RNS Number : 9902E
tinyBuild, Inc.
15 April 2025

15 April 2025

tinyBuild, Inc

("tinyBuild" or the "Company")

Preliminary Audited Results for the year ended 31 December 2024

tinyBuild (AIM:TBLD), a premium video games publisher and developer with global operations, announces the Company's audited results for the twelve months ended 31 December 2024.

Financial Summary (audited):

(12 months ended December, '000)	**2024**	**2023**	*change*
Revenue	34,699	44,663	-22%
Operating profit/ (loss)	(20,378)	(63,757)	nmf
Profit/ (loss) before tax	(20,261)	(63,494)	nmf
Basic earnings/ (loss) per share (cent)	(5.4)	(30.7)	nmf
Operating cash flow	6,290	10,879	-42%
Net cash, at 31 December	3,088	2,500	24%
Adj. EBITDA[1]	(3,681)	(7,113)	nmf

[1] Excludes share-based compensation expenses, and exceptional items (e.g. Impairment) includes amortisation of Development costs

Financial highlights:

- Revenue declined 22% to 34.7m (2023: 44.7m), due to lower flow through from titles launched in 2023, the disappointing performance of 2024 launches (e.g. Broken Roads and Level Zero: Extraction), some game delays and a generally weak market.
- Adj. EBITDA loss improved to 3.7m (2023: 7.1m), as the result of cost actions and a slightly more favourable revenue mix partly offset lower revenues.
- Operating loss was 20.4m (2023: 63.8m), because of a further 13.7m impairment of development advances (2023: 36.2m), and a 1.8m impairment of trade receivables (2023: nil). Excluding these one-off charges, the operating loss is 4.9m (2023: 12.3m).
- Loss before tax was 20.3m (2023: 63.5m) and basic EPS was -5.4c (2023: -30.7c).
- Operating cash flow decreased to 6.3m (2023: 10.9m), because of revenue decline and broadly neutral net working capital contribution.
- As expected, net cash at 31 December 2024 was 3.1m compared to 2.5m at 31 December 2023, reflecting lower revenues and 19.4m investment in development costs (2023: 31.9m).

Operational highlights:

- Back catalogue sales represented 87% of total revenue (2023: 92%), including a solid performance of the top franchises.
- Contribution to revenues from own-IP titles increased to 77% of Gaming revenues (2023: 66%), as performance of first- and second-party titles improved.
- In H1 2024, tinyBuild sold *Total Reliable Delivery Service* and Surgeon Simulator to Atari.
- In 2024, tinyBuild released a number of new titles, including *Lil' Guardsman*, *Kill it With Fire 2*, *Broken Roads*, *DUCKSIDE*, *Level Zero: Extraction*, *VOIN* and *Drill Core*, plus v1.0 for *I am Future* and *Deadside*, and DLCs for *Cartel Tycoon*, *Punch Club 2* and *Not For Broadcast*.

Employee Benefit Trust:

- During the year, the Employee Benefit Trust has purchased an additional 971,636 ordinary shares on the market and held a total of 3,937,587 ordinary shares as of 31 December 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 future option exercises of vested options granted.

Post Period End highlights:

- On 3 April 2025, tinyBuild announced the disposal of Red Cerberus for a total consideration of 1.5m in cash, subject to standard net working capital adjustments, and the proceeds will be used for general working capital purposes.
- *Deadside*'s strong performance following its v1.0 and console launch, will help support investments in upcoming high-potential game releases scheduled for the second half of this year. *Kingmakers* is currently #15 in the global Steam wishlists rank, *SAND* #40, *Streets of Rogue 2* #57 and *FEROCIOUS* #135.
- The announcement trailer of SpeedRunners 2, tinyBuild's iconic competitive platformer, collected over 20 million views across YouTube in the first three days, making it one of the most successful announcements in the Company's history. The Company also announced new titles such as *The King is Watching*, *ALL WILL FALL* and *Of Ash and Steel*.

Outlook:

- As at 31 March 2024, the Company had cash levels in the low single digit millions. Cash and cash equivalents are anticipated to reach a trough point in the summer of 2025 and is expected to improve post the launch of certain high-potential new games.
- The performance of Deadside and the disposal of Red Cerberus has provided the Company with greater flexibility and the exact release dates for games will be set taking into account competitive launches and, as is

flexibility and the exact release dates for games will be set taking into account competitive launches and, as is standard, risk remains around new launches and the ability to convert wishlists into revenue.
- The cash position will be carefully managed as the Company invests in upcoming game releases in a disciplined manner. The Company has no borrowings and it continues to assess its IP portfolio for strategic opportunities.
- The pipeline for 2025 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 continuation 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 2024 we adjusted our strategy and focused on cash generation making hard choices that allowed us to invest in a disciplined manner in high-potential games. tinyBuild will only be successful if it continues to create and expand new IP even when the whole industry is retrenching."

"Our back-catalogue is well-diversified and it will generate revenues in the long term as demonstrated by the relaunch of Deadside. We see early signs of success in our shift towards the 1,000 hour game ideal, and we will experiment with the aim. to add additional revenue streams, including multimedia."

Enquiries:

tinyBuild, Inc Alex Nichiporchik - Chief Executive Officer and Co-Founder Giasone (Jaz) Salati - Chief Financial Officer	investorrelations@tinybuild.com
Berenberg (Nominated Adviser and Broker) Mark Whitmore, Ciaran Walsh, Milo Bonser	+44 (0)20 3207 7800
SEC Newgate (Financial PR) Robin Tozer	tinybuild@secnewgate.co.uk +44 (0)7540 106366

About tinyBuild:

Founded in 2013, tinyBuild (AIM: TBLD) is a global video games publisher and developer, with a catalogue of more than 70 premium titles across different genres. tinyBuild's strategy is to focus on its own intellectual property (IP) to build multi-game and multimedia franchises, in partnership with developers.

tinyBuild is headquartered in the USA with operations stretching across the Americas and Europe. The Group's broad geographical footprint enables the Company to source high-potential IP, access cost-effective development resources, and build a loyal customer base through its innovative grassroots marketing.

tinyBuild was admitted to AIM, a market by the London Stock Exchange, in March 2021.

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

CHAIRMAN'S STATEMENT

The games industry is in flux. The past year has seen fundamental shifts in how games are discovered, played, and monetized. Long development cycles, the increasing cost of production, and rapidly evolving platform dynamics are putting pressure on studios and publishers to adapt or be left behind. As tinyBuild faces and decodes these challenges, we deal with them not just as obstacles but as opportunities to refine our approaches, move with greater speed and ensure that our games reach players in the right way, at the right time.

One of our key changes has been ensuring our games get to market quicker, without compromising on quality. Our teams have become more efficient, focused on tighter production cycles and smarter iteration. In parallel to this production strategy, we continue to publish partners who are creating incredibly unique and appealing titles: *The King is Watching* was one of the standout titles of the latest Steam Next Fest, a signal the title is on the right track to success. *Kingmakers, Rust* and *Streets of Rogue 2* have also generated strong anticipation, reinforcing our confidence that we are developing games that exceed players' expectations. At the same time, *Deadside*'s console release has revitalized its presence on Steam and led to a significant uptick of players, validating our long-term approach to growing our evergreen titles.

The reality of the industry today is that platforms like Steam are more competitive than ever before. The rules and algorithms are constantly shifting, and success demands a deep understanding of what makes games discoverable and engaging. We continue to refine our publishing and marketing strategies, leveraging tests, community insights and platform relationships to maximize our games' reach. At the same time, we are making sure our development teams are structured in a way that allows for more creative autonomy while keeping efficiency at the core of our process.

Within such a rapidly changing market, adaptability is key. The industry-wide wave of cancellations and studio closures has created a future vacuum - fewer games will be launching over the next few years in the spaces we operate on, creating an opportunity for those who can deliver high-quality experiences efficiently. Our focus remains on filling these gaps with well-positioned, efficiently-made games that players can truly engage with for the long run.

Looking forward to 2025 and beyond, tinyBuild is sharpening its approach: smarter development cycles, better execution, and a portfolio built for resilience. Our mission remains unchanged: to create games that players love, while ensuring a sustainable and thriving business based on the continuous management of the titles that succeed at launch. The challenges ahead are real, but so are the opportunities, and we are more confident than ever in our ability to seize them thanks to an incredibly creative team and the games they are building.

Henrique Olifiers
Non-Executive Chairman

CHIEF EXECUTIVE'S REVIEW

2024 was another turbulent year for the industry. We saw firsthand how inflated pandemic-era budgets finally hit the market, and not all of those heavily funded projects have landed well with players. Many studios and publishers are adapting slowly to players' shorter attention spans and a "play, don't show" mindset. These factors have shaped tinyBuild's approach over the last twelve months-and will continue to influence us in the year ahead.

From a macro perspective, studios in higher-cost locations felt even more acutely the pinch of rising operational expenses over the past few years. For some, that posed existential questions about sustainability. Meanwhile, some of our own teams leveraged more distributed setups, allowing us to stay nimble, reduce overhead, and focus on the actual product: great games that connect with audiences quickly.

Industry overcapacity and fast iteration

The funding crunch that began in 2023 with rising capital costs persisted into 2024, adding to rising labor expenses. Mix that with a crowded release slate of unfinished games and you have all the ingredients for a disaster. For smaller or less agile studios, the window to capture audience interest narrowed dramatically.

Meanwhile, gamer tastes shifted even further toward real-time involvement, such as open alpha or beta tests and influencer-led previews. These are invaluable opportunities to iterate fast, gather player feedback early, and respond in days or weeks instead of months.

In this context it is essential to stay lean and flexible to adapt the cost base quickly when needed, shifting budget from one project to the other, from one studio to the other one. We refined our pipeline, prioritizing titles that resonated in our demos and playtests - taking by the horns that "play, don't show" ethos that modern gamers demand.

We continued to work on deeply replayable titles, the 1,000-hour games, developing systems rather than content and focusing on emergent gameplay whenever possible. It's about letting players shape their experience. Minecraft, Rust, and ARK all prove how powerful that model can be. This approach resonates with the general shift in consumer expectations - players want to define their own goals, storylines, and achievements in-game.

We like multiplayer experiences (*Secret Neighbor, SpeedRunners, Pandemic Express, Deadside, SAND, Rawmen, Kingmakers, Level Zero*), even better if coupled with features that all players can enjoy right away. Think crafting, social hubs, and user-driven events, instead of churning out DLCs for a shrinking hardcore fans base.

CASE STUDY - Short development cycle
One notable achievement in 2024 was the rapid development and successful launch of *DUCKSIDE*. Conceived in January and announced on April 1st, this persistent-world PvP survival game entered the market in under 12 months, ended up attracting over 120,000 highly engaged players**.**

The project built on existing technology from *Deadside*, allowing the team to address typical complexities associated with large-scale multiplayer worlds, such as server stability and building mechanics, without lengthy delays. Streamlined collaboration between internal teams fueled *DUCKSIDE's* rapid iteration cycle. Weekly multi-hour play sessions and direct code-sharing minimized development bottlenecks, and new Steam Playtest features accelerated user acquisition and feedback.

The result is an example of agile production at scale, centered around emergent gameplay that resonates with fans of the survival-shooter genre. The game has also been designed to be accessible to newcomers to the genre, blending humor with hardcore survival elements. Player feedback highlighted the refreshing "duck with a gun" concept while enjoying the game's high level of difficulty-an intentional design that amplifies both the risk and reward of persistent PvP.

An open discussion with the community on the back of multiple playtests surfaced issues like base-building systems leading to server crashes. And it gave the team a chance to find solutions, such as balancing the wipe cycle, which resets player progress to keep the gameplay consistently engaging.

And *DUCKSIDE* is not the only game that was developed in under a year. *Drill Core*, a completely new IP, was also developed in less than 12 months from prototype to successful launch in September 2024. The game accumulated 85% positive reviews since launch, increasing to 95% positive reviews after the recent Jungle update.

Looking ahead to 2025

Even more than in the past, we are now laser-focused on games that are both scalable and true to our emergent design values. We remain confident that by staying agile, we can deliver compelling experiences - even in a crowded market. Our pipeline speaks louder than any commentary: Kingmakers (#15 on team global wishlists), *SAND* (#40), *Streets of Rogue 2* (#57) and *FEROCIOUS* (#135), to name just a few.

2024 was about adaptation, learning, and setting the stage for a strong 2025. Our entire team remains committed to pushing boundaries, embracing new models of play, and delivering on the promise of truly player-driven games. Thank you for joining us on this journey and we look forward to making further announcements during the year.

Alex Nichiporchik
CEO and Founder

Dated: 15 April 2025

CHIEF FINANCIAL OFFICER'S REVIEW

2024 was a transition year. In January, we successfully raised over 11m in new capital, welcoming Atari as a new core investor in tinyBuild. Throughout the year we continued to monitor cash flow carefully to provide adequate funding to the most promising, high-potential project which received strong external validation.

Revenue
Revenue generated from games sold to consumers dropped to 29.9m (-18% y-o-y), as a result of limited flow-through from new games released in 2023, aggravated by a 50% drop in development revenues, mostly due to further decline in platform deals (e.g., subscription programs, development partnerships and exclusivity agreements). Events revenues were up to 1.4m as DevGAMM strengthened its position in new locations. Overall, revenues declined by 22% (2023: -23%) from 44.7m to 34.7m.

Revenue generated from own-IP (first- and second-party games) increased to 77% of gaming revenues (2023: 65%), as a result of changes in portfolio mix. Revenues from new releases increased to 13% (2023: 8%), with successful new releases including *DUCKSIDE* and *Drill Core*. The top five games generated 45% of total revenues (2023: 47%), and the top 10 games 59% (2023: 65%), demonstrating broader diversification across audiences, genres and technologies.

Operating Loss and Adjusted EBITDA
Operating loss was 20.5m (2023: 60.8m operating loss), impacted by the 10m decline in revenues, the 13.7m impairment of software development costs. There were no exceptional charges for 2024 (2023: 3.5m related to a legal settlement).

Adjusted EBITDA is presented net of amortisation of development costs, excluding share-based compensation expenses, amortisation of purchased IP and other intangible assets and one-off costs. Adjusted EBITDA loss was 3.8m (2023: 7.1m loss), driven by the decline in revenues more than offsetting the reduction in costs.

Interest income and taxation
Interest income was 0.1m (2023: 0.4m) and the tax charge was 0.3m (2023: 0.6m tax credit).

Financial Position
In 2024, the net cash position increased to 3.1m from 2.5m. Investments in new games, including a number of larger-budget titles, more than offset cash generated by the operations and was partly funded by the January capital raise and partly funded by disposal of non-core IP such as *Surgeon Simulator* and *Totally Reliable Delivery Service*. In February 2024, tinyBuild also paid the remaining 2.0m as part of the legal settlement announced in December 2023.

Capitalised software development costs decreased from 31.9m in 2023 to 19.3m in 2024 as a result of more selective investments in upcoming pipeline releases. As at 28 February 2025, before the launch of high-potential games planned for release in 2025, the Company had cash levels in the low single-digit millions. This is anticipated to reduce toward the half year as the Company invests in upcoming game releases.

Goodwill remained at zero (2023: nil). IP decreased to 11.4m (2023: 16.1m) and Software Development decreased to 29.1m (2023: 34.0m) as the impairment carried out in 2024 more than offset additions.

Cash Flow
Cash flows from operating activities decreased from 10.9m to 6.2m primarily due to lower revenues and game delays, more than offsetting the decrease in investments. It is important to note that timing issues can fluctuate year over year and variability here is to be expected especially during the holiday season and partners' payment terms.

Employee incentive plan and EBT update
During the year, the Employee Benefit Trust has purchased an additional 971,636 ordinary shares on the market and held a total of 3,937,587 ordinary shares as of 31 December 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 future option exercises of vested options granted.

As previously announced, the Remuneration Committee of tinyBuild intends to utilise share awards to incentivise and retain key employees and executive directors. 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. A further announcement will be made in due course in connection with these awards, which includes a multiyear vesting share award to Giasone (Jaz) Salati, CFO of the Company. Where possible, the Company has the option to issue shares from the employee benefit trust to satisfy such awards.

Acquisitions and disposals
In the first half of 2024 the Company sold Totally Reliable Delivery Service and Surgeon Simulation for an aggregate consideration of 3m.

Events after the reporting date
On 3 April tinyBuild announced the disposal of Red Cerberus for 1.5m in cash, subject to standard net working capital adjustments. The disposal will be marginally accretive in 2025 and the proceeds shall be used for general working capital purposes.

Giasone (Jaz) Salati
Chief Financial Officer

TINYBUILD INC.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023

	Note	2024 '000	2023 '000
Revenue	5	34,699	44,663
Cost of sales:			
- Cost of sales		(21,370)	(30,980)
- Impairment of software development costs		(13,663)	(36,206)
Total cost of sales		(35,033)	(67,186)
Gross loss		(334)	(22,523)
Administrative expenses:			
- General administrative expenses		(19,110)	(26,090)
- Impairment of intangible assets		-	(11,849)
- Impairment of trade receivables		(1,811)	-
- Share-based payment expenses		(147)	(414)
- Non-recurring costs	6	-	(3,500)
Total administrative expenses		(21,068)	(41,853)
Other income	7	1,024	619
Operating loss	9	(20,378)	(63,757)
Finance costs	10	(27)	(128)
Finance income	11	144	391
Loss before tax		(20,261)	(63,494)
Income tax (expense)/credit	12	(333)	649
Loss for the year		(20,594)	(62,845)
Loss for the year is attributable to:			
Owners of the parent company		(20,522)	(62,537)
Non-controlling interests		(72)	(308)
		(20,594)	(62,845)
Basic earnings per share ( )	13	(0.054)	(0.307)
Diluted earnings per share ( )	13	(0.054)	(0.307)
Adjusted EBITDA*	14	(3,681)	(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 payment expenses, impairment and other significant one-off other income or expense items.

TINYBUILD INC.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 '000	2023 '000
Loss for the year	(20,594)	(62,845)
Other comprehensive loss net of taxation		
Exchange differences on translation of foreign operations - may be reclassified to profit and loss	(118)	(24)
Total comprehensive loss for the year	(20,712)	(62,869)
Total comprehensive loss for the year is attributable to:		
Owners of the parent company	(20,640)	(62,561)
Non-controlling interests	(72)	(308)
	(20,712)	(62,869)

TINYBUILD INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

ASSETS	**Note**	**2024 '000**	**2023 '000**
Non-current assets			
Other intangible assets	15	41,750	51,512
Property, plant and equipment:			
- owned assets	16	287	661
- right-of-use assets	16	374	374
Other receivables	18	408	385
Total non-current assets		42,819	52,932
Current assets			
Trade and other receivables	19	7,951	13,666
Cash and cash equivalents		3,088	2,500
Total current assets		11,039	16,166
TOTAL ASSETS		53,858	69,098
EQUITY AND LIABILITIES			
Equity			
Share capital	24	397	204
Share premium	24	76,809	65,593
Own shares	24	(1,100)	(1,031)
Warrant reserve		1,920	1,920
Translation reserve		(135)	(17)
Accumulated Deficit		(38,587)	(18,213)
Equity attributable to owners of the parent company		39,304	48,456
Non-controlling interest		(423)	(351)
Total equity		38,881	48,105
LIABILITIES			
Non-current liabilities			
Lease liabilities	20	218	146
Deferred tax liabilities	22	154	388
Total non-current liabilities		372	534
Current liabilities			
Trade and other payables	19	14,441	20,227
Lease liabilities	20	164	232
Total current liabilities		14,605	20,459
Total liabilities		14,977	20,993
TOTAL EQUITY AND LIABILITIES		53,858	69,098

The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 15 April 2025 and are signed on its behalf by:

Alex Nichiporchik - CEO and Founder

TINYBUILD INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**Share capital**	**Share premium**	**Own shares**	**Warrant reserve**	**Translation reserve**	**Accumulated deficit**	**To at to**
		'000	**'000**	**'000**	**'000**	**'000**	**'000**	
Balance at 1 January 2024		204	65,593	(1,031)	1,920	(17)	(18,213)	
Loss for the year		-	-	-	-	-	(20,522)	
Other comprehensive loss: Foreign exchange differences on the translation of foreign operations		-	-	-	-	(118)	-	
Total comprehensive loss for the year		-	-	-	-	(118)	(20,522)	
Transactions with owners in their capacity as owners: Share-based payment charge		-	-	-	-	-	148	
Issue of shares, net of 889K issuance costs	24	193	11,216	-	-	-	-	
Own shares acquired	24	-	-	(69)	-	-	-	
Total transactions with owners		193	11,216	(69)	-	-	148	
Balance at 31 December 2024		397	76,809	(1,100)	1,920	(135)	(38,587)	

TINYBUILD INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	**Share premium**	**Own shares**	**Warrant reserve**	**Translation reserve**	**Accumulated deficit**	**Tot att to o th**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**	
Balance at 1 January 2023	204	65,593	-	1,920	7	43,910	
Loss for the year	-	-	-	-	-	(62,537)	
Other comprehensive income: Foreign exchange differences on the translation of foreign operations	-	-	-	-	(24)	-	

Total comprehensive income for the year	-	-	-	-	(24)	(62,537)
Transactions with owners in their capacity as owners:						
Share-based payment charge	-	-		-	-	414
Own shares acquired	-	-	(1,031)	-	-	-
Total transactions with owners	-	-	(1,031)	-	-	414
Balance at 31 December 2023	204	65,593	(1,031)	1,920	(17)	(18,213)

TINYBUILD INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**2024 '000**	**2023 '000**
Cash flows from operating activities			
Cash generated from operations	25	6,173	10,617
Net interest received		117	262
Net cash generated by operating activities		6,290	10,879
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		-	(1,234)
Software development costs	15	(19,315)	(31,899)
Proceeds on disposal of intangible assets	15	2,594	-
Purchase of property, plant and equipment	16	(22)	(180)
Net cash used in investing activities		(16,743)	(33,313)
Cash flows from financing activities			
Proceeds from issuance of shares		12,298	-
Transaction costs arising from issuance of shares		(889)	-
Acquisition of own shares		(69)	(1,031)
Payment of principal portion of lease liabilities		(299)	(531)
Net cash generated by/(used in) financing activities		11,041	(1,562)
Cash and cash equivalents			
Net increase/(decrease) in the year		588	(23,996)
At 1 January		2,500	26,496
At 31 December		3,088	2,500

1 GENERAL INFORMATION

tinyBuild Inc. ("the Company") is a public company limited by shares, and is registered, domiciled and incorporated in Delaware, USA. tinyBuild has been listed on the London Stock Exchange (AIM:TBLD) since March 2021. The address of the registered office is 1239 120th Ave NE, Suite A, Bellevue, WA 98005, United States of America.

The Group ("the Group") consists of tinyBuild Inc. and all of its subsidiaries as listed in note 17. The Group's principal activity is that of an indie video game publisher and developer.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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 Company. Monetary amounts in these financial statements are rounded to the nearest thousand US Dollars ('000), unless otherwise stated.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving judgement or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date control ceases. Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. The Group elected to initially recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement;
- Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Adoption of new and revised standards

With effect from 1 January 2024, the Group has adopted the following new IFRSs (including amendments thereto) and International Financial Reporting Interpretations Committee ("IFRS IC") interpretations, that became effective for the first time. The new standards adopted have not had any material impact on the Group.

Standard/amendment	***Effective date***
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16 (issued on 22 September 2022)	1 January 2024
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2024
Classification of Non-Current Liabilities with Covenants - Amendments to IAS 1	
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024

New and revised standards in issue but not yet effective

The following standards and interpretations relevant to the Group are in issue but are not yet effective and have not been applied in the preparation of the financial statements.

Standard/amendment	***Effective date***
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of	

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Annual Improvements Volume 11	1 January 2026
Amendments to the Classification and Measurements of Financial Instruments - Amendments to IFRS 9 and IFSR 7	1 January 2026
Contracts Referencing Nature-depended Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18 Presentation and Disclosure in the Financial Statements	1 January 2027

The above standards are not expected to materially impact the Group.

Revenue recognition

IFRS 15 Revenue from Contracts with Customers has been applied for all periods presented within the financial statements.

Revenue is recognised when control of a service or product provided by the Group is transferred to the customer, in line with the Group's performance obligations in the contract, and at an amount reflecting the consideration the Group expects to receive in exchange for the provision of services.

The Group recognised revenue from the following activities:

Game and Merchandise Royalties
The Group develops and publishes video games based on its own and third-party intellectual property. The Group grants third-party distributors licences to sell these video games, and these distributors are considered to be the Group's customers when assessing revenue recognition. The majority of the Group's revenue is in the form of royalties received from third-party distributors under the relevant licence agreements. Generally, royalty revenue earned from third-party licensees is recorded in the period earned, being the point at which the distributor sells the content to the end user, in accordance with IFRS 15. Based on an evaluation of Principal vs Agent considerations, in particular who is primarily responsible for delivering the goods, the Group has determined that the third-party platform is considered to be the principal to end customers for the sale of full games and related content. Therefore, the Group reports revenue related to these arrangements net of the fees retained by the storefront. The Group will occasionally enter contracts with a fixed amount of royalty revenue in exchange for making a game available to a third-party platform for their customers to download for an agreed period of time, with minimal future performance obligations required by the Group. These contracts are determined as right to use licenses in accordance with IFRS 15 and the fixed fee is recognised upon satisfying the performance obligation of providing the game licence for the specified subscription-based platform, being the date the game is first made available on the third-party platform.

Development Services
Development advances received from distribution partners to assist with the development of game titles are recognised as contract liabilities in the statement of financial position and subsequently recognised as income when distinct performance obligations set out in the contract are met. Performance obligations for development service contracts typically include the delivery of video game. The transaction price for the performance obligation is generally a fixed amount which is specified in the contract.

The Group recognises revenue over time for contracts where the Group transfers control of the product over time and where the contract meets one of the following criteria. Different contracts meet different criteria, as below, which varies between contracts.

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs it;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue is recognised based on time-based input measure of progress as the Company's efforts are incurred evenly over time and the customer obtains generally equal benefit from the service through the development period. Payment is typically due upon milestones specified in the contract. When payment from a customer is received in advance of performance obligations being satisfied, a contract liability is recognised in the statement of financial position. There is not considered to be a significant financing component in these contracts with customers as the period between the recognition of revenue and the milestone payment is expected to be less than one year at contract inception.

Event Revenue
Event revenue is recognised at the conclusion of each event. In cases where the invoices raised exceed the services rendered, a contract liability representing advances or deferred revenue is recognised.

Liquidity
The Group going concern assessment is based on forecasts and projections of anticipated new release performance. The assumptions applied are subjective and management applies judgement in estimating the probability, timing and value of underlying cash flows. The Group decreased its loss in the current year, but still had a loss for the financial year of 20.6 million and has net current liabilities of 3.2 million. The Group continues to take action on costs, regularly reviewing investment in new games to align with audience validation. The group remains in a significant net asset position of 39 million at the reporting date. Whether and when the Group can attain profitability and positive cash flows is uncertain. The Group continues to have no borrowings and has cash and cash equivalents of 3.1 million 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 FY25. However, there can be no assurance that the Company will succeed in generating sufficient revenues from product sales to continue its operations as a going concern. Management has considered the significance of the above conditions in relation to the Company's ability to meet its current obligations and to achieve its business targets in the next financial year. Having considered the information available and recent changes to the business, the Directors confirm that they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for 12 months from issuance of these financial statements, and accordingly these financial statements are prepared on a going concern basis.

Foreign currencies
Transactions in currencies other than the functional currency (i.e., in foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Non-recurring costs
IAS 1 requires material items to be disclosed separately in a way that enables users to assess the quality of a Group's profitability. In practice, these are commonly referred to as "exceptional" items, but this is not a concept defined by IFRS and therefore there is a level of judgement involved in determining what to include in underlying profit. We consider items which are non-recurring and significant in size or in nature to be suitable for separate presentation (see note 6).

Research and development expenditure
Expenditure on research activities as defined in IFRS is recognised in the income statement as an expense as incurred.

Expenditure on developing new software products and substantial enhancements to existing software product is recognised as intangible assets only when the following criteria are met:

1. It is technically feasible to develop the product to be used or sold;
2. There is an intention to complete and use or sell the product;
3. The Group is able to use or sell the product;
4. Use or sale of the product will generate future economic benefits;
5. Adequate resources are available to complete the development; and
6. Expenditure on the development of the product can be measured reliably.

The capitalised expenditure represents costs directly attributable to the development of the asset from the point at which the above criteria are met up to the point at which the product is ready for use. If the qualifying conditions are not met, such development expenditure is recognised as an expense in the period in which it is incurred.

Software development costs largely relate to amounts paid to external developers, consultancy costs and the direct payroll costs of the internal development teams. Capitalised development expenditure is reviewed at the end of each accounting period for the conditions set out above as well as for indicators of impairment. Intangible assets that are not yet available for use are tested for impairment annually by comparing their carrying amount with their recoverable amount based on cash flow forecasts for the developed products.

Finance income and costs

Finance costs comprise interest charged on liabilities and finance costs accruing from lease liabilities. Interest income and interest expenses are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

EBITDA and adjusted EBITDA

Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA") and Adjusted EBITDA are non-IFRS measures used by Management to assess the operating performance of the Group. EBITDA is defined as profit before finance costs, finance income, tax, depreciation and amortisation (excluding amortisation of capitalised software development costs). Share-based payment costs, impairment, acquisition costs, other non-recurring items and other gains are excluded from EBITDA to calculate Adjusted EBITDA. The Directors primarily use the Adjusted EBITDA measure when making decisions about the Group's activities. As these are non-IFRS measures, EBITDA and Adjusted EBITDA measures used by other entities may not be calculated in the same way and hence are not directly comparable.

Segmental reporting

The Group reports its business activities in one area: video games development, which is reported in a manner consistent with the internal reporting to the Board of directors, which has been identified as the chief operating decision maker.

Property, plant and equipment

Property, plant and equipment are initially recognised at cost of purchase or construction, which includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follows:

Fixtures, fittings and equipment	2 - 7 years straight line

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Intangible assets - goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Intangible assets - other than goodwill

The Group has four categories of intangible assets:

Brands

Brands acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. At the time of purchase, the Group estimates the useful life for financial reporting purposes and recognises amortisation on a straight-line basis over the useful life of the asset, typically 15 years.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. At the time of purchase, the Group estimates the useful life for financial reporting purposes and recognises amortisation on a straight-line basis over the useful life of the asset, typically 7 years.

Purchased intellectual property
The Group purchases intellectual property related to video games. At the time of purchase, the Group estimates the useful life of the intellectual property for financial reporting purposes and recognises amortisation on a straight-line basis over the useful life of the asset, typically 7 years.

Software development costs
The Group incurs software development costs through game studios within the Group's control pursuant to IAS 38. Costs are amortised upon release of the game over three years in a 40:35:25 ratio reflecting the pattern in which the asset's future economic benefits are expected to be consumed.

Development advances paid to external developers for the development of specified games are capitalised as incurred. Amortisation commences upon release of the specified games and at a rate equivalent to the costs being recovered from developers for non-owned IP, reflecting the pattern in which the asset's future economic benefits are expected to be consumed. For developer advances where the Group owns the underlying IP, costs are amortised upon release of the game over three years in a 40:35:25 ratio.

The Group capitalises costs for localisation, porting and quality assurance of games as software development costs pursuant to IAS 38. Costs are amortised upon release of the game over three years in a 40:35:25 ratio.

Impairment of property, plant and equipment (including right-of-use assets) and of intangible assets
At each reporting period end date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial instruments
Financial assets and liabilities are recognised on the statement of financial position when the Group has become party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade and other receivables
Trade receivables that do not have a significant financing component are initially recognised at transaction price and thereafter are measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Other receivables are stated at their transaction price (discounted if material) less any expected impairment losses.

Platform receivables are stated at the estimated amount that Management expects to collect from each platform, net of the applicable fees. Management estimates this amount monthly based on preliminary sales reports provided by each platform. Credit terms are typically 30 to 45 days.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Classification and subsequent measurement of financial liabilities
The Group's financial liabilities include, trade and other payables and lease liabilities. The Company has no borrowings.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Financial liabilities are measured subsequently at amortised cost using the effective interest rate method.

Trade and other payables
Trade and other payables and borrowings are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method, with all movements being recognised in the statement of profit and loss. Cost approximates to fair value.

Equity
Equity instruments issued are recorded at fair value on initial recognition net of transaction costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

Impairment of financial assets under IFRS 9
The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets measured at amortised cost. The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. For other financial assets measured at amortised cost, the Group recognises twelve month expected credit losses if there has not been a significant increase in credit risk and lifetime expected credit losses if there has been a significant increase in credit risk. Significant financial difficulties of the customer, probability that the customer will enter bankruptcy or financial reorganisation default or delinquency in payments, and the unavailability of credit insurance at commercial rates are considered indicators that the receivable may be impaired.

Financial assets are written off when there is no reasonable expectation of recovery. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the Statement of Comprehensive Income.

Platform receivables
To measure the expected credit losses, trade and other receivables, including platform receivables, have been grouped based on shared credit risk characteristics and the days past due. For other financial assets at amortised cost, the Group determines whether there has been a significant increase in credit risk since initial recognition.

Share-based payments
The Group operates a number of equity-settled, share-based compensation plans, under which the Group receives services from employees and contractors as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. A credit is recognised directly in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and employment status over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save). Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. For share options which vest in instalments over the vesting period, each instalment is treated as a separate share option grant, each with a different vesting period.

treated as a separate share option grant, each with a different vesting period.

At the end of each reporting period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination.

Current tax

Tax currently payable is based on the taxable profit for the year and is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or are deductible in other years.

Deferred tax

Using the statement of financial position asset and liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the consolidated statement of financial position and the corresponding tax base. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax assets and liabilities reflect the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its asset and liabilities.

Deferred tax assets are recognised only to the extent that the Group considers that it is probable (i.e., more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction. Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's intention is to settle the amounts on a net basis.

Since the Group is able to control the timing of the reversal of the temporary difference associated with interests in subsidiaries, a deferred tax liability is recognised only when it is probable that the temporary difference will reverse in the foreseeable future mainly because of a dividend distribution.

At present, no provision is made for the additional tax that would be payable if the subsidiaries in certain countries remitted their profits because such remittances are not probable, as the Group intends to retain the funds to finance organic growth locally.

Leases

On commencement of a contract (or part of a contract) which gives the Group the right to use an asset for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease or a 'low-value' lease.

Short-term leases

Where the lease term is twelve months or less and the lease does not contain an option to purchase the leased asset, lease payments are recognised as an expense on a straight-line basis over the lease term.

Leases of low-value assets

For leases where the underlying asset is 'low value' (i.e., the asset value, when new, is less than 5,000), lease payments are recognised as an expense on a straight-line basis over the lease term.

Initial and subsequent measurement of the right-of-use asset

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

Leased property	on a straight-line basis over the shorter of the lease term and the useful life

The right-of-use asset is adjusted for any re-measurement of the lease liability and lease modifications.

Initial measurement of the lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus additional periods arising from extension options that the Group is reasonably certain to exercise and termination options that the Group is reasonably certain not to exercise.

Subsequent measurement of the lease liability

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments.

Interest on the lease liability is recognised in profit or loss, unless interest is directly attributable to qualifying assets, in which case it is capitalised in accordance with the Group's policy on borrowing costs.

Remeasurement of the lease liability

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the Group's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to nil, when any further adjustment is recognised in profit or loss. On termination of leases, the right-of-use asset and lease liability are reduced to nil, with any resulting gain or loss being recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or the lessee's assessment of its option to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the interest rate implicit in the lease for the remainder of the lease term or, if that rate cannot be readily determined, the lessee's incremental borrowing rate at the date of reassessment.

Changes to the amounts expected to be payable under a residual value guarantee and changes to lease payments due to a change in an index or rate are recognised when the change takes effect and are discounted at the original discount rate unless the change is due to a change in floating interest rates, when the discount rate is revised to reflect the changes in interest rate.

Lease modifications

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate used is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee company's incremental borrowing rate at the date of the modification.

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements
In the course of preparing the financial statements, judgements have been made in the process of applying the accounting policies that have had a significant effect in the amounts recognised in the financial statements. The following are the areas requiring the use of judgements that may significantly impact the financial statements.

Capitalisation of development expenditure
Management has to make judgements as to whether development expenditure has met the criteria for capitalisation or whether it should be expensed in the year. Development expenditure is capitalised only after its reliable measurement, technical feasibility and commercial viability can be demonstrated.

Allocation of transaction price to performance obligations
For development contracts relating to multiple game titles, the Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract. The stand-alone selling price is determined to be the price at which the Group would sell the promised good or service separately to a customer. Where the stand-alone selling price is not directly observable, the Group estimates it using an adjusted market assessment approach. The Group evaluates the video game market and applies judgement when determining the price that a customer would be willing to pay for the goods and services.

Recognition of development services revenue over time
The Group recognises revenue over time for contracts where the Group transfers control of the product over time and where the contract meets one of the three criteria listed in IFRS 15 Revenues from Contracts with Customers. Revenue is recognised based on time elapsed from execution of the contract or commencement of the development work to the expected release date of the product. Determining the release date for a product requires a significant amount of judgement and is contingent on internal and external factors.

Estimates
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. Estimates include:

Measurement, useful lives and impairment of intangible assets
Purchased intellectual property is considered to have a useful economic life of seven years. Other intangible assets (except for goodwill) are also considered to have a finite useful economic life. They are amortised over their estimated useful lives that are reviewed at each reporting date. In the event of impairment, an estimate of the asset's recoverable amount is made. The value of the intangible assets is tested whenever there are indications of impairment and reviewed at each reporting date or more frequently should this be justified by internal or external events.

After assessing the carrying value of each intangible asset which is not yet ready for use at the reporting date, which is shown net of any impairment charge posted, management estimate that the forecast cash generation is in excess of the intangible asset held. The forecast cash generation is taken from the Group's forecasts which cover the trading expectations for a minimum of two years after the reporting date. The sensitivity of the assumptions used within these forecasts is considered in note 15. The forecast revenue and cash generation from each intangible asset are separately identifiable within the Group forecasts. The forecast cash generation represents significant assumptions regarding its commercial performance, should the assumptions prove to be significantly incorrect there would be a risk of material adjustment in the financial year following the release of that product.

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 Board of Directors, which is identified as the chief operating decision maker. Management information is reported as one operating segment.

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

Game and merchandise royalties	**Year ended 31 December 2024 '000**	**Year ended 31 December 2023 '000**
Owned IP	23,107	23,765
Third-party IP	6,756	12,816
	29,861	36,581

Three customers were responsible for approximately 68% of the Group's revenues (2023: three - 60%).

The Group has five (2023: nine) right-of-use assets located overseas with a carrying value of 374,000 (2023: 374,000). The Group also has tangible assets located overseas with a carrying value of 291,552 (2023: 540,757). All other non-current assets are located in the US.

5 REVENUE

An analysis of the Group's revenue is as follows:	**Year Ended 31 December 2024 '000**	**Year ended 31 December 2023 '000**
Revenue analysed by class of business		
Game and merchandise royalties	29,861	36,581
Development services	3,456	6,919
Events	1,382	1,163
	34,699	44,663
Revenue analysed by timing of revenue		
Transferred at a point in time	31,243	37,744
Transferred over time	3,456	6,919
	34,699	44,663

For royalties receivable, the Group recognises royalty income in the period in which it is earned. The Group does not have visibility of the geographical locations of end consumers due to the data being held by third party distribution platforms and therefore cannot present an analysis of revenue by geographical location. For royalties payable to the game developers, the Group recognizes royalty expense in the period when earned and presented in the cost of sales. Royalty expense was 5,822,958 and 12,072,067 for the years ended December 31, 2024 and December 31, 2023, respectively.

6 NON-RECURRING COSTS

	Year ended 31 December 2024 '000	**Year ended 31 December 2023 '000**
Legal settlement (note 27)	-	3,500
	-	3,500

7 OTHER INCOME & EXPENSES

	Year ended 31 December 2024 '000	**Year ended 31 December 2023 '000**
Gain on disposal of subsidiary	-	708
Gain on disposal on non-current assets	1,069	

Gain on disposal of non-current assets	1,069	-
Other expenses	(45)	(89)
	1,024	619

Other income and expenses are included in determining operating loss in the Statement of Comprehensive Income.

8 EMPLOYEES

An analysis of the Group's staff costs is as follows:	Year ended 31 December 2024 '000	Year ended 31 December 2023 '000
Employee benefit expense	7,658	10,454
Equity-settled share-based payments	147	414
Total employee benefit expense	7,805	10,868

An analysis of key management personnel remuneration is set out in note 26.

9 OPERATING LOSS

The operating loss is arrived at after charging:	Year ended 31 December 2024 '000	Year ended 31 December 2023 '000
Net foreign exchange (gain)/loss	(12)	78
Amortisation of intangible assets	13,893	15,135
Impairment of intangible assets	13,663	48,055
Depreciation of property, plant and equipment - owned	272	420
Depreciation of property, plant and equipment - right-of-use assets	250	365

10 FINANCE COSTS

	Year ended 31 December 2024 '000	Year ended 31 December 2023 '000
Lease finance costs	27	40
Foreign exchange losses	-	88
	27	128

11 FINANCE INCOME

	Year ended 31 December 2024 '000	Year ended 31 December 2023 '000
Bank interest income	144	391

12 INCOME TAX

	Year ended 31 December 2024 '000	Year ended 31 December 2023 '000
Current tax:		
Current tax expense	567	763
Deferred tax:		
Origination and reversal of timing differences	(234)	(1,412)
Total income tax expense/(credit)	333	(649)

Factors affecting tax charge for the year
The tax assessed on the loss on the ordinary activity for the year differs from the main rate of corporation tax in the US of 21%. The differences are reconciled below:

	Year ended 31 December 2024 '000	Year ended 31 December 2023 '000
Loss before tax	(20,261)	(63,494)
Tax at the US corporation tax rate of 21%	(4,276)	(13,334)
Adjusted for the effects of:		

Expenses not deductible for tax purposes:		
- Relating to share-based payments	2	6
- Other non-taxable expenses	-	(119)
Adjustments in respect of prior periods	1,123	-
Unrecognised deferred tax assets	3,217	12,300
Uncertain tax positions	56	198
Impact of foreign operations	276	318
State income taxes	(78)	(59)
Other	13	41
Total income tax expense/(credit)	333	(649)

13 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.

Diluted earnings per share is determined by adjusting 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 and warrants to the extent that they are deemed to be issued for no consideration in accordance with IAS 33.

	Year ended 31 December 2024 '000	**Year ended 31 December 2023 '000**
Loss attributable to the owners of the Group	(20,522)	(62,537)
Weighted average number of shares	383,484,707	203,877,356
Basic loss per share ()	(0.054)	(0.307)
Loss attributable to the owners of the Group	(20,522)	(62,537)
Weighted average number of shares	383,484,707	203,877,356
Dilutive effect of share options	-	-
Dilutive effect of warrants	-	-
Dilutive effect of restricted stock awards	-	-
Weighted average number of diluted shares	383,484,707	203,877,356
Diluted loss per share ()	(0.054)	(0.307)

The 2,078,084 options outstanding (2023: 2,963,027), 1,511,449 warrants outstanding (2023: 1,511,449) and 1,400,000 restricted stock awards outstanding (2023: nil) are not included in the calculation of the diluted loss per share because they are antidilutive for the years ended 31 December 2024 and 31 December 2023. These options could potentially dilute the basic earnings per share in the 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.

14 ADJUSTED EBITDA

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, amortisation of purchased intellectual property, acquisitions costs, and other significant non-recurring expenses. 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.

	Year ended 31 December 2024 '000	**Year ended 31 December 2023 '000**
Loss for the year	(20,594)	(62,845)
Income tax expense/(credit)	333	(649)
Finance costs	27	128
Finance income	(144)	(391)
Share-based payment expenses	147	414
Amortisation of purchased intellectual property, brands and customer relationships (note 15)	3,389	4,482
Depreciation of property, plant and equipment (note 16)	522	785
Impairment of intangible assets (note 15)	13,663	48,055
Legal settlement (note 6)	-	3,500
Acquisition costs		27

Acquisition costs	-	27
Other income (note 7)	(1,024)	(619)
Adjusted EBITDA	(3,681)	(7,113)

15 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	65,697	114,941
Additions - internally generated	-	-	-	-	31,899	31,899
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	-	-	-	-	19,315	19,315
Disposals	-	-	-	(2,000)	(1,159)	(3,159)
As at 31 December 2024	13,202	1,815	4,261	27,966	115,339	162,583
Amortisation and impairment:						
As at 1 January 2023	9,456	806	660	6,900	16,735	34,557
Amortisation charge for the year	-	73	353	4,056	10,652	15,134
Impairment charge	6,164	-	2,773	2,912	36,206	48,055
Eliminated on disposal	(2,418)	-	-	-	(413)	(2,831)
As at 31 December 2023	13,202	879	3,786	13,868	63,180	94,915
Amortisation charge for the year	-	73	97	3,219	10,504	13,893
Impairment charge for the year	-	-	-	-	13,663	13,663
Eliminated on disposal	-	-	-	(510)	(1,128)	(1,638)
As at 31 December 2024	13,202	952	3,883	16,577	86,219	120,833
Carrying amount:						
As at 31 December 2024	-	863	378	11,389	29,120	41,750
As at 31 December 2023	-	936	475	16,098	34,003	51,512

The following intangible assets are individually material to the financial statements:

Description	**Carrying amount**	**Remaining amortisation period**
Hello Neighbor IP	1.3m	1.7 years
Bad Pixel IP	3.5m	3.7 years

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on an annual projection period approved by management and extrapolated for a further four years, together with a terminal value. Red Cerberus and Versus Evil are distinct business operations classified as cash generating units (CGUs) due to being the smallest identifiable group of assets that generate cash inflows which are largely independent of the cash inflows from other assets. Where the value in use of the CGU's goodwill was not sufficient to support the carrying value, the assets were impaired.

15 INTANGIBLE ASSETS (CONTINUED)

Purchased intellectual property relates to the intellectual property rights to certain games and franchises. The intellectual property is considered to have a useful life of seven years and is amortised on a straight-line basis over the useful life. The intellectual property is assessed for indicators of impairment annually. A formal impairment review is only undertaken if there are indicators of impairment. Any impairment is recognised immediately within the Statement of Comprehensive Income. Amortisation of purchased intellectual property is recognised within general administrative expense in the Consolidated Income Statement.

Amortisation of other intangible assets, consisting of Brand and Customer Relationships, is recognised within general administrative expense in the Consolidated Income Statement.

Software development costs relate to costs incurred for the localisation and porting of games, advances paid to external developers under development agreements and the direct payroll and overhead costs of the internal development teams. Amortisation of software development costs commences upon release of the game and is recognised within cost of sales in the Consolidated Income Statement. Included within software development costs is 14,906,000 (2023: 5,701,000) relating to intangible assets under development for which amortisation has not yet commenced. Amortisation of these costs will commence upon publication of the game or content, which varies by item but are expected to be released within one to two years after the date of this report.

If a game title misses its forecast, the Group considers it to be an indication of impairment and performs impairment testing accordingly. During 2024, the Group recorded impairment losses of 13,663,000 (2023: 36,206,000) against the carrying value of software development costs. 13,663,000 (2023: 26,409,000) resulted from a value-in-use calculation being performed for each game title using a pre-tax discount rate of 7% and forecast net revenues. The value in use and therefore the recoverable amount for a number of games was lower than the existing carrying amounts. The recoverable amounts for these game titles are not considered material. The sensitivities are as follows for the impairment:

- A 1% increase/decrease in the pre-tax discount rate would increase/decrease the impairment charge by 138,000/(142,000), respectively.
- A 1% increase/decrease in forecast future cash flows would decrease/increase the impairment charge by (84,000)/ 84,000, respectively.

In the prior year further impairment of 9,797,000 related to cancelled games mainly as a result of studio closures. The software development costs associated with these games were written down to a carrying value of nil.

16 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets (note 21) '000	Fixtures, fittings and equipment '000	Total '000
Cost:			
As at 1 January 2023	662	1,419	2,081
Additions	399	219	618
Disposals	(83)	(52)	(135)
Remeasurement	21	-	21
Foreign exchange	20	26	46
As at 31 December 2023	1,019	1,612	2,631
Additions	303	22	325
Disposals	-	(256)	(256)
Foreign exchange	(56)	(194)	(250)
As at 31 December 2024	1,266	1,184	2,450
Accumulated depreciation and impairment:			
As at 1 January 2023	320	625	945
Charge for the year	365	420	785
Eliminated on disposals	(44)	(12)	(56)
Foreign exchange	4	(82)	(78)
As at 31 December 2023	645	951	1,596
Charge for the year	250	272	522
Eliminated on disposals	-	(248)	(248)
Foreign exchange	(3)	(78)	(81)
As at 31 December 2024	892	897	1,789
Carrying amount:			
As at 31 December 2024	374	287	661
As at 31 December 2023	374	661	1,035

Depreciation and impairment of property, plant and equipment is recognised within general administrative expenses in the Statement of Comprehensive Income.

17 SUBSIDIARIES

The principal subsidiaries of the Company, all of which have been included in the consolidated financial information, are as follows:

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held
tinyBuild LLC	1	1100 Bellevue Way NE, STE 8A #317, Bellevue, WA 98004, USA	100%

		98004, USA	
tinyBuild BV	1	Wandelpad 30, 1211 GN Gemeente Hilversum, Netherlands	100%
tinyBuild Studios, SIA	1	Lacplesa 52-77, 1011 Riga, Latvia	100%
Pine Events Inc.	2	1100 Bellevue Way NE, STE 8A #317, Bellevue, WA 98004, USA	51%
DevGAMM LLC	2	1100 Bellevue Way NE, STE 8A #317, Bellevue, WA 98004, USA	49%
Hologryph LLC	1	1100 Bellevue Way NE, STE 8A #317, Bellevue, WA 98004, USA	100%
Hungry Couch LLC	1	1100 Bellevue Way NE, STE 8A #317, Bellevue, WA 98004, USA	100%
Animal LLC	1	1100 Bellevue Way NE, STE 8A #317, Bellevue, WA 98004, USA	100%
Bad Pixel LLC	1	1100 Bellevue Way NE, STE 8A #317, Bellevue, WA 98004, USA	100%
DogHelm LLC	1	1100 Bellevue Way NE, STE 8A #317, Bellevue, WA 98004, USA	100%
Versus Evil LLC	1	4801 W Lovers LN, Dallas, TX 75209, USA	100%
Red Cerberus LLC	1	4801 W Lovers LN, Dallas, TX 75209, USA	100%
Red Cerberus Brasil LTDA (formerly Steven Joseph Escalante - Serviços de Tecnologia de Informação, Eireli LLC)	1	Avenida das Nações Unidas, 13.797, Bloco II, 12º andar, Brooklin Paulista, São Paulo, SP, CEP 04578-000, Brazil	100%
tinyBuild d.o.o.	1	Bulevar Mihajla Pupina, 115 Beograd (Novi Beograd), Grad Beograd, PAK 190624, Serbia	0%
Konfa Games LLC		1100 Bellevue Way NE Ste 8A PMB 317 Bellevue WA 98004	100%
Scythe Studios LLC		1239 120th Ave NE, STE A, Bellevue, WA 98005, USA	100%
Bunny Crimes LLC		1239 120th Ave NE, STE A, Bellevue, WA 98005, USA	100%
Fantastic Signals LLC		1239 120th Ave NE, STE A, Bellevue, WA 98005, USA	100%

17 SUBSIDIARIES (CONTINUED)

Principal activity key

1 Video game development

2 Gaming events

No subsidiary undertakings have been excluded from the consolidation.

The wife of the Company's CEO is a member and manager of DevGAMM LLC and pursuant to an agreement tied to her continued service to DevGAMM LLC, her membership interest in DevGAMM LLC is 51% at the year ended 31 December 2024 (2023: 51%). The Group continues to consolidate the results of DevGAMM LLC on the basis of control. tinyBuild d.o.o. is also included within the consolidation as tinyBuild holds control.

DevGAMM LLC contributed 1,331,000 to the Group's revenue in the year ended 31 December 2024 (2023: 1,093,000). Other than DevGAMM LLC's revenue, the revenue, net assets and cash flows of all non-controlling interests are not considered to be material to the Group.

18 TRADE AND OTHER RECEIVABLES

	As at 31 December 2024 '000	As at 31 December 2023 '000
Non-current assets		
Other receivables	408	385
Current assets		
Platform receivables	6,818	11,934
Prepaid expenses and other current assets	1,133	1,732
	7,951	13,666
Total trade and other receivables	8,359	14,051

All of the platform receivables are non-interest bearing, and receivable under normal commercial terms. The carrying value of trade and other receivables approximates their fair value. In the current year, the Group recognized a material write-down of certain trade receivables in line with its assessment of credit risk and expected credit losses. After this write-down, management determined that any further loss allowance for expected credit losses on remaining financial assets measured at amortized cost is not material to the financial statements..

19 TRADE AND OTHER PAYABLES

	As at 31	As at 31

	December 2024 '000	December 2023 '000
Trade payables	924	5,658
Accrued expenses and other current liabilities	13,107	14,569
Deferred revenue	410	-
	14,441	20,227

The Group considers that the carrying value of trade and other payables approximates their fair value.

20 LEASES

The maturity of the gross contractual undiscounted cash flows due on the Group's lease liabilities is set out below based on the period between the reporting date and the contractual maturity date.

	As at 31 December 2024 '000	As at 31 December 2023 '000
Maturity analysis:		
Within 1 year	200	260
Between 1 and 5 years	235	160
	435	420
Less unearned interest	(53)	(42)
Lease liability	382	378
Analysed as:		
Non-current	218	146
Current	164	232
	382	378

As disclosed in more detail in note 16, the carrying value of right-of-use assets in respect of the above lease liabilities is 374,000 (2023: 374,000).

The Group's lease arrangements are in relation to five property leases (2023: nine property leases). The leases have termination dates ranging from 2025 to 2027 and have extension options ranging from three to five years.

The rates of interest implicit in the Group's lease arrangements are not readily determinable and management have determined that the incremental borrowing rate to be applied in calculating the lease liability is 12%. The fair value of the Group's lease obligations is approximately equal to their carrying amount.

20 LEASES (CONTINUED)

Effects of leases on financial performance:	As at 31 December 2024 '000	As at 31 December 2023 '000
Depreciation charge on right-of-use assets included within 'general administrative expenses'	250	365
Interest expense on lease liabilities included within 'finance costs'	26	40
	276	405

Effects of leases on cash flows:	As at 31 December 2024 '000	As at 31 December 2023 '000
Total cash outflow for leases	(326)	(334)

21 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's financial instruments at the reporting dates mainly comprise cash and various items arising directly from its operations, such as trade and other receivables and trade and other payables.

(a) Risk management policies

The Group's Directors are responsible for overviewing capital resources and maintaining efficient capital flow, together with managing the Group's market, liquidity, foreign exchange, interest and credit risk exposures.

(b) Financial assets and liabilities

Financial assets and liabilities analysed by the categories were as follows:

	As at 31 December 2024 '000	As at 31 December 2023 '000
Financial assets at amortised cost:		
Trade and other receivables	7,226	12,325
Cash and cash equivalents	3,088	2,500
	10,314	14,825
Financial liabilities at amortised cost:		
Trade and other payables	14,441	20,227
Lease liabilities	382	378
	14,823	20,605

The carrying value of all financial instruments is not materially different from their fair value. Cash and cash equivalents attract floating interest rates. Accordingly, their carrying amounts are considered to approximate to fair value.

Fair values of financial liabilities

The Group measures financial instruments at fair value. They are classified into the following hierarchy:

- **Level 1** Quoted prices in active markets.
- **Level 2** Level 1 quoted prices are not available but fair value is based on observable market data.
- **Level 3** Inputs are not based on observable market data.

(c) Credit risk

Credit risk is the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. Maximum credit risk at the reporting dates was as follows:

	As at 31 December 2024 '000	As at 31 December 2023 '000
Current trade and other receivables	6,818	11,940
Non-current trade and other receivables	408	385
Cash and cash equivalents	3,088	2,500
	10,314	14,825

Before accepting a new customer, the Group assesses both the potential customer's credit quality and risk. Customer contracts are drafted to reduce any potential credit risk to the Group. Where appropriate the customer's recent financial statements are reviewed.

Trade receivables are regularly reviewed for impairment loss. The Group has assessed the credit risk of its financial assets measured at amortised cost and has determined that the loss allowance for expected credit losses of those assets is immaterial to the financial statements.

The Group's exposure to credit losses has historically been low given the size and sophistication of the customers and there being no historical write offs.

and there being no historical write offs.

Accounts receivable from the Group's four largest customers at 31 December 2024 totalled approximately 4.6m (2023: three customers - 4.9m).

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management monitors the level of cash and cash equivalents on a continuous basis to ensure sufficient liquidity to be able to meet the Group's obligations as they fall due.

Contractual cash flows relating to the Group's financial liabilities are as follows:

	As at 31 December 2024 '000	As at 31 December 2023 '000
Within 1 year:		
Trade payables	924	5,658
Accruals and other payables	13,517	14,569
Lease liabilities	164	232
	14,605	20,459
Between 1-2 years: Lease liabilities	163	80
Between 2-3 years: Lease liabilities	55	66
Total	14,823	20,605

(e) Capital management

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to operate for the foreseeable future. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group considers its capital to include cash, share capital and retained earnings.

	As at 31 December 2024 '000	As at 31 December 2023 '000
Net cash	3,088	2,500
Total equity	38,881	48,105
	41,969	50,605

22 DEFERRED TAX

The deferred tax balances recognised in the consolidated statement of financial position are as follows:

	As at 31 December 2024 '000	As at 31 December 2023 '000
Deferred tax liability:		
Short-term temporary differences	154	388
Net deferred tax liability	154	388

The net movement is explained as follows:	Year ended 31 December 2024 '000	Year ended 31 December 2023 '000
Opening deferred tax liability	388	1,800
Credit to profit or loss	(234)	(1,412)
Closing deferred tax liability	154	388

23 SHARE-BASED PAYMENTS

The Group operates two share-based plans, the Stock Restriction Agreement and an Equity Incentive Plan, which are detailed as follows:

The Stock Restriction Agreement is a plan that provides for grants of Restricted Stock Awards (RSA) for the founders of the Group and acquired employees. The awarded shares are made in the Group's ordinary share capital. The fair value of the RSAs is estimated by using the Black-Scholes valuation model on the date of grant, based on certain assumptions, and is charged on a straight-line basis over the required service period, normally two to three years. Forfeitures are recorded as they are incurred. The 2024 grants vest in instalments over a three-year period. Each instalment has been treated as a separate RSA grant because each instalment has a different vesting period. This plan is equity-settled. A reconciliation of RSAs is as follows:

	Year ended 31 December 2024	**Year ended 31 December 2023**
Opening RSA outstanding	-	477,327
RSA granted	1,400,000	29,251
RSA vested	-	(267,914)
RSA forfeited	-	(238,664)
Closing RSA outstanding	1,400,000	-
Weighted average remaining contractual life in years	2.67	-

The Group has an Equity Incentive Plan that provides for the issuance of non-qualified stock options to officers and other employees and contractors that have a contracted term of 10 years and generally vest over four years. Forfeitures are recorded as they are incurred.

tinyBuild established an Employee Benefit Trust (EBT) to facilitate off-market and on-market stock option exercise by employees who were awarded Equity Incentive Plan stock options. The EBT is an independent Trust enabling option exercise and share settlement off-market without impacting market liquidity. The shares held by the EBT are disclosed as Treasury Shares within the Group's statement of changes in equity.

The stock options are granted on shares issued by the Company. A reconciliation of share option movements is shown below:

	Number of options outstanding	**Weighted average exercise price ()**	**Number of options exercisable**	**Weighted average exercise price ()**	**Weighted average remaining contractual life (years)**
At 1 January 2023	3,547,217	1.02	1,812,394	0.94	7.58
Forfeited during the period	(584,190)	0.74			
At 31 December 2023	2,963,027	1.12	2,099,155	1.19	6.59
Forfeited during the period	(884,943)	0.62			
At 31 December 2024	2,078,084	1.28	1,739,533	1.46	5.51

During the period covered by the financial statements, a total of 884,943 options with a weighted average exercise price of 0.62 were forfeited. No options were granted or exercised during the current or previous year.

23 SHARE CAPITAL

	As at 31 December 2024 No.	**As at 31 December 2023 No.**
Class of share		
Ordinary shares of 0.001 each	397,219,319	203,878,238

	As at 31 December 2024 '000	**As at 31 December 2023 '000**
Class of share		
Ordinary shares of 0.001 each	397	204

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.

The Company is authorised to issue up to 800,000,000 shares.

There are 1,400,000 shares reserved for issue in respect of restricted stock awards (note 23) and a further 3,630,429 shares reserved for issue in respect of potential earnouts for past acquihires.

Ordinary shares

Each ordinary share entitles the holder to one vote at general meetings of the company, to participate in dividends and to share in the proceeds of winding up the company.

Treasury shares

Treasury shares are shares in tinyBuild Inc that are held by the tinyBuild Employee Benefit Trust for the purpose of issuing shares under the equity incentive plan (note 23). Shares issued to employees are recognised on a first-in-first-out basis.

	Number of shares	'000
At 1 January 2023	70,000	-
Acquisition of shares by the Trust	2,895,951	1,031
At 31 December 2023	2,965,951	1,031
Own shares acquired	971,636	69
At 31 December 2024	3,937,587	1,100

25 CASH GENERATED FROM OPERATIONS

	Year ended 31 December 2024 '000	Year ended 31 December 2023 '000
Loss after tax	(20,594)	(62,845)
Adjustments for:		
Share-based payments	147	414
Amortisation of intangible assets	13,893	15,134
Impairment of intangible assets	13,663	48,055
Gain on disposal of operations	-	(708)
Write-off of bad debt	1,814	87
Depreciation of property, plant and equipment	522	785
Loss on disposal of property, plant and equipment	125	80
Gain on disposal of intangible asset	(1,024)	-
Finance income	(144)	(391)
Finance costs	27	128
Income tax expense/(credit)	333	(649)
Movements in working capital:		
Decrease in receivables	3,877	12,398
Decrease in payables	(6,133)	(399)
Income tax paid	(333)	(1,472)
Cash generated from operations	6,173	10,617

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	As at 1 January 2024 '000	Cash flows '000	Non-cash movements '000	As at 31 December 2024 '000
Cash and cash equivalents	2,500	588	-	3,088
Lease liabilities	(378)	299	(303)	(382)

Net debt	2,122	887	(303)	2,706

	As at 1 January 2023 '000	Cash flows '000	Non-cash movements '000	As at 31 December 2023 '000
Cash and cash equivalents	26,496	(23,996)	-	2,500
Lease liabilities	(367)	476	(488)	(378)
Net debt	26,130	(23,520)	(488)	2,122

26 RELATED PARTY TRANSACTIONS

Interests in subsidiaries are set out in note 17.

An analysis of key management personnel remuneration is included in the Remuneration Committee Report on an individual basis, and is summarised below:

Key management personnel remuneration	**Year ended 31 December 2024 '000**	**Year ended 31 December 2023 '000**
Aggregate emoluments	1,197	2,511
Equity-settled share-based payments	9	46
	1,206	2,557

Transactions with other related parties

During the year, the Company paid 2m in final settlement of the global settlement agreement entered into with Steve Escalante, Lance James and Stall Proof, LLC in 2023.

As part of the capital raise in January 2024 (note 24), a 10m investment was received from the CEO, Alex Nichiporchik.

There were no other related party transactions during the period which require disclosure.

26 ULTIMATE CONTROLLING PARTY

The Company's ultimate controlling party is Alex Nichiporchik who owned 57.9% (2023: 37.8%) of outstanding shares on a fully diluted basis as of 31 December 2024.

27 POST REPORTING DATE EVENTS

On 3 April tinyBuild announced the disposal of Red Cerberus for a total consideration of 1.5m in cash, subject to standard net working capital adjustments. Red Cerberus, based in Sao Paolo Brazil, was acquired by tinyBuild in November 2021 together with Versus Evil. Red Cerberus had a book value of 0.8m as 31 December 2024, and it generated 4.3m in revenues and a net loss of 0.1m in the 2024 financial year (audited). The disposal will be marginally accretive to net profit in 2025 and the proceeds will be used for general working capital purposes.

END

FR PKQBKKBKBNQD