
Acquisition of new shares		(60)	-	(1,024)

Acquisition of own shares	(89)	-	(1,051)
Proceeds from issuance of shares	12,299	-	-
Transaction costs arising from issuance of shares	(889)	-	-
Payment of principal portion of lease liabilities	(168)	(262)	(531)
Net cash generated from/(used in) financing activities	11,173	(262)	(1,562)
Cash and cash equivalents			
Net increase/(decrease) in the period	6,702	(12,158)	(23,996)
At beginning of period	2,500	26,496	26,496
At end of period	9,202	14,338	2,500

TINYBUILD INC.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

1 GENERAL INFORMATION

tinyBuild Inc. ("the Company") is a public company limited by shares, and is registered, domiciled and incorporated in Delaware, USA. The address of the registered office is 1239 120th Ave NE, Suite A, Bellevue, WA 98005, United States.

The Group ("the Group") consists of tinyBuild Inc. and all of its subsidiaries. The Group's principal activity is that of an indie video game publisher and developer.

The Board of Directors approved this interim financial information on 30 September 2024.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed, consolidated financial statements for the interim half-year reporting period ended 30 June 2024 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. These interim financial statements do not constitute full financial statements and 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 31 December 2023.

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Annual Report and Financial Statements for 2023 have been issued and are available on the Group's investor relations' website: <https://www.tinybuildinvestors.com/documents-and-presentations>.

With the exception of the new standards set out below, the Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 31 December 2023 annual financial statements.

Standard/amendment

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (issued on 22 September 2022)
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Effective date

1 January 2024
1 January 2024

The above standards, that will apply for the first time in the next annual financial statements, are not expected to have a material impact on the Group.

Tax charged within the 6 months ended 30 June 2024 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the year ending 31 December 2024 as required by IAS 34.

The financial statements have been prepared on the historical cost basis except for, where disclosed in the accounting policies, certain financial instruments that are measured at fair value. The financial statements are prepared in US Dollars, which is the functional currency and presentational currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand US Dollars (US '000).

Going concern

The Group remains in a significant net asset position of 69.9 million at the reporting date. The Group continues to have no borrowings and has cash and cash equivalents of 9.2m at the reporting date. Generating further funds through the sale of intellectual property remains an option for the Group. Furthermore, the Group has a number of high-potential games in the pipeline, which are anticipated to contribute to organic revenue growth in the second half of FY24. Having considered the information available and recent changes to the business, the Directors have concluded that there are no material uncertainties related to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern.

As disclosed in the Operational Review, a reduction in workforce was undertaken during the period as part of the Group's measures to reduce the cost base.

3 REVENUE

	6 months ended 30 June 2024 Unaudited '000	6 months ended 30 June 2023 Unaudited '000	Year ended 31 December 2023 Audited '000
An analysis of the Group's revenue is as follows:			
Revenue analysed by class of business			
Game and merchandise royalties	16,837	17,455	36,581
Development services	1,408	5,224	6,919
Events	590	616	1,163
	<hr/> 18,835 <hr/>	<hr/> 23,295 <hr/>	<hr/> 44,663 <hr/>

4 SEGMENTAL REPORTING

IFRS 8 'Operating Segments' requires that operating segments be identified on the basis of internal reporting and decision-making. The Group identifies operating segments based on internal management reporting that is regularly reported to and reviewed by the Chief Executive Officer, who is identified as the chief operating decision maker. Management information is reported as one operating segment, being revenue from self-published franchises and other revenue streams such as royalties, licensing, development and events.

Whilst the chief operating decision maker assessed there to be only one segment, the Group's portfolio of games is split between those based on IP owned by the Group and those based on IP owned by a third party and hence to aid the readers' understanding of our results, the split of revenue from these two categories is shown below.

Game and merchandise royalties	6 months ended 30 June 2024 Unaudited '000	6 months ended 30 June 2023 Unaudited '000	Year ended 31 December 2023 Audited '000
Owned IP	13,070	12,765	23,765
Third-party IP	3,767	4,690	12,816
	<hr/> 16,837 <hr/>	<hr/> 17,455 <hr/>	<hr/> 36,581 <hr/>

Four customers were responsible for approximately 75% of the Group's revenues (30 June 2023: three - 51%, 31 December 2023: three - 60%). Four customers were responsible for approximately 43% of the Group's accounts receivable balance (30 June 2023: three - 50%, 31 December 2023: three - 41%).

The Group has seven right-of-use assets located overseas with a carrying value of 516,000 (30 June 2023: nine - 272,000, 31 December 2023: nine - 374,000). The Group also has tangible fixed assets located overseas with a total carrying value of 397,000 (30 June 2023: 687,000, 31 December 2023: 541,000). All other non-current assets are located in the US.

5 EARNINGS PER SHARE

The Group reports basic and diluted earnings per common share. Basic earnings per share is calculated by dividing the profit attributable to common shareholders of the Group by the weighted average number of common shares outstanding during the period, which excludes any treasury shares held by the Group.

Diluted earnings per share is determined by dividing the profit attributable to common shareholders by the weighted average number of common shares outstanding, taking into account the effects of all potential dilutive common shares, including options.

	6 months ended 30 June 2024 Unaudited '000	6 months ended 30 June 2023 Unaudited '000	Year ended 31 December 2023 Audited '000
Total comprehensive loss attributable to the owners of the Group	(6,581)	(25,523)	(62,537)
Weighted average number of shares	369,513,019	203,284,429	203,877,356
Basic loss per share ()	(0.018)	(0.126)	(0.307)

	6 months ended 30 June 2024 Unaudited '000	6 months ended 30 June 2023 Unaudited '000	Year ended 31 December 2023 Audited '000
Total comprehensive loss attributable to the owners of the Group	(6,581)	(25,523)	(62,537)
Weighted average number of shares	369,513,019	203,284,429	203,877,356
Dilutive effect of share options	-	-	-
Dilutive effect of warrants	-	-	-
Dilutive effect of restricted stock awards	-	-	-
Weighted average number of diluted shares	369,513,019	203,284,429	203,877,356
Diluted loss per share ()	(0.018)	(0.126)	(0.307)

The 2,837,095 options outstanding at period end (30 June 2023: 3,143,531 and 31 December 2023: 2,963,027), 1,511,449 warrants outstanding at period end (30 June 2023: 1,511,449 and 31 December 2023: 1,511,449) and nil restricted stock awards outstanding at period end (30 June 2023: 477,327 and 31 December 2023: nil) are not included in the calculation of diluted earnings per share because they are antidilutive for the periods ended 30 June 2024, 30 June 2023 and the year ended 31 December 2023. These options could potentially dilute the basic earnings per share in future.

Pursuant to IAS 33 'Earnings per Share', options whose exercise price is higher than the value of the Group's security were not taken into account in determining the effect of dilutive instruments. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

6 ALTERNATIVE PERFORMANCE MEASURES

The Directors of the Group have presented the performance measure 'Adjusted EBITDA' as they monitor this performance measure at a consolidated level and they believe this measure is relevant to an understanding of the Group's financial performance. Adjusted EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of taxation, net finance costs, share-based payment expenses, depreciation, impairment of intangible assets, amortisation of purchased intellectual property, acquisition

costs, legal and professional costs associated with the purchase of subsidiaries and intellectual property, Ukraine-related expenses and fair value gains on contingent consideration liabilities. Adjusted EBITDA is not a defined performance measure in IFRS. The Group's definition of Adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

Amortisation of 4.5m (30 June 2023: 5.0m, 31 December 2023: 10.6m) of software development costs has been included in arriving at Adjusted EBITDA as they are a primary cost in the Group's ordinary course of business.

	6 months ended 30 June 2024 Unaudited '000	6 months ended 30 June 2023 Unaudited '000	Year ended 31 December 2023 Audited '000
Loss for the period	(6,486)	(25,283)	(62,845)
Income tax expense/(credit)	323	(6,414)	(649)
Finance costs			
	62	16	128
Finance income	(68)	(261)	(391)
Share-based payment expenses			
	102	367	414
Amortisation of purchased intellectual property, brands and customer relationships	1,758	2,327	4,482
Depreciation of property, plant and equipment	303	496	785
Impairment of development costs and other intangible assets	3,028	27,195	48,055
Legal settlement	-	-	3,500
Ukraine-related costs	-	281	-
Acquisition costs	-	27	27
Other operating income	(137)	-	(619)
Gain on disposal of intangible assets	(773)	-	-
Adjusted EBITDA	(1,888)	(1,249)	(7,113)

7 INTANGIBLE ASSETS

	Goodwill '000	Brands '000	Customer relationships '000	Purchased intellectual property '000	Software development costs '000	Total '000
Cost:						
As at 1 January 2023	13,202	1,815	4,261	29,966	65,698	114,942
Additions - internally generated	-	-	-	-	31,898	31,898
Additions - separately acquired	2,418	-	-	-	-	2,418
Disposals	(2,418)	-	-	-	(413)	(2,831)
As at 31 December 2023	13,202	1,815	4,261	29,966	97,183	146,427
Additions - internally generated	-	-	-	-	8,748	8,748
Disposals	-	-	-	(2,000)	(1,159)	(3,159)
As at 30 June 2024	13,202	1,815	4,261	27,966	104,772	152,016
Amortisation and impairment:						
As at 1 January 2023	9,456	806	659	6,900	16,736	34,557
Amortisation charge for the year	-	73	353	4,056	10,652	15,134
Impairment charge for the year	6,164	-	2,773	2,912	36,206	48,055
Disposals	(2,418)	-	-	-	(413)	(2,831)
As at 31 December 2023	13,202	879	3,785	13,868	63,181	94,915
Amortisation charge for the period	-	36	48	1,674	4,537	6,295
Impairment charge for the period	-	-	-	-	3,028	3,028
Disposals	-	-	-	(510)	(1,128)	(1,638)
As at 30 June 2024	13,202	915	3,833	15,032	69,618	102,600
Carrying amount:						
As at 30 June 2024	-	900	428	12,934	35,154	49,416

As at 31 December 2023	-	936	476	16,098	34,002	51,512
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During 2024, the Group has recorded impairment losses of 3.0m against the carrying value of software development costs. 2.9m resulted from a value-in-use calculation being performed for Broken Roads for which an impairment indicator was identified due to a disappointing launch in April 2024. The related recoverable amount was calculated to be 0.5m. The value in use calculation was based on a pre-tax discount rate of 7% and forecast net revenues.

A 1% increase/decrease in the pre-tax discount rate would increase/decrease the impairment charge by 5,000.

The disposals during H1 2024 related to the sale of the Totally Reliable Delivery Service and Surgeon Simulator games. The total cash consideration was 3m. The gross proceeds received were 2.6m with costs of disposal being 0.3m. Therefore, net proceeds of 2.3m has been received as at 30 June 2024. A net gain on disposal of 0.8m was recognised. The remaining gross proceeds of 0.4m will be received at the earlier of the Company meeting certain conditions or 6 months past the closing date.

8 SHARE CAPITAL

	30 June 2024 Unaudited Number	31 December 2023 Audited Number
Class of share		
Ordinary shares of 0.001 each	397,219,319	203,878,238
	30 June 2024 Unaudited '000	31 December 2023 Audited '000
Class of share		
Ordinary shares of 0.001 each	397	204

On 17 January 2023, 29,251 Ordinary shares of 0.001 each were issued to employees for nil consideration. The shares are subject to a 12-month lock-up period.

In January 2024, a fundraise was approved in a special meeting on 26 January 2024. As part of this fundraise, 193,341,081 Ordinary shares of 0.001 each were issued at 5 pence per share raising gross proceeds of approximately 12.3 million in aggregate. Net proceeds were approximately 11.4 million.

9 CASH GENERATED FROM OPERATIONS

	6 months ended 30 June 2024 Unaudited '000	6 months ended 30 June 2023 Unaudited '000	Year ended 31 December 2023 Audited '000
Loss for the period	(6,486)	(25,283)	(62,845)
Adjustments for:			
Share-based payments	102	367	414
Amortisation of intangible assets	6,295	7,323	15,134
Impairment of development costs and other intangible assets	3,028	27,196	48,055
Gain on disposal of operations	-	-	(708)
Write off of bad debt	946	-	87
Depreciation of tangible fixed assets	303	496	785
Loss on disposal of tangible fixed assets	9	39	80
Gain on disposal of intangible assets	(773)	-	-
Finance costs	62	16	(391)
Finance income	(68)	(261)	128
Income tax expense/(credit)	323	(6,414)	(649)
Movements in working capital:			
Decrease in receivables	2,810	9,250	12,398
Decrease in payables	(4,241)	(5,075)	(399)
Income tax paid	(323)	(1,365)	(1,472)

Cash generated from operations	<u>1,987</u>	<u>6,289</u>	<u>10,617</u>
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10 RELATED PARTY TRANSACTIONS

An analysis of key management personnel remuneration is set out below:

Key management personnel remuneration	6 months ended 30 June 2024 Unaudited '000	6 months ended 30 June 2023 Unaudited '000	Year ended 31 December 2023 Audited '000
Short term employee benefits	636	1,559	2,511
Equity-settled share-based payments/(reversals)	(52)	15	46
	<u>584</u>	<u>1,574</u>	<u>2,557</u>

One member of key management left the Group during the period, forfeiting 125,932 share options with a weighted average exercise price of 1.59.

Transactions with other related parties

On 4 December 2023, tinyBuild agreed to a binding summary of terms relating to a global settlement agreement to be entered into with Steve Escalante, Lance James and Stall Proof, LLC relating to a claim which had been made against tinyBuild following its acquisition of Versus Evil LLC ("Versus Evil") and Red Cerberus LLC ("Red Cerberus") in November 2021. The Claimants were the previous owners of Versus Evil and Red Cerberus. As a result, tinyBuild agreed to pay to the Claimants 3.5 million in cash (in addition to legal costs). The first payment was paid in December 2023 of 1.5 million. The second payment of 2 million was paid during the period on 9 February 2024.

11 SUBSEQUENT EVENTS

Subsequent events have been reviewed and evaluated up to 30 September 2024 when these financial statements were approved and authorised for issue by the Directors, and there are no material events to be disclosed or adjusted for in these financial statements.

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