

10 April 2025

Devolver Digital, Inc.

("Devolver Digital", "Devolver" or the "Company", and the Company together with all of its subsidiary undertakings "the Group")

Unaudited results for the year ended 31 December 2024

Return to profit and growth; strong performance in line with guidance

Devolver Digital, an award-winning digital publisher and developer of independent ("indie") video games, announces its unaudited results for the twelve months ended 31 December 2024. All figures relate to this period unless otherwise stated.

- Strong performance in line with FY24 guidance and return to profit and growth
- Record Metacritic scores for new titles
- Back catalogue momentum driven by our expandable games strategy for 1st party IP
- Improving our game technology with strong pipeline of exciting new titles

Harry Miller, Chief Executive Officer of Devolver, said:

"In 2024, Devolver returned to Adjusted EBITDA profitability, driven by successful new releases like *The Plucky Squire* and BAFTA-winning *Neva*, strong back catalogue revenue growth from titles such as *Astroneer*, and improved platform deals. The company also saw success with paid downloadable content releases for *Astroneer* and *Cult of the Lamb*, and achieved a record high average 79 Metacritic rating. This momentum is a direct result of delivering on our strategic priorities, including our focus on curating a diverse portfolio of high-quality games, investing in our existing franchises, and building strong relationships with our partners and communities. Looking ahead to 2025, Devolver has a strong pipeline of at least 13 new releases in 2025, including highly anticipated titles like *Baby Steps*, *Stronghold Crusader: Definitive Edition*, and *Gom 2*, and is excited about the potential of the Switch 2, with three Devolver games featured in the recent Nintendo Direct showcase. We reiterate guidance for FY 2025 with expected sequential improvements through 2025 and 2026, as we continue to execute on our strategic plan and drive long-term growth and success."

Key Performance Indicators*

	Year ended 31-Dec-24 US Million	Year ended 31-Dec-23 US Million	Year-on-year Change (%)
Revenue	104.8	92.4	13.5%
Gross profit	30.1	24.5	22.6%
Loss for the period	(6.4)	(12.7)	50.0%
Basic and diluted loss per share ()	(0.013)	(0.029)	n.m.
Adjusted EBITDA ¹ before performance-related impairments	9.6	1.7	473.0%
Adjusted EBITDA¹	5.1	(0.5)	n.m.

* Preliminary unaudited results - refer to full statutory tables below in this report.

A focused strategy driving return to profit and growth

- FY24 revenue and Adjusted EBITDA¹ in line with previous guidance.
- Growth and profitability driven by momentum in our back catalogue, a strong performance from System Era (4Q 2023 acquisition) and a recovery in platform deals.
- Platform deals saw a recovery from 2023's low level, driven by continued strong demand for back catalogue titles and deal renewal cycles.

Strong performance in line with FY24 guidance

- Revenues in line with FY24 guidance, up 13.5%.
- Gross Profit up 22.6%.
- Operational cost discipline supported the improvement in Adjusted EBITDA, pre non-cash impairment, to US 9.6m (2023: US 1.7m).
- Non-cash impairment of US 4.5m recorded in 2024 (2023: US 2.1m) from previous underperforming releases.
- Statutory net loss of US 6.4m² (2023: US 12.7m loss).
- Cash holdings of US 41.6m as of 31 December 2024, including US 9.8m net proceeds from secondary issuance of shares in early July 2024.

Critical success for new titles and back-catalogue momentum

- 10 new titles released in 2024 (2023: 11), with record full-year Metacritic score of 79 for released titles (2023: 76).
- Front catalogue boosted by creative games such as BAFTA- and Game Awards-winning *Neva* and BAFTA- and Games Awards-nominated *The Plucky Squire*.
- Back catalogue revenues up 20%, accounting for 88% of total revenues (2023: 83%), supporting revenue visibility and reflecting the continued strong performance of *Cult of the Lamb*, BAFTA-winning *Inscription*, and a full year contribution from System Era's iconic *Astroneer*, underscored by the performance of *Glitchwalkers*, the paid downloadable content (PDLC) update released in Q4.

Current trading and outlook

- Strong pipeline of at least 13 new titles (second half weighted) expected for FY25 and more than 30 new titles due for release in the next three years.
- Ongoing planned releases of further PDLC updates for successful titles *Astroneer* and *Cult of the Lamb*.
- Post-period, Nintendo's recent showcase revealed *Switch 2*, where future Devolver titles *Starseeker* (link), *Enter the Gungeon 2* (link) and *Human Fall Flat 2* (link) were all featured, underlining the strength of Devolver's brand and track record.
- Expect single digit revenue growth in 2025 and an increase in Adjusted EBITDA compared to FY2024 levels, with EBITDA expected to be significantly second half weighted due to the cadence of scheduled game releases.

Notes:

1. *Adjusted EBITDA ("EBITDA") makes the following adjustments: it excludes: i) stock compensation (share-based payment) expenses and revaluation of contingent consideration; ii) one-time expenses and other non-recurring items; iii) amortisation of IP (but does not exclude amortisation of capitalised software development costs), and; iv) impairments of goodwill and acquired IP. Released game performance impairments are included in Adjusted EBITDA.*
2. *Including non-cash impact of US 3.5 million of share-based payments.*

About Devolver Digital

Devolver is an award-winning video games publisher in the indie games space with a balanced portfolio of third-party and own-IP. Devolver has an emphasis on premium games and has published more than 130 titles, with more than 30 titles in the pipeline scheduled for release over the next three years. Devolver has in-house studios developing first-party IP titles and a complementary publishing brand. Devolver is registered in Wilmington, Delaware, USA.

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OPERATING REVIEW

2024: Resumption of revenue growth and increase in Adjusted EBITDA

Devolver released 10 new well-received titles in 2024 (2023: 11), including BAFTA- and Games Awards-winning *Neva*, and BAFTA- and Games Awards-nominated *The Plucky Squire* that both garnered high-quality scores and positive user reviews. The Group recorded an average Metacritic rating of 79, a record annual high as we continue to publish exciting, high-quality games. Positive Metacritic scores and user ratings are important as they can help to bolster the longevity of releases.

2024 overall revenue also benefitted from an improved contribution from platform deals for front and back catalogue, compared to 2023, as well as the addition of a full year profit contribution from Seattle-based System Era and its iconic game *Astroneer*. Platform deal demand rose compared to a trough in 2023 due to renewal cycles of back catalogue titles and specific front catalogue deals. These factors drove a 13.5% year-on-year increase in total group revenue in 2024 compared to 2023, and an increase in Adjusted EBITDA to US 5.1 million post non-cash impairments (2023: US 1.7 million).

Back catalogue maintains momentum

Overall revenue growth was bolstered by continued strength in back catalogue revenue (20% year-on-year growth) including titles such as *Cult of The Lamb* and BAFTA-winning *Inscription* which continue to enjoy strong demand alongside other evergreen titles in Devolver's back catalogue. *Cult of the Lamb*'s paid downloadable content (PDLC) performed strongly as part of the strategy of ongoing investment into successful franchises. System Era also made a strong contribution, with *Astroneer* reaching a new milestone with the successful release of *Glitchwalkers* PDLC generating new revenues and boosting base game sales.

Back catalogue revenues accounted for 88% of total game sales revenues (2023: 84%). Our back catalogue includes all titles released in or prior to the last financial year (2024 or earlier). As of 1 January 2025, the back catalogue consists of over 130 titles, including numerous indie cult classics spanning a variety of genres to cater to different tastes, supporting highly diversified revenues.

Devolver 15-Year Anniversary, COTL Wedding & Devolver Delayed

Devolver marked June 2024 with celebrations in the summer showcase to mark the company's 15th year anniversary of its founding. Devolver's iconic live broadcast formed part of the Summer Game Fest 2024 in June, featuring reveals of future new releases and expansions to *Cult of the Lamb* and *The Talos Principle 2*.

In the autumn of 2024 *Cult of the Lamb* developer Massive Monster hosted two *Cult of the Lamb* weddings at Pax Australia which saw two devoted couples commit their love for each other in front of the Lamb. The two weddings were conducted in a faithful life-size replica of the *Cult of the Lamb* Temple featured in the game. The ceremonies were real and legally binding, recognised by both the Victorian Government, and more importantly, the Lamb itself. Fans of the game attending PAX Aus joined the congregation and celebrated with the happy couples as they tied the knot.

Also in 2024, Devolver Delayed saw a glorious return. This segment - a tongue-in-cheek reality check for the game-publishing world - highlighted and showcased some of the extraordinary releases that didn't reach the market during the year, yet at the same time hinted of the promise of more excitement in coming periods as we remain committed to publishing outstanding games.

FINANCIAL REVIEW

Unaudited results to December 31 2024

The unaudited financial results included in this announcement cover the Group's combined activities for the twelve months ended 31st December 2024 (prepared in accordance with applicable International Financial Reporting Standards, "IFRS").

Adjusted results

The following refers to Adjusted results, as presented in the financial statements contained within this

release. Adjusted results exclude any one-time exceptional items during the respective half-year periods.

Adjusted EBITDA results are not intended to replace statutory results and are prepared to provide a more comparable indication of the Group's core business performance by removing the impact of certain items including exceptional items (material and non-recurring), and other, non-trading, items that are reported separately. These results have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results. Further details of adjustments are given in Note 4 to the condensed financial statements contained within this annual results release.

P&L results and margins

Devolver Digital posted a solid and improved 2024 performance, with 10 new title releases throughout the year (2023: 11). Revenue performance was in line with guidance given at the start of the year, rising 13.5% year-on-year to US 104.8 million, a strong resumption in growth after starting to rebuild in 2023. Revenue growth was driven by new title releases including *Anger Foot*, *Pepper Grinder*, BAFTA-winner *Neva* and BAFTA-nominee *The Plucky Squire*, and *Children of the Sun*. Growth was supported by steady back catalogue sales, platform subscription deals, and a full year contribution from System Era (acquired in October 2023).

Gross Profit after non-cash impairments increased 22.6% year-on-year to US 30.1 million. Gross margins expanded to 28.7%, up from 26.5% in 2023, primarily due to: a) revenue growth that outstripped the step-up of amortisation expense from new releases in 2024; b) reduced marketing costs, and; c) slightly lower in-period game development costs (that are expensed and not capitalised).

Adjusted EBITDA and Adjusted EBITDA margins - pre impairments

Adjusted EBITDA pre impairments rose to US 9.6 million, up substantially from US 1.7 million in 2023. Adjusted EBITDA margins pre impairments improved to 9.2% for full year 2024, compared to a low of 1.8% in 2023.

Impairments to carrying value of already-released games

At year-end 2024 the Group assessed the balance sheet carrying value of capitalised development costs of certain titles published in 2024 and previous periods. It was determined that there was a need to impair their carrying value based on continued low unit sales through to year end 2024 and reduced future projections. The total non-cash charge of US 4.5 million as a write-down for impairment in their carrying value reduces 2024 Adjusted EBITDA to US 5.1 million (2023: US 0.5 million loss).

Disciplined Cost Control

Devolver has continued its disciplined approach to cost control, with operating expenses being maintained at similar levels to FY23. Operating expenses in 2024 were successfully controlled to only 0.5% growth, contrasting with a 13.5% increase in revenues, resulting in tangible margin expansion in Adjusted EBITDA. Almost all cost items saw annual reductions compared to 2023, a trend which the management is committed to continue, taking cost control actions across the Group where required.

Statutory Net Loss

Statutory net loss for 2024 was US 6.4 million, a significant reduction from a loss of US 12.7 million in 2023.

Cash Balances

Cash holdings at end of December 2024 were US 41.6 million, including a secondary share placement in July 2024 that yielded net proceeds of US 9.8 million. Devolver Group has no borrowings.

CURRENT TRADING OUTLOOK

We have a busy schedule for 2025 with at least 13 titles due for release, including *Baby Steps*, *The Talos Principle: Reawakened*, *Monster Train 2*, *Possessors* and *Stronghold Crusader: Definitive Edition*. We are also planning further releases of PDI C for some of our most successful titles in the wake of the

we are also planning further releases of F2DLC for some of our most successful titles in the wake of the success of that strategy in 2024. The combination of more title releases and increased investment into our own IP should support gross margin expansion during the year. As a result, we expect modest revenue growth and further growth in Adjusted EBITDA in 2025, which we expect to be significantly second half weighted due to the cadence of scheduled game releases.

Another area of excitement for the company is the recent full reveal of Switch 2 in April's Nintendo showcase event, in which several of our games were highlighted, which we see as an indication of Nintendo's view of the ongoing importance of Indie games publishing.

We are pleased to have maintained a robust balance sheet at year end 2024 and, while gaming market conditions remain challenging, we face the future with confidence. The Board believes that we are well positioned for future success, and we look forward to reporting on our progress into 2025.

Harry Miller

Chief Executive Officer

Consolidated Statement of Profit or Loss

		Unaudited Year ended 31-Dec-24 US '000	Audited Year ended 31-Dec-23 US '000
	Note		
Revenue	2	104,781	92,356
Cost of sales		(74,716)	(67,838)
Gross profit		30,065	24,518
Administrative expenses		(38,729)	(38,537)
Other income		1,496	1,011
Operating loss		(7,168)	(13,008)
Finance costs		(288)	(58)
Finance income		769	1,361
Loss before taxation		(6,687)	(11,705)
Income tax benefit / (expense)		328	(1,019)
Loss for the period		(6,359)	(12,724)
Loss for the period is attributable to:			
Equity holders of the parent		(6,141)	(12,742)
Non-controlling interests		(218)	18
Loss for the period		(6,359)	(12,724)
Basic and diluted loss per share ()	3	(0.013)	(0.029)
Non-IFRS measures			
Adjusted EBITDA* before performance-related impairments	4	9,610	1,677
Adjusted EBITDA*	4	5,083	(458)

*Adjusted EBITDA is a non-IFRS measure and is defined as earnings before interest, tax, depreciation, amortisation (but does not exclude amortisation of capitalised software development costs), share-based payment expenses, foreign exchange gains or losses and one-time non-recurring items and non-trading items.

Consolidated Statement of Comprehensive Income

	Unaudited Year ended 31-Dec-24 US '000	Audited Year ended 31-Dec-23 US '000
Loss for the period	(6,359)	(12,724)
Other comprehensive income: Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(644)	1,673

Total comprehensive loss for the period	(7,003)	(11,051)
Total comprehensive loss is attributable to:		
Equity holders of the parent	(6,785)	(11,069)
Non-controlling interests	(218)	18
Total comprehensive loss for the period	(7,003)	(11,051)

Consolidated Statement of Financial Position

	Note	Unaudited As at 31-Dec-24 US '000	Audited As at 31-Dec-23 US '000
ASSETS			
Non-current assets			
Goodwill	5	31,902	31,963
Other intangible assets	5	99,337	95,936
Property, plant and equipment		162	266
Right of use asset		967	953
Employee loans		327	320
Long-term investments*		-	428
Deferred tax assets		7,554	8,100
Total non-current assets		140,249	137,966
Current assets			
Trade and other receivables		16,855	13,778
Cash and cash equivalents*		41,645	40,424
Employee loans		442	487
Short-term investments*		464	1,799
Prepaid income tax		1,570	2,354
Total current assets		60,976	58,842
Total assets		201,225	196,808
EQUITY AND LIABILITIES			
Equity			
Share capital		47	45
Share premium		157,683	146,106
Retained earnings		43,514	47,092
Translation reserve		(1,238)	(594)
Capital redemption reserve		(34,469)	(34,531)
Equity attributable to owners of the parent		165,537	158,118
Non-controlling interest		(302)	(84)
Total equity		165,235	158,034
Non-current liabilities			
Trade and other payables		10,569	10,361
Deferred tax liabilities		-	259
Lease liability		876	873
Deferred revenue		-	1,309
Total non-current liabilities		11,445	12,802
Current liabilities			
Trade and other payables		19,953	24,457
Lease liability		228	155
Deferred revenue		3,950	634
Current tax payable		414	726
Total current liabilities		24,545	25,972
Total liabilities		35,990	38,774
Total equity and liabilities		201,225	196,808

* The Group has revised its reported financials for the year ended December 31, 2023, to reflect a revision in Cash and cash equivalents. This adjustment followed the reclassification of an amount in an investment account holding securities with maturities of within one year or more than one year from the reporting date. As a result, US 0.4 million has been reclassified from Cash and cash equivalents to Long-term investments and US 1.8 million to Short-term investments.

Consolidated Statement of Changes in Equity

	Share capital US '000	Share premium US '000	Capital redemption reserve US '000	Translation reserve US '000	Retained earnings US '000	Attributable to owners of the parent US '000	Non-controlling interest US '000	Total equity US '000
Balance at 31 December 2023 (audited)	45	146,106	(34,531)	(594)	47,092	158,118	(84)	158,034
Loss for the period	-	-	-	-	(6,141)	(6,141)	(218)	(6,359)
Currency translation differences	-	-	-	(644)	-	(644)	-	(644)
Other movements	-	-	62	-	(106)	(44)	-	(44)
Fair value adjustment	-	-	-	-	(737)	(737)	-	(737)
<i>Transactions with owners in their capacity as owners:</i>								
Gain on EBT	-	-	-	-	(105)	(105)	-	(105)
Share-based payments	-	-	-	-	3,511	3,511	-	3,511
Share placement	2	9,785	-	-	-	9,787	-	9,787
SES deferred share consideration	-	1,792	-	-	-	1,792	-	1,792
Total transactions with owners	2	11,577	-	-	3,406	14,985	-	14,985
Balance at 31 December 2024 (unaudited)	47	157,683	(34,469)	(1,238)	43,514	165,537	(302)	165,235

	Share capital US '000	Share premium US '000	Capital redemption reserve US '000	Translation reserve US '000	Retained earnings US '000	Attributable to owners of the parent US '000	Non-controlling interest US '000	Total equity US '000
Balance at 31 December 2022 (audited)	45	146,044	(27,707)	(2,267)	54,618	170,733	(102)	170,631
Loss for the period	-	-	-	-	(12,742)	(12,742)	18	(12,724)
Currency translation differences	-	-	-	1,673	-	1,673	-	1,673
<i>Transactions with owners in their capacity as owners:</i>								
Issue of shares	-	-	-	-	-	-	-	-
Exercise of share options	-	62	-	-	(312)	(250)	-	(250)
Treasury share repurchase transactions	-	-	(6,824)	-	-	(6,824)	-	(6,824)
Share-based payments	-	-	-	-	5,528	5,528	-	5,528
Total transactions with owners	-	62	(6,824)	-	5,216	(1,546)	-	(1,546)
Balance at 31 December 2023 (audited)	45	146,106	(34,531)	(594)	47,092	158,118	(84)	158,034

Consolidated Statement of Cash Flows

	Unaudited Year ended 31-Dec-24 US '000	Audited Year ended 31-Dec-23 US '000
Loss for the period before taxation	(6,687)	(11,705)
Adjustments for:		
Depreciation of tangible fixed assets	155	186
Depreciation of right-of-use assets	220	-
Amortisation of intangible fixed assets	24,861	15,552
Impairment of intangible fixed assets	4,527	2,455
Finance income	(769)	(1,361)
Finance costs	288	58
Share-based payment charge	3,511	5,528
Foreign exchange movements	(141)	9
Other non-cash movements	(2,208)	-
Movements in working capital:		
Receivables	3,997	1,465
Payables	(3,956)	(2,095)
Cash inflow from operations	23,798	10,092

Taxation paid	(1,534)	(778)
Taxation received	-	2,416
Net cash inflow from operating activities	22,264	11,730
Cash flows from investing activities		
Purchase of intangible assets	(30,654)	(27,883)
Purchase of tangible assets	(51)	(51)
Acquisitions of businesses, net of cash acquired	-	(18,033)
Net cash outflow from investing activities	(30,705)	(45,967)
Cash flows from financing activities		
Share capital issuance	-	62
Share placement	9,785	-
Share repurchase transactions	-	(6,824)
Interest received	751	1,338
Interest paid	(171)	(58)
Repayment of lease liabilities	(160)	(22)
Net cash inflow/(outflow) from financing activities	10,205	(5,504)
Cash and cash equivalents		
Net increase / (decrease) in the period	1,764	(39,741)
At 1 January	40,424	79,493
Foreign exchange movements	(543)	672
At 31 December	41,645	40,424

Note 1: Basis of preparation and consolidation

After reviewing the Group's forecasts and projections and taking into account current net cash balances, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which is defined as period of not less than 12 months from the date of publication of this Annual Report. The Group has therefore adopted the going concern basis in preparing the Annual Report.

The financial presentation in this release should be read in conjunction with the notes to the consolidated financial statements as at and for the full year ended 31 December 2024, as contained within this release.

These preliminary unaudited financial statements were approved by the Board of Directors on 8 April 2025.

Note 2: Revenue

	Unaudited Year ended 31-Dec-24 US '000	Audited Year ended 31-Dec-23 US '000
Revenue analysed by class of business:		
Game publishing	104,781	92,356
Revenue analysed by timing of revenue:		
Transferred at a point in time	104,781	92,356

The Group does not provide any information on the geographical breakdown of revenues, as game publishing revenue is earned via third-party distribution platforms which hold the sales data of end consumers.

Note 3: Earnings Per Share

	Unaudited Year ended 31-Dec-24 US '000	Audited Year ended 31-Dec-23 US '000
Loss attributable to owners of the company	(6,141)	(12,742)
Weighted average number of shares	456,953,855	444,825,531
Dilutive effect of share options	-	-
Weighted average number of diluted	456,953,855	444,825,531

shares		
Basic and diluted loss per share ()	(0.013)	(0.029)

Note 4: Adjusted Results

	Unaudited Year ended 31-Dec-24 US '000	Audited Year ended 31-Dec-23 US '000
Revenue		
Reported Revenue	104,781	92,356
Reported Revenue growth	13.0%	(31.4%)
Gross Profit		
Reported Gross Profit	30,065	24,518
Reported Gross Profit margin	28.7%	26.5%
Performance-related impairments	4,527	2,455
Adjusted Gross Profit	34,592	26,973
Adjusted Gross Profit margin pre performance-related impairment margin	33.0%	29.2%
Adjusted EBITDA*		
Adjusted EBITDA	5,083	(458)
Adjusted EBITDA margin	4.9%	(0.5%)
Performance-related impairments	4,527	2,135
Adjusted EBITDA pre performance-related impairment	9,610	1,677
Adjusted EBITDA pre performance-related impairment margin	9.2%	1.8%

*Adjusted EBITDA is a non-IFRS measure and is defined as earnings before interest, tax, depreciation, amortisation (but not excluding amortisation of capitalised software development costs), share-based payment expenses, foreign exchange gains or losses, fair value adjustments and one-time non-recurring items and non-trading items.

A reconciliation from the operating loss to adjusted EBITDA is set out in the table below:

	Unaudited Year ended 31-Dec-24 US '000	Audited Year ended 31-Dec-23 US '000
Operating Loss	(7,168)	(13,008)
Share-based payment expenses	3,511	5,528
Amortisation and depreciation of non-current assets	7,497	3,918
Depreciation of property, plant and equipment	155	150
Depreciation of right-of-use asset	220	36
Foreign exchange losses (gains)/losses	(141)	9
Non-recurring one-time expenses	710	2,580

non-recurring, one time expenses	710	2,909
Impairment of capitalised software developments costs	-	320
Fair value adjustment	251	-
Other taxes	48	-
Adjusted EBITDA	5,083	(458)
Performance-related impairments	4,527	2,135
Adjusted EBITDA pre performance-related impairments	9,610	1,677

The operating loss is arrived at after charging the following items to cost of sales:

	Unaudited Year ended 31-Dec-24 US '000	Audited Year ended 31-Dec-23 US '000
Cost of sales		
Royalty expense	43,112	42,151
Software development costs	3,306	4,278
Marketing expenses	6,407	7,320
Amortisation of software development costs	17,364	11,634
Impairment of software development costs	4,527	2,455
Total	74,716	67,838

Note 5: Intangible Assets

	Purchased intellectual property US '000	Software development cost US '000	Subtotal other intangibles US '000	Goodwill US '000	Total US '000
Cost					
As at 31 December 2023 (audited)	79,959	121,920	201,879	79,630	281,509
Additions	-	32,789	32,789	-	32,789
Fair value adjustment	-	-	-	(61)	(61)
As at 31 Dec 2024 (unaudited)	79,959	154,709	234,668	79,569	314,237
Amortisation and impairment					
As at 31 December 2023 (audited)	37,953	67,990	105,943	47,667	153,610
Amortisation charge for the period	7,497	17,364	24,861	-	24,861
Impairment charge for the period	-	4,527	4,527	-	4,527
As at 31 December 2024 (unaudited)	45,450	89,881	135,331	47,667	182,998
Carrying amount					
As at 31 December 2023 (audited)	42,006	53,930	95,936	31,963	127,899
As at 31 December 2024 (unaudited)	34,509	64,828	99,337	31,902	131,239

	Purchased intellectual property US '000	Software development cost US '000	Subtotal other intangibles US '000	Goodwill US '000	Total US '000
Cost					
As at 31 December 2022 (audited)	59,817	94,037	153,854	66,820	220,674
Additions - business combinations	20,142	-	20,142	12,810	32,952
Additions	-	27,883	27,883	-	27,883
As at 31 December 2023 (audited)	79,959	121,920	201,879	79,630	281,509
Amortisation and impairment					
As at 31 December 2022 (audited)	34,035	53,901	87,936	47,667	135,603
Amortisation charge for the period	3,918	11,634	15,552	-	15,552
Impairment charge for the period	-	2,455	2,455	-	2,455
As at 31 December 2023 (audited)	37,953	67,990	105,943	47,667	153,610

Carrying amount

As at 31 December 2022 (audited)	25,782	40,136	65,918	19,153	85,071
As at 31 December 2023 (audited)	42,006	53,930	95,936	31,963	127,899

Note 6: Impairment to Software Development Costs

The Group assessed software development costs for indicators of impairment, considering both qualitative and quantitative factors. For the titles exhibiting indicators of impairment, the Group recorded an impairment loss of 4.5 million against the carrying value of software development costs at 31 December 2024.

The impairment is related to titles published in 2024 by Devolver Digital Inc. and Good Shepherd Entertainment. As a result of lower than expected sales and future projections, these titles were impaired to their recoverable amounts, being value in use.

In assessing value in use for games identified with indicators of impairment, the Group has prepared a cash flow forecast reflecting management's estimations of future performance of these titles. Key assumptions on which this forecast was based includes title revenue generation and revenue decay curves.

The cash flows were discounted to their present value utilising a pre-tax discount rate calculated based on the particular circumstances of the Group and its CGUs, derived from its Weighted Average Cost of Capital.



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