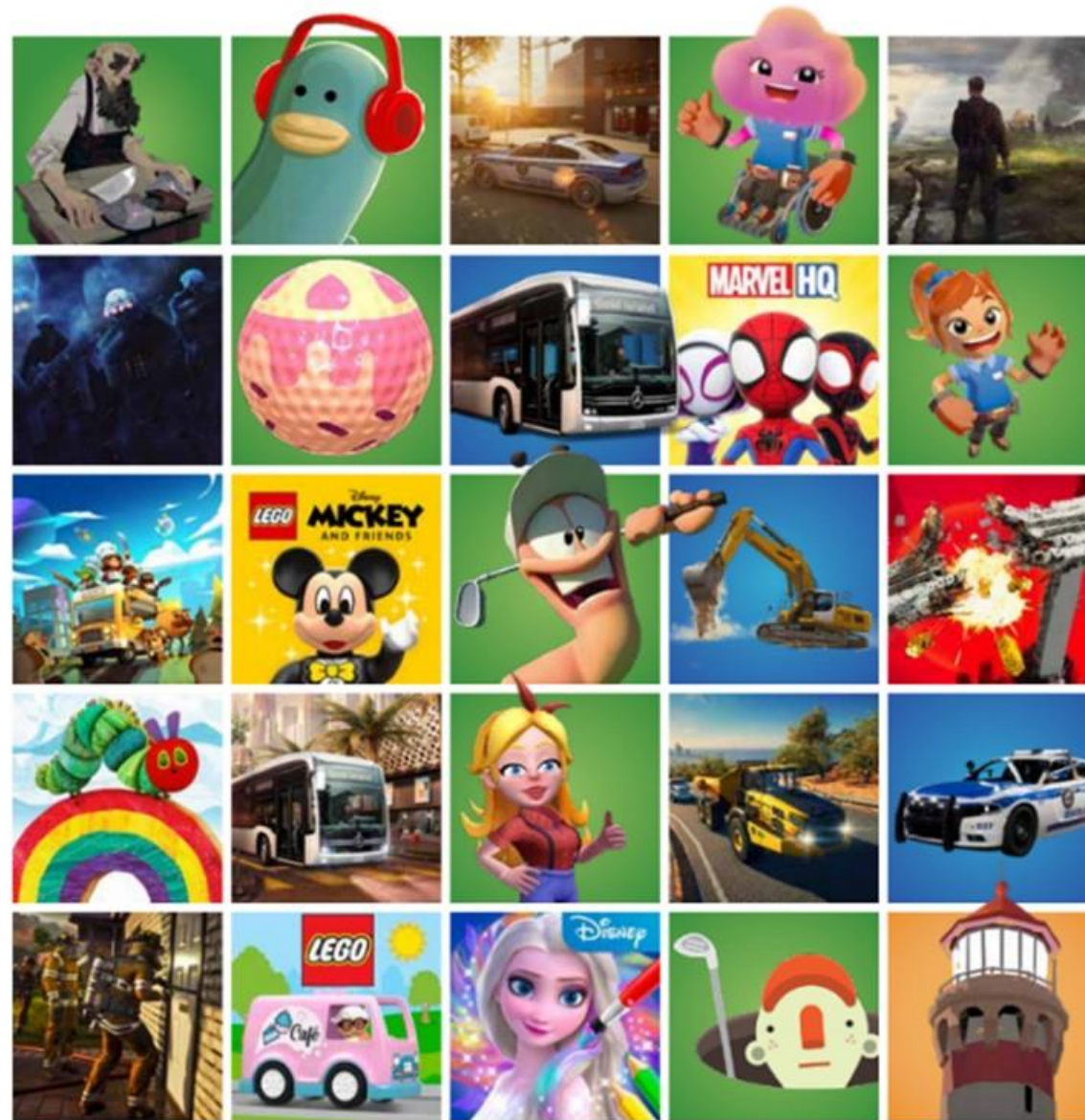




FY23 RESULTS PRESENTATION





INTRO & OPERATIONAL REVIEW

Steve Bell
Chief Executive Officer





CEO PERSPECTIVE

A competitive, fast-paced and dynamic industry

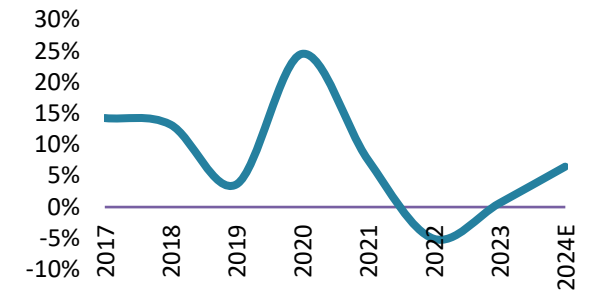
- Indie is a great space to play and we have what it takes to stay ahead
- We have fantastic businesses, underappreciated IP and an exceptionally talented team throughout the Group
- We have excellent lifecycle management skills, supporting our best-in-class back catalogue
- But there are opportunities to improve collaboration between teams & divisions
- In a crowded market, discoverability is key; we can be more innovative with marketing
- Parts of the business underachieved in 2023, but we have learnt from mistakes
- We are back on form in 2024, with a clear plan for delivering growth



THE INDIE MARKET OFFERS GREAT OPPORTUNITIES

- Wider gaming market has been tough but grew in 2023
- Sales dominated by back catalogue titles
- Indie segment is large with faster, innovative growth
- Innovative titles in the indie market do incredibly well
- Indie offers a differentiated and more affordable proposition for gamers vs AAA - "Snackable" content
- Indie titles are growing on Steam
- Lower risk ROIs than AA or AAA space

Global gaming revenue growth¹



>90%

Steam games played which are back catalogue³

~\$8bn

Indie games market (ex mobile)²

>20%

5 year increase in % Steam revenues from Indie titles⁴

¹Newzoo data, Jan 2024; ²company estimate data; excludes mobile ³91% of games played on Steam in 2023 were released in 2022 or earlier; ⁴2018-2024 ytd

TEAM17 GROUP IS WELL POSITIONED TO BECOME *THE* INDIE POWERHOUSE

A top indie publisher, with huge market share potential



Global, multi-platform reach

- Platform agnostic
- Sales span six continents

Strong cross-genre IP franchises

- 35% sales from first-party IP
- >100 titles generate sales¹
- 15 franchise sales² >£10m, four >£45m, one >£100m

Exceptional back catalogue

- 71% sales
- Growing 10%¹
- Consistently fed by new release pipeline

Diversified portfolio

- Hard core gamers to casual users and enthusiasts
- A lifetime of play: ages 2 to 60+
- No game >15% revenues

Compelling proposition for developers

- Multi-platform reach
- Access to insight-driven data
- Financial resources

Strong balance sheet

- Enhance IP, growth and scale through M&A

¹2023 ²Lifetime sales



ACTION PLAN FOR GROWTH DELIVERY

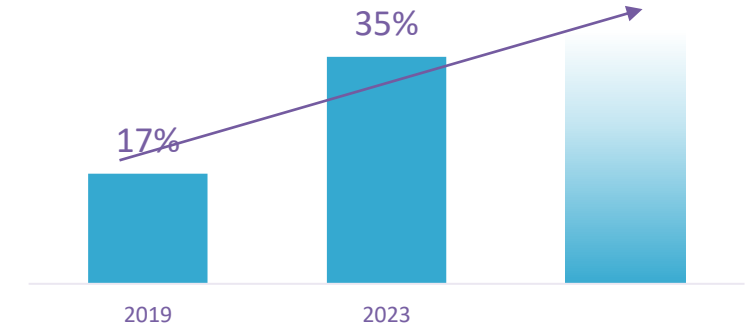
Accelerating growth

1. Double down on Indie focus
2. Prioritise evergreen franchises to drive back catalogue
3. Progressive Participation Marketing
4. Innovative publishing models
5. M&A

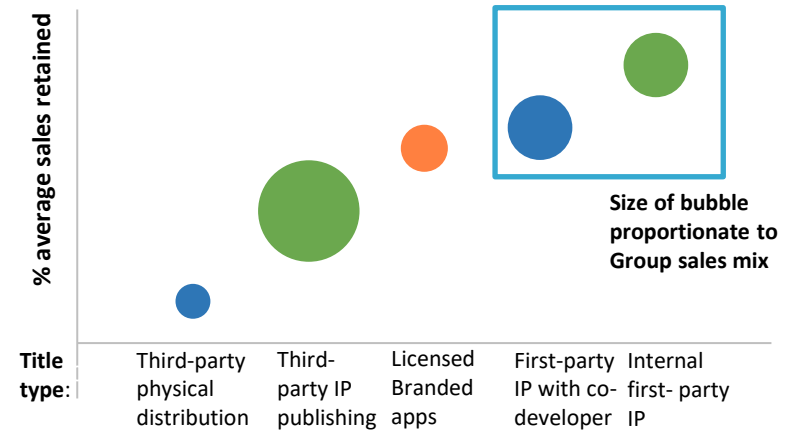
Improving profitability & ROI

1. Increase sales mix of first-party IP
2. Sharpened greenlight process
3. New Games Label investment limits
4. Tightened cost controls

Increasing % revenues from first-party IP



Prioritising investment in higher margin areas



TEAM17 GROUP - FY23 OPERATIONAL HIGHLIGHTS

A year of achievements & actions to futureproof the business



Revenue growth of 12%, all organic, driven by new releases & back catalogue



Adjusted EBITDA pre impairments of £41m



17 new games & apps launched, 45 DLCs and 327 app updates; Standout year for Dredge



14 awards won across the Group, showing ongoing recognition for our publishing capabilities



Games Label strategic review completed; improved operation controls



Strengthened leadership team and Board

GAMES LABEL

Strategic realignment underpinned by strong revenue growth

+12%

Organic revenues

11

New games

66%

Back catalogue

>900

Digital Revenue Lines

- Revenue growth firmly ahead of the overall market
- 11 new titles, 5 existing titles release on additional platforms and 29 new DLCs across 14 titles
- Our five bestselling new releases in 2023 had an average positive Steam user score of 91%, with **Dredge** selling over 1m units
- Popular sequels launched with successful IPs such as Blasphemous 2 and Moving Out 2
- Strong year for awards, including **Dredge, Blasphemous 2 & Moving Out 2**
- Refocus on proven historical Indie games investment model
- Normalised marketing levels and stringent cost controls all in place by end of Q4

ASTRAGON

A year of franchise growth

+5%

Organic revenues

3

New games

16

Paid DLCs

73%

Back catalogue

- Market-beating growth, despite no new major first-party IP launches, against four major first-party IP releases last year
- Total digital sales grew 10% (excludes boxed sales)
- Launched 2 new third-party publishing titles, and one additional existing first-party IP title released on wider platforms
- 16 paid DLCs across its existing IP
- Police Simulator firmly established as a key franchise
- Marketed and physically distributed more than 45 separate third-party releases
- Completed the acquisition of Independent Arts Software GmbH ("IAS") in April 2023, adding 45 heads dedicated to future first-party IP development

STORYTOYS

Another year of significant growth against the sector and portfolio expansion

+26%

Organic revenues

3

New apps

327

App updates

>320k

Active subscribers

- Consistent revenue growth, versus declining mobile market
- Expanded license partners to 8 of the top pre-school brands securing long term releases through to 2028
- Launched 3 new titles, including **Barbie Color Creations**, **LEGO® DUPLO® DISNEY - MICKEY AND FRIENDS** and **Marvel HQ**
- Over 300 app updates across existing titles supporting subscriptions
- Active subscribers continued to grow to over 320,000
- Extended and strengthened relationships with key license partners including Mattel, Marvel Entertainment, Sesame Workshop, The LEGO® Group and The Walt Disney Company
- Awards for **LEGO® DUPLO® DISNEY**



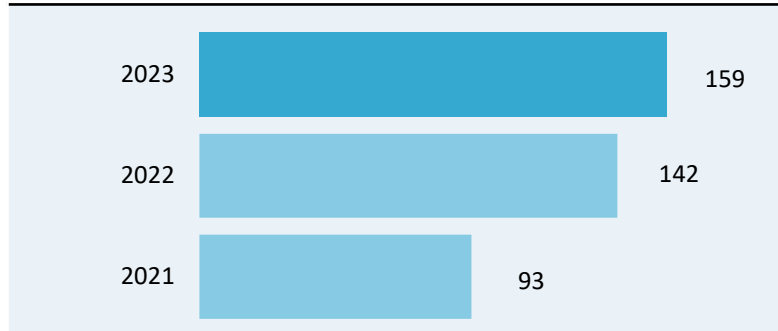
FY23 FINANCIALS

Mark Crawford
Chief Financial Officer

GROUP REVENUE PROGRESSION

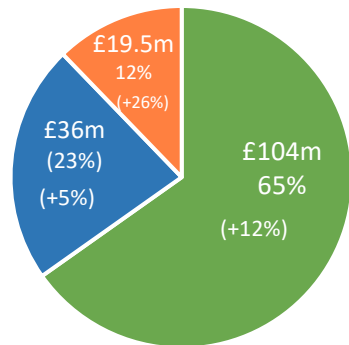
Revenue growth firmly ahead of the market growth

Group revenue progression¹ (£m)



¹FY22 and FY21 sales restated for platform fee revenue recognition

Divisional revenue breakdown (FY23)



■ Games Label ■ astragon ■ StoryToys

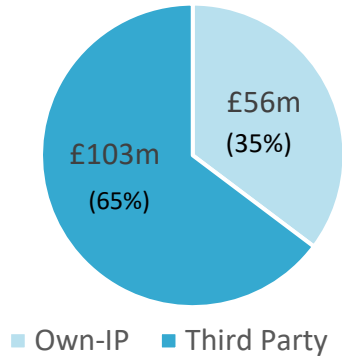
- Group revenues grew 12% to a £159m, 100% organic growth
- Reflects £6m uplift to recognise digital mobile sales via Apple and Google – mostly impacts StoryToys

- Pleasing revenue growth across all divisions
- Market leading growth for Games Label and StoryToys
- astragon delivering against tough FY22 comparative

REVENUE SPLIT

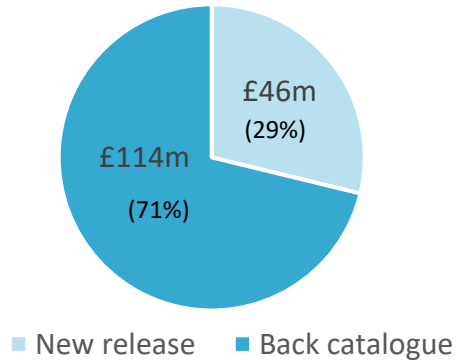
Broad-based performance across the portfolio

IP Revenue split



- First-party IP revenues held firm, driven by **Hell Let Loose**, **Construction Sim** and **Police Sim**
- Third-party IP revenues grew 20%, with **Dredge** the stand-out performer

Title revenue split



- Revenues from new releases grew 17%, in particular driven by **Dredge** alongside **Trepang 2** & **Blasphemous 2**
- Broadening back catalogue portfolio grew to £114m (10%) accounting for 71% revenues

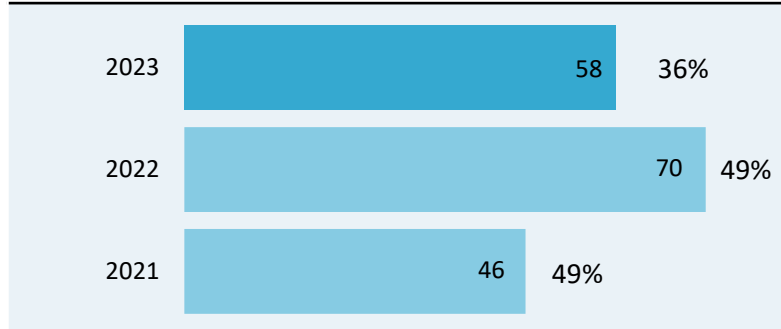


GROSS PROFIT

Key drivers impacted gross margin

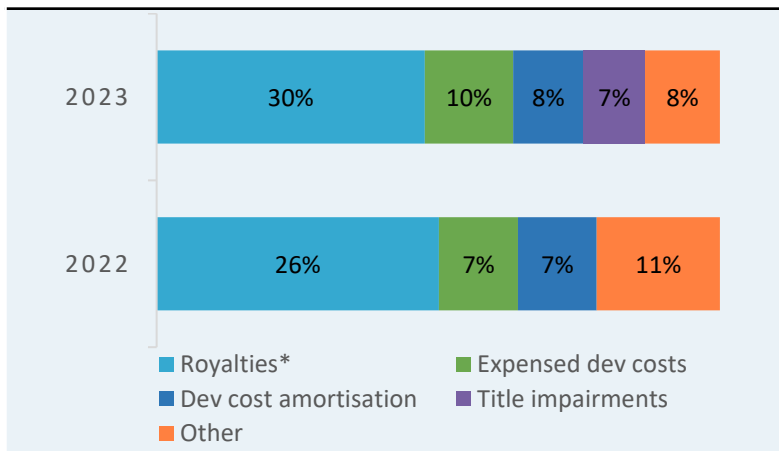


Gross profit (£m) and gross margin¹ (%)



¹FY22 and FY21 gross margin restated for platform fee revenue recognition

Cost of sales breakdown (percentages show % sales)



* Less recoups

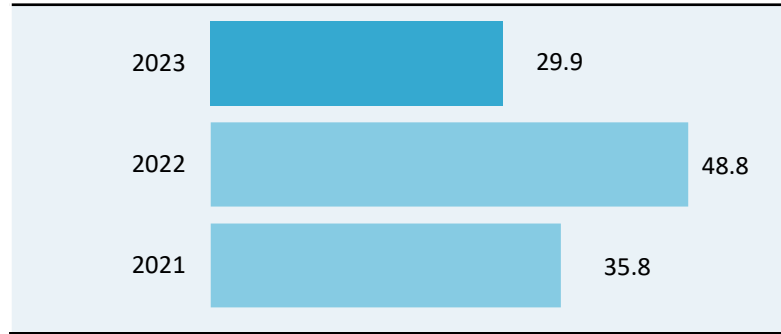
- Gross profit of £58m, with gross margin at 36%
 - Impacted by £11m title impairment charge across a number of games
 - Excluding title impairments, underlying gross margin was 43%
- Mix effect was a key driver of lower margins:
 - Higher weighting of third-party revenues
 - Mix of titles with higher third-party royalty levels
 - Higher mix of astragon’s first-party IP revenues (attract royalty payments)
 - Royalties increased to 30% sales (FY 2022: 26%)
- Higher expensed development costs reflecting post-launch support costs, investment in free DLC and restructuring
- Capitalised development cost amortisation increased to £13m (FY 2022: £10m)

ADJUSTED EBITDA & EPS

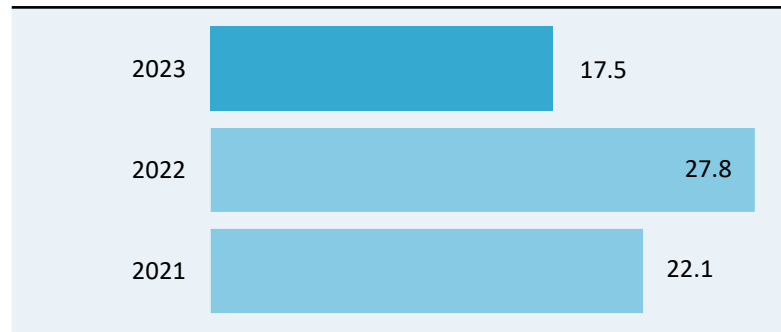
Impacted by non-cash impairment



Adjusted EBITDA (£m)



Adjusted EPS (pence)



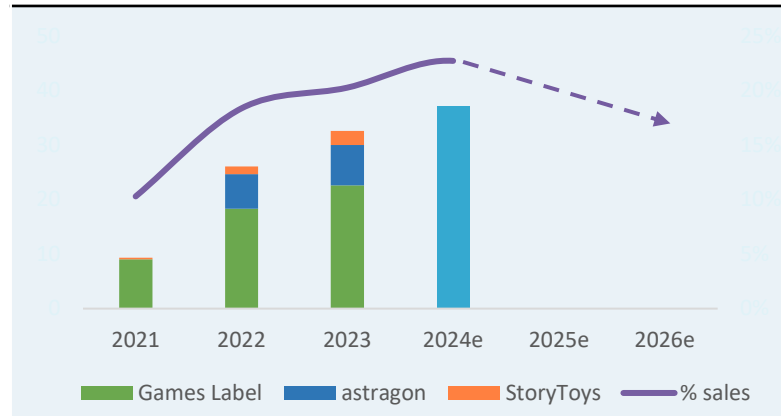
- Adjusted EBITDA fell to £29.9m, reflecting margin/cost pressures and £11m non-cash title impairment charge
 - Excluding title impairment, underlying adjusted EBITDA was £41.0m
- Reported admin expenses increased to £57.6m:
 - Higher marketing costs now re-set
 - Lower staff and other costs partly offset by FX headwinds
 - £9.2m costs from acquisition-related adjustments and amortisation
 - £21m non-cash goodwill impairment related to The Label (Team17 USA)
- Adjusted EPS fell to 17.6p reflecting margin and title impairment impacts
- One-off acquisition related charges impacted tax rate, excluding these the ETR would be 16%

BALANCE SHEET & CASH FLOW REVIEW

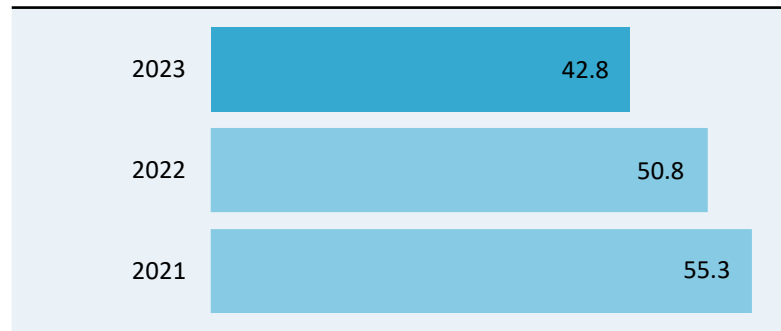
Strong cash position



Capitalised development costs (£m)



Cash and cash equivalents (£m)



- Goodwill and intangible assets fell to £210m (FY 2022: £234m) following impairment reviews
- Capitalised development costs for the year was £32m (FY 2022: £26m)
- The current net book value of capitalised development costs at year end stands at £35m (FY 2022: £27m)
- Net cash inflow from operations was £47m, with operating cash conversion of 89% (FY 2022: 108%)
- Acquisition related payments for IAS and Earn Out payments in the period totalled £20.4m
 - Final major earn-out payment in first half FY24
- Resulting cash and cash equivalents are £42.8m (FY 2022: £50.8m)



OUTLOOK & CLOSING REMARKS

Steve Bell
Chief Executive Officer





TEAM17 GROUP

An attractive investment case

- IP and talent in place to deliver accelerated growth
- Proven franchise creation & lifecycle management capabilities
- Dependable back catalogue
- Track record of market-beating growth
- Strong balance sheet and cash generation
- M&A optionality



OUTLOOK

2024

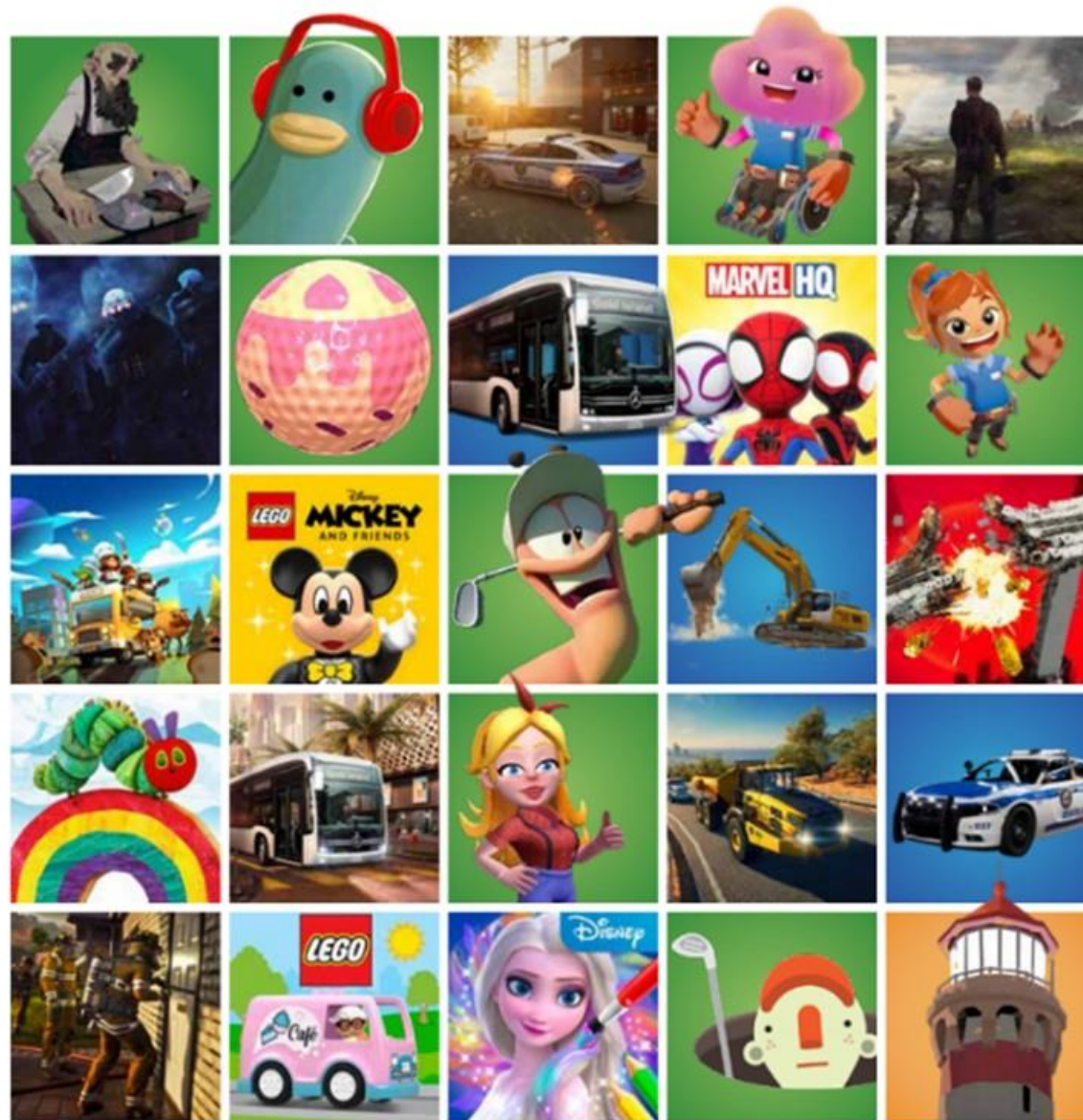
- Actions in place to accelerate revenue and profit growth
- Expect to launch at least 10 titles across the Group; mix skewed to third-party IP
- Continued cost discipline
- Good start to the year
- Underlying trading performance in line with market expectations

Mid-term

- Higher weighting of first-party IP
- More flexible publishing models
- Marketing innovation
- Greater realisation of group synergies
- Rising cash generation
- Active M&A strategy



THANKS FOR LISTENING
ANY QUESTIONS?





APPENDIX

P&L STATEMENT

	Unaudited Year ended 31-Dec 2023 £'000	Audited Year ended 31-Dec 2022 (restated) £'000
Revenue	159,125	142,282
Cost of sales	(101,620)	(72,666)
Gross profit	57,505	69,616
Other income	176	469
Administrative expenses	(57,639)	(37,819)
Operating profit	42	32,266
Finance income	344	34
Finance cost	(1,261)	(3,982)
Share of net (loss)/profit of associates accounted for using the equity method	(205)	347
(Loss)/Profit before tax	(1,080)	28,665
Taxation	(2,665)	(5,187)
(Loss)/Profit for the year	(3,745)	23,478
Basic earnings per share	(2.6) Pence	16.5 Pence
Diluted earnings per share	(2.6) Pence	16.4 Pence

BALANCE SHEET

	31-Dec-23 (unaudited)	31-Dec-22 (audited) (restated)
	£'000	£'000
ASSETS		
Non-current assets		
Goodwill	86,244	113,424
Other intangible assets	123,748	120,685
Investments accounted for using the equity method	867	1,045
Property, plant and equipment	1,440	1,692
Right-of-use assets	3,172	2,785
	215,471	239,631
Current assets		
Inventories	960	1,225
Trade and other receivables	38,408	36,044
Cash and cash equivalents	42,824	50,828
	82,192	88,097
Total assets	297,663	327,728

	31-Dec-23 (unaudited)	31-Dec-22 (audited) (restated)
	£'000	£'000
Non-Current liabilities		
Lease liabilities	2,889	2,625
Contingent consideration	-	9,369
Provisions	113	140
Deferred tax liabilities	8,386	9,169
Total non-current liabilities	11,388	21,303
Current liabilities		
Trade and other payables	35,422	52,339
Tax payables	3,391	1,262
Lease liabilities	683	364
Total current liabilities	39,496	53,965
Total liabilities	50,884	75,268
Total equity and liabilities	297,663	327,728

ALTERNATIVE PERFORMANCE MEASURES

	Adjusted EBITDA		Adjusted Profit After Tax	
	FY23 £'000	FY22 £'000	FY23 £'000	FY22 £'000
(Loss) / Profit before tax	(1,080)	28,665	(1,080)	28,665
Impairment of goodwill	20,879	-	20,879	-
Development cost amortisation eliminated through FV adjustments	(3,791)	(976)	(3,791)	(976)
Share based compensation ¹	417	-93	417	-93
Games Label restructuring costs	1,209	-	1,209	-
Acquisition related costs & adjustments				
Amortisation on acquired intangible assets	13,759	10,300	13,759	10,300
Acquisition related costs	1,360	4,708	1,360	4,708
Earn out fair value	(5,086)	883	(5,086)	883
Other fair value adjustments	-	238	-	238
Interest & FX on contingent consideration	1,023	3,392	1,023	3,392
Adjusted profit before tax	28,690	47,117	28,690	47,117
Finance income and costs net of acquisition related costs and adjustments	(106)	556	n/a	n/a
Depreciation and loss on disposal of tangible assets	1,289	1,085	n/a	n/a
Amortisation of intangible assets (excluding development costs and acquired intangibles)	-	16	n/a	n/a
Adjusted EBITDA	29,873	48,774		
Taxation (net of impacts on adjustments)			(3,467)	(7,457)
Adjusted profit after tax			25,223	39,660
Adjusted basic EPS²			17.5	27.8

Note: amortisation and impairment on development costs are included in the calculation of adjusted EBITDA, adjusted profit before tax and adjusted profit after tax.

¹ Share-based compensation charges include employers' national insurance contributions due on the exercising of the share options.

² The calculation of adjusted earnings per share is based on the adjusted profit after tax divided by the weighted average number of shares (either basic or diluted).