



BUILDING A PLATFORM FOR GROWTH

Annual report and
financial statements

2021

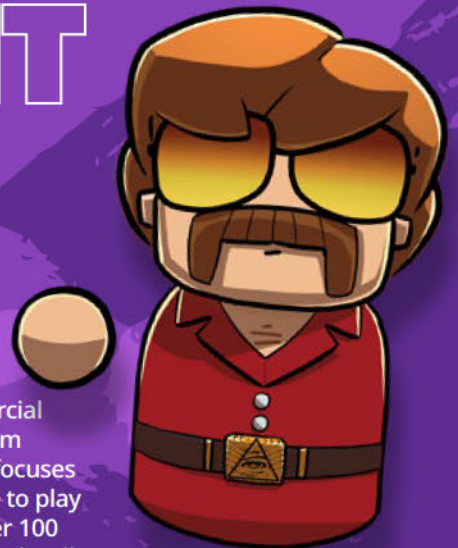


DELIVERING CAPTIVATING, ACCESSIBLE AND QUALITY GAMING EXPERIENCES WITH INDEPENDENT SPIRIT



We are a leading video games label and creative partner for independent (“indie”) developers. The team develops and publishes games, helping independent developers from all backgrounds to bring quality gaming experiences to all players globally.

We are a highly successful games publisher, focused on maximising a game’s commercial success and creating long-term game franchises. The Group focuses on premium, rather than free to play games, and has launched over 100 games, including the iconic and well-established *Worms* franchise, as well as *Overcooked!* and *The Escapists*.



WHAT'S INSIDE



Strategic Report

01	Highlights of the year
02	Chief Executive's Q&A
06	Chair and Chief Executive's report
10	Team17 Games Label CEO profile
11	StoryToys CEO profile
12	Company overview and Group strategy
13	Team17 core business model
14	The market opportunity
15	Market trends
16	ESG Report: people first
21	ESG Report: our impact on the environment
24	Chief Financial Officer's report
28	Principal risks & uncertainties

Corporate Governance

30	Board of Directors
32	Corporate governance
36	Audit Committee report
37	Remuneration Committee report
43	Directors' report

Group Financial Statements

46	Independent Auditors' report to the members of Team17 Group plc
53	Consolidated statement of comprehensive income
55	Consolidated statement of financial position
56	Consolidated statement of changes in equity
57	Consolidated statement of cash flows
58	Notes to the consolidated financial statements

Company Financial Statements

87	Company statement of financial position
88	Company statement of changes in equity
89	Notes to the company financial statements

HIGHLIGHTS



Revenue

£90.5m
(2020: £83.0m) +9%

Adjusted Profit Before Tax*

£35.0m
(2020: £29.8m) +17%

Gross Profit

£45.5m
(2020: £39.1m) +16%

Adjusted EBITDA*

£35.8m
(2020: £30.3m) +18%

Gross Profit Margin

50%
(2020: 47%) +3pps

Adjusted Earnings Per Share*

22.1p
(2020: 19.1p) +16%

Profit Before Tax

£29.1m
(2020: £26.2m) +11%

Operating Cash Conversion*

101%
(2020: 109%) -8pps

Basic Earnings Per Share

18.3p
(2020: 17.0p) +8%

Cash and Cash Equivalents**

£55.3m
(2020: 61.5m) -11%

* **Alternative Performance Measures**

The Directors believe that these measures provide meaningful additional information to support the statutory financial information and provide an understanding of the underlying business trading performance and profitability.

These have been restated to include the add back of acquisition related fees not previously included in the prior year. Full definitions of these measures and reconciliation to the statutory equivalent can be found on page 71.

** Cash and cash equivalents at year end are after payment of £31.6m made during the year ending 31 December 2021 for the acquisitions of StoryToys and the Golf With Your Friends IP.

NON-FINANCIAL HIGHLIGHTS

- Ongoing strengthening of the Group's portfolio alongside building a diverse offering that appeals to many age ranges, platforms and commercial models
- Embraced remote, studio and hybrid working across 2021, ensuring the safety of our Teamsters
- £12m acquisition of *Golf With Your Friends* ("GWYF"), strengthening Team17 Games Label's owned IP portfolio
- Acquired StoryToys for an initial cash payment of £19.2m, a world-class developer and publisher of edutainment apps
- Strengthened executive leadership team and continued investment in Finance, HR & IT
- Group headcount grown to 265 at year end (2020: 250)

RECOGNITION IN 2021:

- *Narita Boy* won Best 2D Visuals Award at the Unity Showcase Awards and Best Arcade Game at the 2021 TIGA Awards
- **LEGO DUPLO World** awarded Kidscreen 2021, and also the Digital Ehon award
- Team17 Group awards:
 - The Queen's Award for Enterprise, International Trade
 - Best Tech Business (>50 employees) at the MEN Tech Awards
 - Diversity award at the 2021 AIM Awards in London
- Debbie Bestwick, Group CEO, wins the prestigious Develop: Star Award

POST PERIOD END

- ▶ Completed three strategic acquisitions in January 2022, which combined are expected to be immediately earnings accretive in FY22 (astragon, The Label and rights and assets of *Hell Let Loose*)
- ▶ The year has started well in the existing businesses, with contributions from the newly acquired businesses
- ▶ Plan to make all Group employees shareholders in early 2022, funded by the "Employee Benefit Trust"
- ▶ The Group is well positioned to continue to deliver on our growth plans, supported by the recent acquisitions led by a stronger and enlarged leadership team and a broadening games portfolio





Record results from a strengthened content portfolio aligned with transformative acquisitions."

Debbie Bestwick MBE



DEBBIE BESTWICK MBE
GROUP CHIEF EXECUTIVE OFFICER



Q How would you best summarise 2021?

A 2021 was a busy, and at times, challenging year for many as disruption continued due to the pandemic across all working conditions (home working, hybrid and office working) and industry events, most of which were cancelled in-person for the second year running. However, the safety and wellness of the entire Team17 extended family remains of paramount importance. We pride ourselves on being people first and whilst it has been difficult with two years of Covid restrictions for many, we look forward to a "new normal" over the coming months as many of our teams return to hybrid working which will benefit all. Our remote working procedures are now fully embedded into our business, and we have an established approach to facilitate hybrid working through investment in technology infrastructure and are constantly reviewing the best approach for each of our teams.

In terms of our own business performance, with the support of our fabulous teams and partners, we delivered another record year through the success of our growing portfolio of new release and back catalogue titles. In addition, 2021 has been a year of step change for us kicking off with the acquisition of the **Golf With Your Friends** IP, followed by welcoming StoryToys into the Group mid-year and then concluded the important strategic acquisitions of The Label, **Hell Let Loose** IP and astragon in January 2022 allowing us to expand our skillset and customer base with an ever-growing content portfolio.

Q We have seen many gaming companies struggle with lockdown to deliver new titles on time.

Have you been affected by this with title delays? Has it impacted your results and how are you managing the longer-term impact of working remotely, and has it impacted working hours?

A There is no question lockdown has presented numerous challenges to businesses across the globe and the games industry certainly hasn't been immune to those. It has always been incredibly challenging to develop and publish games and this has become even harder over the last two years. We have a hugely experienced Studio management team and robust project management processes – this meant we were able to minimise delays and proactively decide to move content out of the year where this would deliver a better final product. That said, our business model is more flexible than many and we have worked incredibly hard to deliver another year of new title launches and updates to existing titles and our portfolio approach has allowed us to maintain focus on delivery and improved financial results.

With the systems we had in place pre-pandemic, we saw an average working week of 37.5 hours. Whilst we appreciate that working from home can disrupt standard working practices and make it more difficult to manage hours, we believe we have a firm handle on this and are doing all we can to support colleagues with increased investment in outsourcing and records of billable overtime. As a people-first company where many employees have families, it's vital that we get the balance right and we will be monitoring this area even more carefully to ensure our zero-crunch approach is maintained.

Q 2021 is reported as the year of the great resignation. How has Team17 been affected and what are you doing to engage with your team and help retain and reward them in such a competitive market?

A Retaining great people is a challenge for all businesses, and the gaming sector is more competitive than ever, and we are certainly not immune to the pressures this brings. As a business with a reputation for high quality, internally developed products, we have seen an increase year on year of our teams being approached by other companies. This spiked in Q4 2021 (in line with industry trends) but has since subsided, with Q1 2022 comparable to the lower levels of early 2021.

Our employee engagement survey in 2021 told us many great things including that our teams feel incredibly proud of the business and to be part of the Team17 family. The survey also pointed to some areas that we can improve on, and we are actively working on these.

The results of our reward and benefits survey last year have already been implemented for 2022, which includes improved benefits alongside salary benchmarking against other games companies naturally taking the current inflationary pressures into account. I'm pleased to say that we have paid out annual performance bonuses consistently since we established the Games Label in 2014/15. We've added a number of working groups led by our people, an initiative designed to help strengthen Team17's robust and positive sense of community following the expansion of the business.



We are very focused on working with talented creators who want to build sustainable franchises across multiple genres and platforms.”

Q How do you continue to attract great talent in a highly competitive market?

A The games industry, like others, has skill shortages specifically in engineering and there's no question the employment market within the gaming sector is incredibly competitive. However, our content portfolio offers a wide variety of interest and challenge to anyone looking to join a development team or publisher within the gaming sector and we believe our remuneration package is highly competitive as is our zero-crunch approach. We remain a great place to work and our Talent Acquisition team continue to attract and introduce brilliant new talent into our teams across the Group. Shifting to hybrid and remote working models also allows us to recruit from a global pool of talent, with remote employees still benefiting from the leadership and development that our studio teams can provide.

Q Recent months have seen negative stories about working practices and culture in the games industry – how do you respond from both a Team17 and an industry point of view?

A The games industry is still maturing in many areas and continues to change at a rapid rate. Even though it has come a long way in the last four decades, it clearly still has a way to go. While there has been some uncomfortable reading, I'm glad that people have felt able to speak out about reported incidents and that the industry as a whole can respond and learn from these.

As Group CEO of Team17 I'm ultimately responsible and accountable for absolutely everything within the Group and I take that responsibility very seriously. Any reported issues at Team17 have been fully investigated, we have a zero-tolerance approach to discrimination of any kind, we have internal communication channels (including women only forums) and an external online anonymous whistleblowing portal to ensure that our teams are always comfortable raising issues should the need arise.

To protect our people, we run a zero-crunch approach and utilise outsourcing in QA and development to help manage the workflow. Throughout 2021 our QA teams worked a weekly average of 36 hours with one month where the weekly average peaked at 37.5 hours.

The games industry is full of very passionate people and with the shift to work from home, the start and end of the working day are less well defined. We are looking at how we can better monitor home/hybrid working to make sure we protect these people and ensure they maintain a healthy work-life balance.

We have grown incredibly quickly over the past few years and safeguarding both the physical and mental wellbeing of our people is incredibly important to me. The day any of us say we have done enough is the day we fail! We strive to build a Group we can all be very proud of and whilst doing many great things there is always more we can do and are doing.

Q Team17 has clearly entered a more ambitious period of M&A growth – how is this linked to the Group's overall strategy?

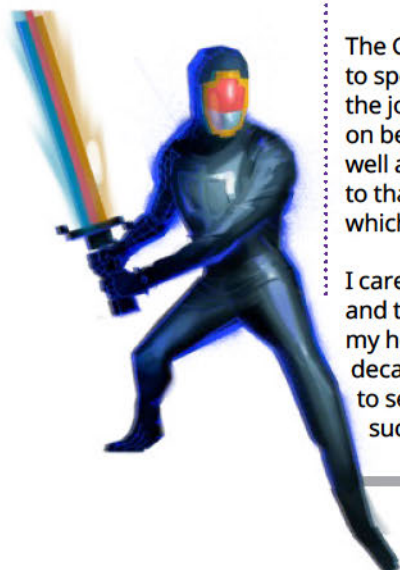
A Since listing Team17 in 2018, we have been clear on our ambition to deliver organic growth for our established business supplemented with targeted acquisitions that allow us to produce great games for all age ranges on all platform channels. Over the last year we have demonstrated this with solid organic growth and also our ability to identify, negotiate and acquire great businesses with StoryToys joining the Group during 2021 followed by astragon and The Label in early 2022. This is in addition to us acquiring some fantastic IP franchises such as *Golf With Your Friends* in 2021 and *Hell Let Loose* in 2022.

These additions meet our goals of being able to expand our audience base and provide a foundation for the next stage of growth. It allows the Group companies to take advantage of our established portfolios and capabilities to enhance their growth potential. Comparing the business today with Team17 pre-IPO really does highlight the significant progress we've made on any measure and I'm very proud of what we are building, headquartered here in the UK.



Q Given all the recent M&A activity, is there any risk to the core Team17 business?

A I've always seen our M&A strategy as being highly complementary to our core business, which at its heart is simply about making great games. We take great care through the due diligence stage to identify companies with great financial performance but importantly a strong cultural fit led by amazing management teams. StoryToys, The Label and astragon all possess a common passion for creating great content to share with dedicated gaming communities, which is what Team17 is all about. We also brought in a very strong new CEO in Michael Pattison to lead the Team17 Games Label, meaning that there is a significant senior operational leadership team now in place to run each business autonomously, ensuring we can continue to grow and meet our ambitious strategic plans.



Q You now have a very strong senior team operating across the business – is this a sign that you are becoming more hands-off? What are your longer-term plans?

A I'm thrilled to have a strong senior team by my side in Michael, Mark, Tim, Julia, Emmet and Parisa, all of whom have a shared vision to build something very special for the future of Team17 Group and are extremely motivated to drive the business forward.

For Team17 to deliver the growth targets that we have set ourselves, we need to unlock the power and opportunities afforded by the overarching Group structure – I will be increasing the focus that I place on building commercial relationships across the Group so that we can identify synergies and be as efficient a business as possible – sharing best practice, learnings and resources appropriately. I will also be supporting the operational CEOs on their journeys as they grow the businesses they lead, sharing the lessons I've learnt along the way. I think they would laugh at the idea of me being hands off!

The Group position will also allow me to spend more time thinking about the journey ahead – I pride myself on being able to read the industry well and identify trends, but reacting to that takes time and capacity, which this structure will allow.

I care passionately about Team17 and the games industry. It's been my home for approaching four decades now, and I want both to see continued growth and success for many more to come.



We are constantly evolving and growing to stay ahead of the competition."

ACCELERATED MOMENTUM ACROSS OUR PORTFOLIO



We are pleased to report another record year for Team17."



▶ **Debbie Bestwick MBE**
Group Chief Executive Officer



▶ **Chris Bell**
Non-Executive Chair

▶ Introduction

Following a solid first half of the year, the Group was pleased to continue this performance in H2, trading above Management's expectations and ahead of FY20 – a significant achievement given the one-off commercial benefit driven in the prior year by pandemic-related lockdown restrictions seen across the entertainment sector. As a Group we have delivered another year of improved financial results, our seventh consecutive year of profit growth. That growth came from the underlying strength in our Games Label's expanding portfolio as well as a second-half contribution from StoryToys.

The breadth of our portfolio is key to the success of the Group, and we've invested heavily over the last 12 months in strengthening owned evergreen IP alongside investment in third-party IP, licensed IP and most importantly our own people across the Group. We have built an enviable breadth of talent within the Group and operational CEO level with collectively well over 100 years' experience of leading companies

and a wealth of knowledge of the games industry. Our leadership teams value people first and are equally passionate about their specific areas of expertise and the content they create and publish.

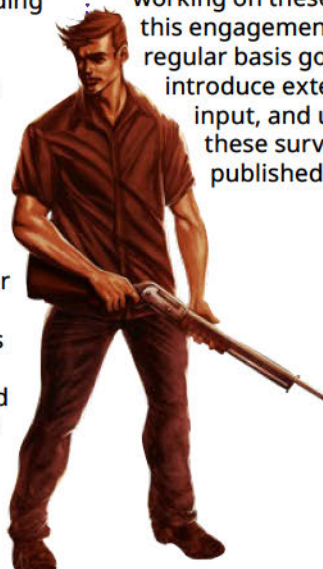
The Group is pleased to report revenues of £90.5m up 9% (2020: £83.0m), an increase of 16% in gross profit to £45.5m (2020: £39.1m) and an 18% increase in adjusted EBITDA to £35.8m (2020: £30.3m). The business remains highly cash generative, ending the year after acquisitions with a strong balance sheet with cash and cash equivalents of £55.3m (2020: £61.5m) providing the Group with the ongoing resources for investment in its organic growth and acquisition strategy.

▶ Our People

2021 marked the second year of managing with challenging Covid-19 impacts not only to our people but our development, business and licensing partners and we thank all of them for their support. We have engaged with our Teamsters throughout

2020 and 2021 to support them through the challenges of lockdown and uncertainty of moving back to the studios and office and then entering lockdown again.

During the year, we sought feedback from our Teamsters through separate internal surveys on Reward & Recognition and Employee Engagement. The results told us many great things and that our teams feel incredibly proud of the business and feel part of the Team17 family, but it also pointed to some areas that we can continue to improve upon, and we are actively working on these. We will repeat this engagement survey on a regular basis going forwards and introduce external benchmark input, and updates from these surveys will be published on our website.



Similar to our peers, we experienced increased competition to recruit and retain team members in 2021 and saw increased employee turnover in the last quarter of the year, however this pressure has since reduced within Team17 and for the first quarter of 2022 are back in line with historic levels, below 10%.

In 2021, salaries at Team17 increased on average by a low double digit percentage, and as part of the planned review for the current year, our existing remuneration and benefits packages have been appropriately externally benchmarked to ensure that we continue to incentivise and retain our talented teams. Our focus remains as it always has been, to make Team17 an attractive and exciting place for all our teams (existing and new) and as a result, we believe that we have stable and motivated teams.

Overall, combining the actions we have taken on our salary and benefits with the unforeseen inflation/cost of living headwinds, we now expect salary increases (on top of planned inflation) to impact costs in 2022 by c.£1.7m.

On top of basic salary and benefits, we have provided annual bonus payments aligned to company performance each year since the Games Label was established in 2014/15 in order to incentivise and retain the best talent. We continue to have a zero "crunch time" working hours policy – for example our QA analyst teams have worked low single digit percentage overtime hours over the past few years. Additionally, for the last three years, we have utilised a growing level of managed outsourced suppliers to support QA and Development as part of the studio resource model to help provide support to our internal teams during game development and title releases.

Our portfolio model gives our Teamsters the unmatched opportunity to work on a varied range of games, across genres and styles and our working culture is something we are particularly proud of. Whilst attracting and retaining talent remains an important focus for us to meet our growth ambitions, we believe we are well placed to continue to meet this challenge.

▶ M&A

Accelerating portfolio growth through M&A has always been part of our growth strategy and we have always taken careful consideration to identify the right companies, with the best teams/people and IPs over the last 4 years. Our key pillars for M&A are:

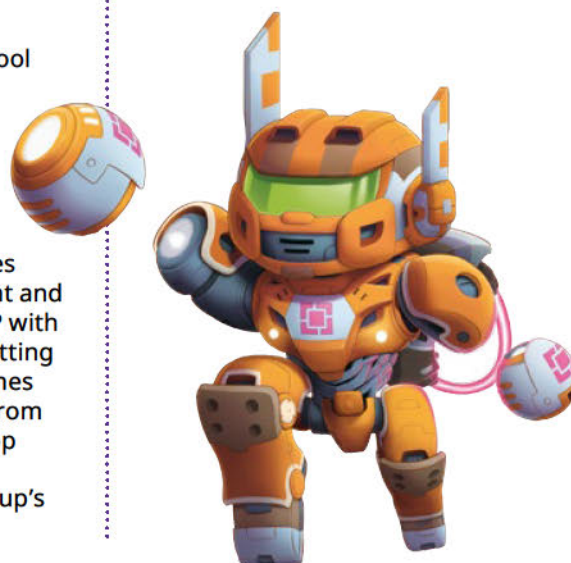
- Like-minded leadership with a shared vision
- Earnings accretive growth companies
- Group synergy benefits building stronger together
- IP ownership – games IP or tech

We've been very selective over the teams we have added to the Group, all with our longer-term plans at the forefront. Building a portfolio of content that is flexible across platforms and business models but also able to reach the widest audience possible is crucial to our long-term content strategy.

StoryToys is aimed at pre-school children achieving incredible things through positive play. Enhanced by licenses with world-class kids brands the business operates in a market well understood through Team17's Indie Games legacy in family entertainment and experiences launching new IP with partners around the globe. Sitting alongside Team17's Indie Games Label, StoryToys will benefit from support to continue to develop their presence in this market segment, building on the Group's established reputation.

We announced in January 2022 that we will be launching a new mature label for core gamers within the Team17 Indie Games Label this year where games like *Hell Let Loose* and others will sit – providing a clear brand identity for this audience. The recently acquired astragon business will sit alongside both Team17's Games Label and StoryToys and continue to focus on its established working simulations reaching enthusiasts, specialist hobbyists and more casual gamers of all ages.

The cumulative impact of the Group's recent M&A activity has transformed the internal structure and significantly strengthened the senior leadership capability within the Group. The resulting enlarged Group benefits from additional experienced and talented teams with technological capabilities, and grounded by a shared, collective vision for the future. Through the strong leadership teams, our commitment remains to ensuring the overarching synergy of brand values and company culture remains intact across the Group.



▶ Our Key Business Priorities

The core pillars of the Group's business model remain unchanged, and we venture into 2022, as ever, with a sharp focus on our key business priorities:

- Building out our diverse content portfolio of titles for the widest possible audiences
- Developing and nurturing strategic partnerships with developers, platforms and suppliers
- Harnessing new technology, business models and platforms
- Continuing to invest and build the infrastructure supporting the underlying growth ambitions of the Group and integration of acquired businesses
- Maximising the benefits of our Group through each vertical to build stronger pipelines, leverage terms and conditions and expand relationships
- Continually evaluating selective M&A opportunities to further diversify our digital entertainment offering
- A "People First" approach to investing in our talented teams and infrastructure and nurturing our next generation of creative and commercial talent

▶ 2022 Pipeline

Team17's Games Label starts the year with a solid pipeline of new IP to launch across 2022 with exciting new titles such as *Thymesia*, *Batora: Lost Haven*, *Marauders*, *Ship of Fools* and *Trepang 2* with further new titles yet to be announced. In addition, we expect to see existing titles coming out of Early Access into Full Release which include *Age of Darkness*, *Hokko Life* and *Honey I Joined a Cult*.

With the addition of The Label in January 2022, there are exciting opportunities to explore combining the enlarged portfolio across all platforms, in particular bringing the mobile subscription knowledge, experience and existing commercial partnerships to our growing portfolio.

StoryToys starts the year following the successful launch of *LEGO DUPLO Marvel* in December 2021 with new updates across their portfolio of children's apps including a breakout hit with Encanto in *Disney Coloring World* and has created a range of In-App Events that utilise a new App Store feature from Apple. There is a solid pipeline of new sets for the *LEGO DUPLO* range of apps including the highly anticipated *Hulk Smash* set in April.

After acquisition in 2022, astragon have started the year with a number of updates across *Police Simulator* and *Bus Simulator*. Besides the steady third-party physical product distribution business there is a pipeline of owned IP projects in the field of working simulations and additional support of existing products through several unannounced paid-for Downloadable Content ("DLC") and updates for 2022.

The range of new titles speaks to the continued diversification of genres within our portfolio. Such diversity underpins our core business strategy: expanding the breadth of our digital content offering to consistently grow our audience reach.

We look forward to strengthening our existing relationships with our partners whilst actively exploring new opportunities to collaborate with the best up-and-coming industry talent to further broaden our genre and platform agnostic digital entertainment portfolio.

As always, we look forward to updating our shareholders throughout the year with further news on unannounced titles to be released in 2022, across the Group's wider portfolio.

▶ Global Socio-Economic Challenges

Whilst Covid-19 resulted in spiked engagement and spending in 2020, the pandemic's negative secondary effects became more apparent in 2021. More specifically, remote working and disrupted supply lines continued to cause challenges.

We continue to support and engage with all our teams either working from home or as they transition back to the studios, or via a form of hybrid working combining working partly in the studio and partly at home. After a prolonged period of work from home guidance, throughout which we have continued to engage with our teams while remaining sensitive to specific individual needs, we are prepared for any future disruption should the pandemic continue to pose challenges in 2022.

As with all game companies, we experienced a number of game slippages across our Games Label during FY21 and a number of titles were moved out of the year including *Thymesia* and *The Unliving*. Alongside these, a larger number of titles were given extra development time to focus on meeting quality expectations with *Epic Chef*, *Honey I Joined A Cult*, *Worms Rumble* (Xbox), *Hell Let Loose* (console) delayed in FY21. We see these challenges continuing in FY22. Creating and launching games has not been easy, however due to the nature of our broader portfolio business model we delivered another year of growth.

We are very mindful that we are entering a new period of uncertainty with local inflationary pressures and major international geopolitical unrest with the highly distressing conflict in Ukraine. The Group has already seen the closure of platform sales to Russia and Belarus.

In addition, Team17's Games Label has two development partners based in Ukraine with titles previously expected to be released in 2022, that we continue to remain in contact with and support. Currently, one partner has insisted that we continue with the planned release and in that instance Team17 will commit to donate a proportion of our net profits from this title in FY22 to go to humanitarian aid alongside donations already made to the Red Cross earlier in March this year. Given the circumstances, it is unlikely that the other title will now be released in 2022.

Taking into account the impact of the closure of Russia and Belarus platform sales and the Ukraine developer title uncertainties, these are expected to impact Group revenues by c.£4m in FY22.

A part-owned subsidiary of astragon owns a small QA team based in Ukraine where there is clearly major concern for their wellbeing. Currently we believe they are all safe, and we will continue to provide support wherever possible including ongoing financial support. In the meantime, alternative outsourced supply has been established.

The combined impact of these global socio-economic challenges on EBIT is expected to be c.£2.5m.

Our primary focus remains the wellbeing of the people and teams in Ukraine, and we will continue to monitor the situation and any change to the ongoing impact over the coming months.

▶ Market Overview

The NewZoo 2021 global market January report estimated that the global games market generated \$180.3 billion in 2021, representing a small increase of 1.4% year-on-year with the PC/console market showing a 4% decline reflecting the challenges faced within the gaming sector in 2021.

NewZoo forecasts the global market to recover from its reduced growth rates in 2021 and expects the market to grow with a compound average growth rate ("CAGR") 2021 to 2024 of 7% to reach \$219 billion in 2024, passing \$200 billion in 2023.

There is now a recognised blurring of lines between all platforms as the gaming sector continues to push towards platform agnosticism. In the past, each of the platforms were treated completely separately, however due to the continual innovations in cross-platform play and subscription models these separations are becoming less apparent and cross-play in particular is growing and becoming a fundamental requirement for future game developers.

Team17's Games Label has invested to create in-house capability in this area and already utilises its proprietary cross-play technology on titles such as *Worms Rumble* and *Overcooked! All You Can Eat*.

▶ Outlook

The Group has started 2022 well, supported by our longstanding Games Label core business but is also benefiting from the acquisition of *Golf With Your Friends* and StoryToys last year and our most recent acquisitions in January 2022. In The Label and astragon, we have acquired two outstanding businesses, which when aligned with the IP acquisition of *Hell Let Loose*, create a significant growth engine from which to leverage and see tangible commercial benefit from 2022 and beyond.

Management is focused on ensuring the successful integration of the acquired businesses and IP, as well as exploring the number of cross-promotional opportunities that now exist within Team17's enlarged, multi-platform business and sharing the depth of experience, knowledge and best practice across the Group.

Over the past two years we have seen the exceptional resilience of the gaming industry and the wider digital entertainment sector. Team17 has closely tracked this steady forward momentum, once again delivering year-on-year record profits and looks forward to seeing this continue in 2022, in spite of the unforeseen headwinds associated with short-term cost pressures and the Ukraine conflict, with the continued growth in the core business and incremental profits generated from the acquisitions.

Over the course of 2022 and beyond, we look forward to continuing to maximise our ever-growing content portfolio and operational footprint, motivating and inspiring the highly creative, world-class talent pool that underpins the business in order to meet and exceed our ambitious growth and performance goals.

Debbie Bestwick MBE
Group Chief Executive Officer

Chris Bell
Non-Executive Chair

25 May 2022



My professional life has fuelled my passion for working closely with talented people from around the world."



 **Michael Pattison**
Games Label CEO

Having been brought up on a carefully managed diet of video games, dating all the way back to my first ever 'console' – the Grandstand 3600 MKIII Video Sports Centre in the 1980s, before graduating to the ZX Spectrum 48K and every console since, I was very fortunate to start my working life in Marketing and Brand Management at Ocean Software ("Ocean") in Manchester.

Ocean were a British software development company that became one of the largest video game developers and publishers in Europe in the 80s and 90s and were responsible for licensed titles such as Batman, Rambo, RoboCop and Top Gun; arcade conversions of Chase HQ, Donkey Kong and Green Beret and other games such as Match Day, Daley Thompson's Decathlon and Worms (Team17).

My love affair with games and the games industry was born and I have never looked back. Following my time at Ocean, I held marketing and brand management positions at other established developers across a wide range of platforms and devices. These included Infogrames and THQ, and more recently Capcom, where I served as SVP Marketing and Corporate Officer for North America

and Europe. During that time, I had also been fortunate to work with global companies and their brands including Disney, Pixar, WWE, Games Workshop, Warner Bros, Nickelodeon and MotoGP amongst others.

My professional life has fuelled my passion for working closely with talented people from around the world, be that leading teams in San Francisco, Tokyo and across Europe and appreciating their different cultures and languages, or learning about the various gaming and business disciplines across the full length of the production journey, from creation to delivery.

Outside of working in publishing, I spent 7 years as VP Third-Party Relations for Europe and then Globally at Sony Interactive Entertainment ("SIE"), supporting and driving the businesses of over 3,500 publishers and developers on PlayStation 4, PlayStation 5 and PlayStation VR. Working for a platform and seeing the business from the 'other side' has provided me with invaluable insight from across the gaming ecosystem. This knowledge was further expanded upon during my time as SVP, Platform and Planning at SIE.

The opportunity to become CEO of a video games company I had worked with some 26 years before, which had maintained its spirit of independent games but had evolved from sole developer into developer AND publisher with an enviable portfolio of developers on its label as well as adding to its roster of owned IP, was something I grabbed with both hands.

To be able to invest in, curate and enable people to create and deliver the best indie games on the planet to all players is a passion project as much as it is a business. With a mission to help deliver quality games from developers around the world, from all different backgrounds, to engage a diverse and fervent group of gamers of all tastes, preferences and needs, I have truly come full circle. Most importantly I get to do all this with the support and hard work of a highly talented team. Everyone at Team17 Games Label shares a drive to build an inclusive culture that celebrates equality and diversity with people at the heart of who we are, how we are and what we are. We are gamers at heart.

I joined StoryToys in 2013 so that I could focus solely on making great kids' apps."



 **Emmet O'Neill**
StoryToys CEO

Pre-2021, StoryToys' faced the same challenges as any high-growth business in that we simply could not keep up with demand. Team17 has helped to support and guide StoryToys to the point that we're now expanding and starting to actively pursue growth rather than shy away from it.

We've worked hard since becoming part of the Team17 family to find the right balance to allow us to continue to operate on a relatively independent basis. As a business in our own right, we've not been held back from progressing projects that we are passionate about and already executing well. If anything, we feel more empowered than ever to set and pursue ambitious new goals – ultimately we've got the best of both worlds from joining Team17.

As for my journey, I started out as an illustrator and interactive designer, back in the days of CD-ROM. I worked in ed-tech, specialising in ICT training and adult literacy for many years. During this time, I developed a keen interest in helping transition traditional media companies into the world of digital, setting up dedicated digital departments for various companies before joining a large publishing company.

One project I worked on there that I was particularly proud of was adapting Curious George into an iPad app. The end result was an early hit on the App Store and was inducted into

Apple's App Store Hall of Fame. The process of making kids' apps tied together many of the skill-sets I'd developed throughout my career: educating, storytelling, advertising, animation and design, and I loved the thought that my work could help to bring joy to millions of children around the world, and potentially even help them to learn too.

I joined StoryToys as CPO in 2013 so that I could focus solely on making great kids' apps. At the time, StoryToys was making interactive pop-up book apps based on popular fairy tales. I worked with the team to attract licensing partners and develop richer interactive content based on both original IP and popular kids' brands.

Our first big licensing partner was Eric Carle Studios. Working with Eric to bring his iconic work, The Very Hungry Caterpillar, to a brand new audience of children was a career highlight. The success of this collaboration led to other licensing partnerships with the likes of Sesame Workshop, Warner/DC and ultimately Disney and The LEGO Group, with the ultimate goal always being to bring characters to life in the same way as they appear in children's imaginations.

StoryToys is a mission-driven business with a simple purpose: to entertain and educate children all over the world. Our diverse team of highly talented engineers, artists, writers and musicians all work closely

together to produce products that encourage children's creativity and self-expression, whilst also giving their hard-working parents a bit of a break too. I am immensely proud of all we have accomplished thus far and know we will continue to achieve great things in our next phase of growth.

As we look to the years ahead, I look forward to working on a range of new products with new licensing partners, and of course to continuing to develop and expand our existing portfolio. Synergies across the Team17 Group present numerous exciting opportunities to explore new areas for StoryToys. At this early stage we've barely scratched the surface of these, but see many promising new projects on the horizon, all of which have the potential to be significant future growth drivers.

As a team, we are committed to ensuring that the high quality our products are known for is maintained as we continue to grow out the portfolio. We remain focused on ensuring that each title added remains the best experience for the child it can be, whilst also releasing regular updates and providing parents with excellent value for their subscriptions.

A STRONG PLATFORM FOR GROWTH



5

Group acquisitions
(2 in 2021, 3 in 2022)

7

Global locations

130+ years

Combined CEOs' leadership experience

314

Group headcount
March 2022

(265 at 31 December 2021)

UK-based, global organisation led by highly experienced CEO leadership team

"People First" approach with strong values and culture of teamwork and learning, nurturing the next generation of creative and commercial talent

Embracing flexible hybrid working from key hubs with continued investment in supporting infrastructure across Finance, HR and IT

STRATEGIC DIRECTION

Strengthening and broadening content portfolio and business models to appeal to all age ranges across all platforms.

Driving organic growth in all businesses through:

- Premium digital
- Subscription
- Mobile
- Widening platform reach
- Strengthening lifecycle management

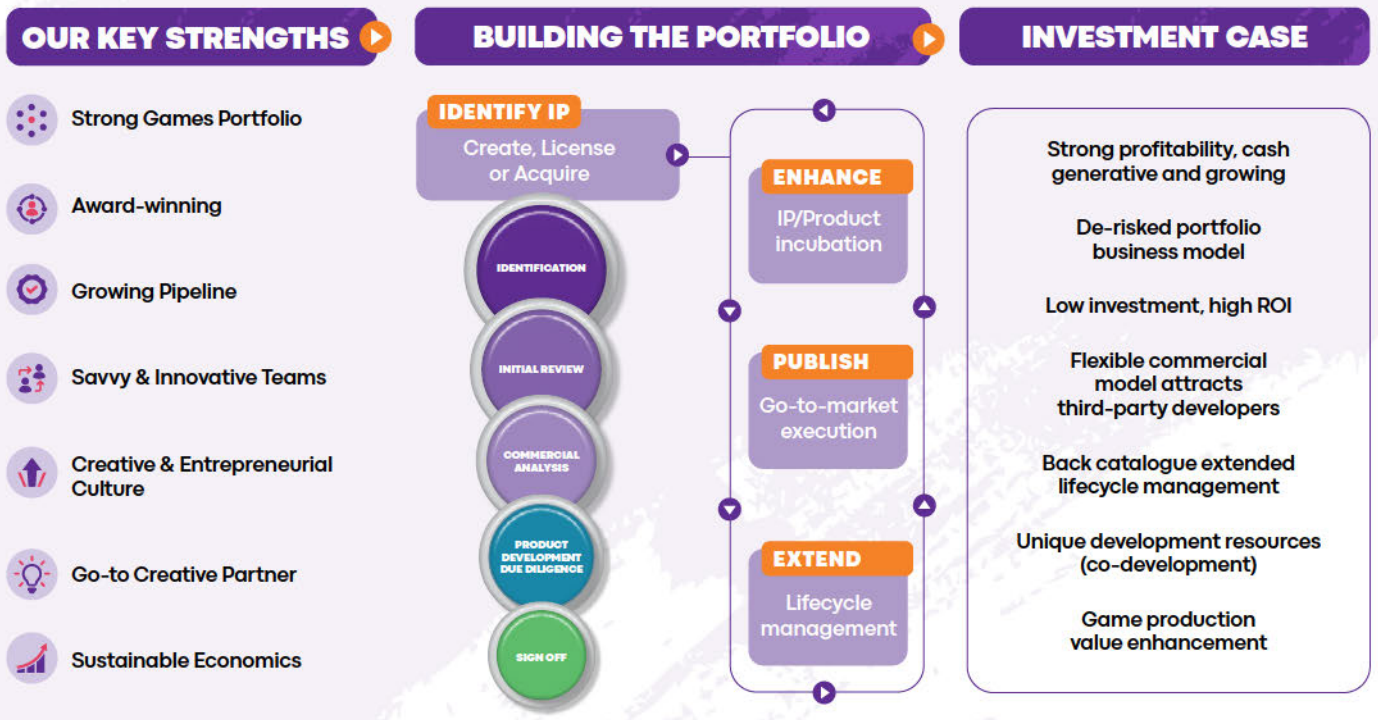
Through detailed due diligence, we continue to be highly selective in our M&A strategy, only adding businesses and teams that share our common goals and look to strategic M&A pillars:

- Like-minded leadership with a shared vision
- Earnings accretive growth companies
- IP ownership with games IP and/or technology and know-how
- Group synergy benefits building stronger teams together

EXPANDING OUR CONTENT PORTFOLIO

Our core business model to create, develop and publish IP titles remains fundamental across all parts of the Group, whether creating owned IP, identifying and securing third-party development partner IP or licensing IP from major global brands.

We have broadened our understanding of how this business model can be applied across multiple channels to appeal to a wider age group across all platforms.



Once developed, we have extensive experience across the Group to successfully publish titles across multiple channels and then monetise across their extended digital lifecycle

Broad portfolio, c.500 Digital Revenue Lines with growing evergreen franchise base across the Group

LIFECYCLE MANAGEMENT



AGNOSTIC PLATFORM APPROACH

- PC
- Console
- Mobile
- Streaming

THE GLOBAL GAMING MARKET

The global games market generated \$180 billion in 2021, according to the NewZoo 2021 report, which represented growth of 1.4% over 2020, indicating a more challenging year in 2021.

Globally, market growth is predicted to bounce back and is estimated to grow with a CAGR (2021-2024) of 7% to reach \$219 billion in 2024.

\$200bn

Total market will exceed \$200bn by 2023

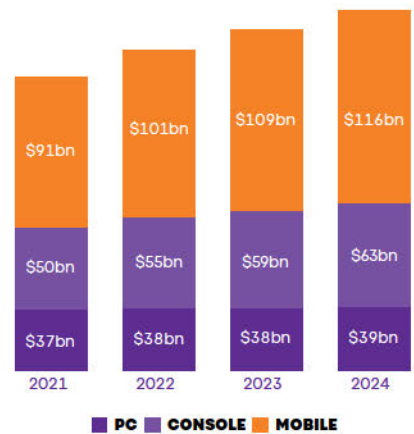


Mobile segment grew fastest at 7% in 2021, and now represents over 50% of the total market by revenue, which following the acquisition of StoryToys in July 2021 and The Label in January 2022 is a growth area for Team17.

Console suffered slight headwinds, with transition between generations inhibited by console supply, but expected to return to growth.

Key Talent emerging as a competitive differentiator with hybrid working introducing new operating models.

Forecast Revenues - Market Sizing



3 billion

Players across the globe in 2021, including 1.4bn PC players and 0.9bn console players

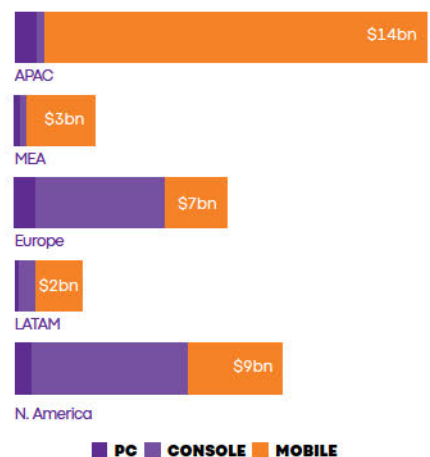


Market growth driven by mobile primarily in Asia-Pacific but also in other emerging markets (Latin America, Africa).

Demand for Education Apps is increasing and estimated to deliver c26% CAGR 2020-2024¹

Entering 2022, market disruption from the conflict in Ukraine impacting both the supply side and demand side.

Change in Revenue 2024 vs 2021

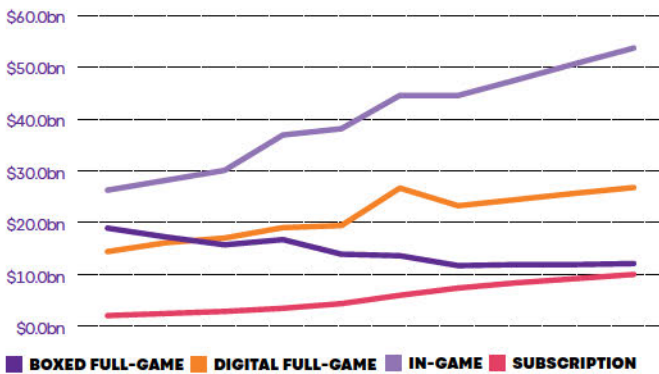


(Graph and market data source NewZoo Report 2022)

¹ Sourced from technvivo.com June 2021)

MARKET TRENDS

PC & Console Revenue Mix (2015-2024)



Live services continue to thrive, with the emergence of long tail “super franchises” spanning title iterations and console generations.

Subscription services are emerging as a key battleground between platforms, resulting in a short-term “race for IP” – driving further acquisition and consolidation.

There is significant interest in “metaverses” as a business model, driving interest in creator driven economies (mods and user-generated content) but also opportunities for established franchises within these metaverses.

► Growth in Mobile

Mobile growth continues to outpace the market, with 12.4% CAGR 2019–2024 versus 8.7% for the total market. This however is focused on Middle East & Africa and Latin America, each with 18% CAGR. Asia is forecast to grow at 11% CAGR, but mobile games will represent 69% of that market.

Recent acquisitions position Team17 well to capitalise on this, with The Label (Jan 2022) improving our footprint in the core games business and StoryToys (Jul 2021) providing an entry to the Educational space – the mobile education market was worth \$546m in 2021 and benefits from a model that lends itself well to subscriptions and recurring revenue.

The fundamental shifts in geography will result in shifts to content preferences. Team17 is well positioned to benefit from this – *Golf With Your Friends*, *Overcooked!* and *Blasphemous* all benefit from strong user appeal in emerging markets.

► Subscription Services

Subscription service growth continues, now representing 15% of console spend. This is expected to continue, as incumbents expand regionally and new propositions enter the market (e.g. Netflix).

The opportunity for Team17 is two-fold: initial revenue through licensing content to providers; and increased recurring revenue through a larger player base. Maximising this opportunity requires focused lifecycle management to increase both the lifespan and the lifetime value of titles.

Similarly, in-app subscriptions present an opportunity for suitable content – e.g. StoryToys educational titles. Subscribers provide predictable recurring revenue and reduce the volatility of individual content releases.

This trend places further importance on strong, owned IP. Recent acquisitions in January 2022, including The Label and *Hell Let Loose* IP support this, building on both Team17’s game portfolio and service capabilities.

► Console Transition

Console revenue was challenged from 2020 to 2021 but this should correct in 2022 as supply chain issues with next generation hardware ease. Users moving to next gen consoles represent an opportunity to drive further sales of existing portfolio, but also to upgrade users to next gen versions of titles they already own, resulting in improved monetisation and engagement. Cross-platform gameplay is expected to be the norm for future content, improving engagement and consequently monetisation. This will particularly benefit specialist titles on smaller platforms which might otherwise suffer from low player counts.

► Metaverse

Shared virtual spaces continue to grow, with online communities showing continuing appeal to gamers, and data points to these being popular with a young audience². 49.5m daily average users for Roblox³, Fortnite 80.4m (June 2020), Minecraft 141m users⁴. These shared spaces increasingly offer the opportunity to be platforms in their own right, with players looking for high-quality social content to play. Further investment in this space will continue with Meta the primary instigator. Team17 content is well placed to capitalise on any emergent metaverse with recognisable IP that appeals to a wide audience.

² <https://www.statista.com/chart/27052/share-of-respondents-who-played-a-proto-metaverse-game-a-video-game-in-general-in-the-past-six-months/>

³ [https://s27.q4cdn.com/984876518/files/doc_financials/2021/q4/Q4'21-Supplemental-Materials-\(FINAL-2-11-22\).pdf](https://s27.q4cdn.com/984876518/files/doc_financials/2021/q4/Q4'21-Supplemental-Materials-(FINAL-2-11-22).pdf)

⁴ <https://www.vgchartz.com/article/451085/minecraft-topped-141-million-monthly-active-users-in-august/>

(Graph and market data source NewZoo Report 2022)

DISCOVERING, SHARING AND CREATING TOGETHER

314

Employees as at March 2022
(265 as at December 2021)

7

Locations as at March 2022
(4 as at 31 December 2021)

4

Countries as at March 2022
(2 as at 31 December 2021)

AN IMPORTANT YEAR OF GROWTH FOR OUR GROUP

The past year has been a truly transformational period for Team17. We have seen the addition of StoryToys to the Team17 Group, an acquisition that represented a significant expansion of the Group's operational scale and market footprint within the wider digital entertainment landscape. We have been thrilled to welcome their highly talented team into the broader Group ecosystem, and we are excited by the numerous cross-collaboration opportunities for our businesses going forwards.

Following the Group's year end, our acquisitions of The Label and astragon in the first two weeks of 2022 mean Team17 is the largest it

has ever been, with 314 employees (March 2022) spanning across seven locations in four countries. Whilst the individual identities of our subsidiaries remain distinct, the wider Group is talent-focused at its core, and universally driven by the passion of our people and the pride we share in the high-quality digital entertainment products we develop and publish.

Everyone in the Team17 Group is united by a collective desire to grow a vibrant and inclusive culture where our people can thrive and enjoy creating their best work and realising their potential. We are committed to consistently reviewing and improving our employees' experience, and recognise that the importance of this will only grow as the Group continues to expand.



*Hear from Emma Bates,
Senior Producer, about
her career journey to date
with Team17 Games Label*



SPIRIT

Savvy

Principled

Inventive

Responsible

Impassioned

Team-Driven

▶ Embracing the new normal with a focus on wellbeing

Against the backdrop of continuing pandemic-related restrictions, macro-economic uncertainty, and the disruption brought to business operations both at a national and global scale, we are proud of the incredible efforts of our people who have continued to launch multiple titles while navigating a further challenging year.

As ever, ensuring both the physical and mental wellbeing of our people was a top priority, and we are proud of the comprehensive support we provided during a further, extended period of pandemic restrictions and remote working. As was the case in 2020, we continued to ensure the necessary infrastructure and protocols were in place to guarantee the safety and peace of mind for all Team17 employees.

The majority of our people continued to work from home for most of the year. As part of our efforts to support team members remotely, we launched our company-wide Jumpstart Fest, a two-month festival of weekly virtual entertainment events such as live virtual comedy shows, a murder mystery challenge, a professional storyteller, and a cosplay competition. This brought everyone together from across the business and provided some reprieve and fun during the drawn-out period of national lockdown at the beginning of 2021. We marked Mental Health Awareness Week with a programme of wellbeing content and activities, and we continued to provide treats by post to celebrate our successes and create a “feel-good” factor for our team members throughout the year.



Team members enjoyed being back together in person when it was safe to return to our studios.



Recognising that office life provides a key source of social interaction, friendship and support for our people, we were keen to resume this important social element of working at Team17, and arranged various Covid-secure social events at our studios when it was safe to welcome team members back onsite over the summer months. Our employee-led social groups have continued to thrive over the past 12 months, both on a remote and in-person basis, and span everything from a virtual running network, to photography and board game enthusiasts’ clubs.

The first few months of 2022 have been radically different to the previous two years with regards to pandemic-related restrictions, and we have been delighted to see our offices begin to return to their characteristic levels of vibrancy and fun. Whilst there is no knowing what the future holds in terms of further pandemic disruption, we feel confident that we are well prepared to overcome any additional challenges and continue to support our people to the best of our ability.

▶ Growth of Skills

We believe that continuing to produce brilliant games and entertainment content relies on providing opportunities for our people to learn, expand their skill-sets, and realise their full potential.

In light of this, we remain firmly committed to investing in the growth and development of all Team17 employees, and introduced a number of initiatives in 2021 to support them in achieving their career goals. These include 'Level Up,' our six-month leadership development course, and 'Kitbag,' our three-month management training programme, both of which aim to develop our next generation of leaders and managers by empowering them to think strategically, engage with their teams effectively, and instil an inclusive, trusting and inspiring work environment across the Group.

During the year, 23% of our people were promoted internally or awarded the opportunity for a cross-department secondment, recognising their achievements over the course of the year and incentivising further professional development and career progression going forwards.



Kaytey and Harry talk through their career so far with Team17.

Employees moving into new roles

23%



▶ Listening to our People

As we continue to grow, we recognise more than ever the importance of listening to and acting upon our employees' views on the future direction of the business. In October 2021 we carried out our inaugural employee engagement survey for the Team17 Games Label. The results provided valuable and compelling insights into both what we are doing well, and key areas for future improvement.

The vast majority of our people said they were proud to work at Team17 and that they felt the workplace environment fostered a strong sense of belonging amongst employees. Our people also felt appropriate health and safety measures had been implemented in response to the pandemic, and that the necessary provisions were in place to support our team as we transition into a post-Covid era.

Going forwards, and based on feedback from the survey, we are conscious of the need to communicate our vision for the business more effectively to our people during what continues to be a transformational period for the Group. Improving in this area is especially important as we continue to integrate Team17's newly acquired subsidiaries into the wider Group setting, and we will work to ensure the necessary systems and processes are in place to facilitate smooth communication and effective collaboration both cross-departmentally and between our affiliate companies.

Employee-led working groups, sponsored by senior leaders, have been created to focus on some of our key areas for change, and we look forward to seeing the improvements owing to their ideas and suggestions.

As well as our internal feedback channels, we have an external whistleblowing line. Our whistleblowing policy can be viewed in the Investor Relations section of our website under Corporate Policies, along with our Anti-Corruption & Bribery policy, and our Modern Slavery policy.

▶ Rewarding our Talent

In the context of ongoing nationwide labour shortages and strong industry competition for talent, we are acutely aware of the importance of rewarding and retaining our talented team members.

We continue to offer an attractive mix of market-benchmarked pay, generous company benefits, and a wealth of learning opportunities to ensure our people feel rewarded and recognised for the great work they do, and supported to further broaden their existing skill-sets and progress within the Group.

In 2021 we carried out a major review of our reward packages at the Team17 Games Label. Following our participation in the industry-wide Croner.biz salary survey at the end of 2021, we moved quickly to ensure our pay was in line with the market, and boosted our overall offering by expanding our benefits package to include BUPA Dental Care, improvements to our existing defined pension contribution plan, increased annual leave entitlement, and an improved bonus structure.

In early 2021, we provided Team17 employees with a complementary games console and free game codes for all our launched titles to ensure all team members are able to play and enjoy our games.

PERKS OF BEING A TEAMSTER



Annual Bonus Scheme

We recognise that company success is a collective achievement, which is why we offer bonuses to every employee so that we can celebrate our achievements together



25-Day Annual Leave

We believe time out from work is important for wellbeing and enables quality time on life's other priorities and interests



Hybrid and Remote Working

We offer hybrid and remote working opportunities to allow our people to balance their life at home with time in studio



BUPA Healthcare

We offer a private healthcare scheme via BUPA and will cover the premium cost of a personal plan. Our scheme covers pre-existing conditions



Subsidised Fitness

We subsidise our employees' fitness memberships, for example their local gym or climbing wall



Free Matching Shares

Every employee receives £1,000 worth of free share options upon joining the Group. We also operate a Share Incentive Plan which enables employees to purchase Shares in the Group, under our Employee Benefit Trust Fund



BUPA Dental Care

We offer a private dental scheme which can be used at BUPA, NHS and private practices across the UK



Console Loans

We offer interest-free console loans up to a value of £500 per annum



Fun Social Events

We put on an array of social events, designed to offer something for everyone, from Cosplay to Spooktacular Halloween parties



Life Insurance

We provide Life Assurance of 4x salary, in the event of death in service



Pension

We offer a generous matched pension plan to help our people save for their future financial security



Bike to Work Scheme

We provide a Bike to Work scheme that allows everyone to acquire a new bike and equipment with nothing to pay upfront

**► Equality, Diversity,
Inclusion & Belonging**

We are determined to continue to nurture our vibrant and inclusive culture by embracing different outlooks and perspectives and empowering those of all backgrounds and experience levels to have their voices heard.

Whilst the broader games industry continues to be male-dominated, we are proud that our Group's senior leadership team has equal male and female representation. The same is true of our Board of Executive and Non-Executive Directors.

As at 31 December 2021, our gender mix across the Group comprised 25% female employees, 74% male and 1% non-binary. We are committed to improving our gender balance across all levels of the Company by seeking ways to sustainably increase the number of women at Team17 to at least 30% across all levels. Our full Gender Pay Gap report (as at April 2021) can be found within the Investor Relations section of the Team17 website.

We have established a number of employee-led networks and working groups as a means to create community spaces for our people to connect and socialise. Our LGBT17+ group at the Team17 Games Label, for example, has been a great success, and we expect these networks to continue to flourish as our Group companies increasingly connect with one another over the coming months and years.

We were especially honoured to be the first company to receive the Award for Diversity at the 2021 Aim Awards in October. It was a proud moment for all of us at Team17, and only strengthened our resolve to do more to reduce inequality and ensure greater representation both across our business and the broader games industry.



25%

Female employees

(19% as at 31 December 2020)



74%

Male employees

(80% as at 31 December 2020)



1%

Non-binary

(1% as at 31 December 2020)

► Community

Throughout 2021, our employee-led Charity Committee held fundraising activities and made donations on the Company's behalf to seven charitable organisations as voted for by our people.

Charities we supported ranged from local to global organisations which support refugees, people with eating disorders, as well as charities in the fight against racism and poverty.

In addition to local charitable donations, we have donated game keys to content creators for charity streams and also to Get Well Gamers (<https://getwellgamers.org.uk/>) – who hosted marathon livestreams where anyone who donated to the charity was entered into a raffle to win a game key.



We were pleased to return in person to Develop:Brighton, where Debbie Bestwick gave a keynote presentation, and received the prestigious Develop:Star Award.

COMMITTED TO A SUSTAINABLE FUTURE

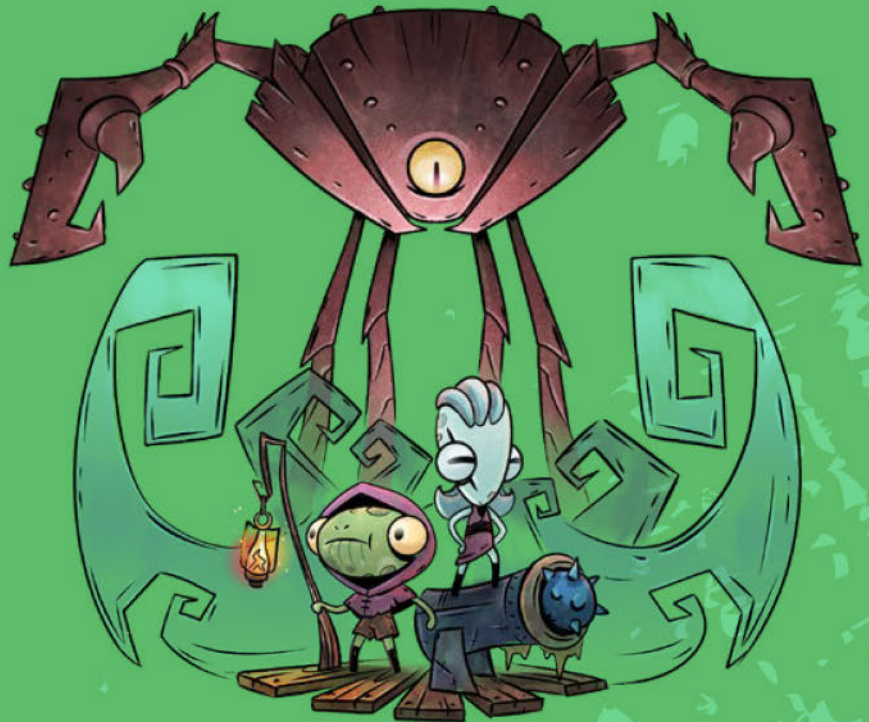


ENVIRONMENTAL REVIEW

The methodology used to calculate our GHG is the Greenhouse Gas Protocol, a corporate accounting and reporting standard defined by the World Resources Institute and World Business Council for Sustainable Development ("WRI" and "WBCSD"). We have adopted the operational control approach to define our reporting boundary.

Team17's green initiatives are driven by our employee-led Green17 group which was established at the end of 2020.

Green17 is a group of Teamsters helping to promote green issues to fellow Teamsters, our suppliers, our customers and the broader gaming community.



ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT: OUR IMPACT ON THE ENVIRONMENT CONTINUED

The group meets monthly to promote and address green issues and is committed to taking steps to reduce carbon emissions, and to engage with supply chain partners, customers and the wider digital entertainment industry to do the same.

Quarterly email newsletters are sent to all team members on green issues.

The team recognises the need to continually evolve its processes and policies regarding environmental issues, and to routinely share the business's progress in this area with others.

We have broadened our knowledge of green issues by attending the following:

- Green Games Summit organised by UK Interactive Entertainment ("UKIE") in October
- COP26 in Glasgow
- Numerous other online events on sustainability



One of the Green17 team attending COP26 in 2021

▶ Partnering

We are developing a range of partnerships to move forward our Green17 agenda.

- Working with UKIE, our national trade body
- Engaged with Playing for the Planet Alliance, a global network of companies in the computer gaming industry set up by the United Nations Environment Programme
- Working with key suppliers to maximise energy, time and resource efficiency

Initiatives to reduce energy consumption:

- Staff energy / carbon footprint survey carried out
- Rationalisation of our server rooms to match equipment size to demand
- Electric car charging points have been installed at our Wakefield studio
- A lift-sharing scheme has been set up to reduce emissions from employees' commutes
- We have worked with Octopus EV to set up an Electric Car Salary Sacrifice scheme to promote and support lower cost electric cars for our UK team members wishing to move to all-electric vehicles

▶ Emissions

We continue to work on how we can improve our environmental management and reporting systems and will roll this out across the wider Group. Emissions are detailed below and show that emissions per FTE have increased this year due to the reopening of our locations for employees after the lock down restrictions experienced in 2020:

	2021 CO ₂ e tonnes	2020 CO ₂ e tonnes
Scope 1	11	10
Scope 2	99	75
Total	110	85
UK proportion of energy usage reported	100%	100%
Energy consumption used to calculate above emissions (kWh)	482,834	374,794
Average number of employees	263	232
Emissions per FTE (CO ₂ e tonnes)	0.4	0.4
Emissions per FTE (kWh)	1,822	1,615

The statistics above are based on emissions data from 1 January to 31 December calculated following the Greenhouse Gas Protocol, which incorporates the scope 2 market-based emissions methodology. The data has been collected from the business during the year and converted using the conversion factors published by the UK Government (<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>).

StoryToys emissions have not been included in these estimates as the energy usage since acquisition was less than 40,000 kWh.

We have worked with a team of students from Nottingham Trent University to identify potential energy-savings opportunities within the gaming sector, and hope to use this research to help inform our own energy reduction strategy over the coming year.

Our carbon footprint in our four offices is inherently quite low, however we have been looking at how we can further minimise consumption.

Our calculations do not take account of home working by employees over the lockdown period.

Scope 1 covers gas used in our offices.

Scope 2 covers electricity used in our office and studio locations.

Scope 3 covers the following areas:

- Purchased goods and services
- Use of sold product
- Business travel
- Waste
- Employee commuting
- Fuel and energy-related activities

Committed to the Woodland Trust

£7,500

With over 90% of our sales being digital, we have not included Transportation & Distribution or End of Life Treatment of Games due to lack of materiality.

Team17 has committed £7,500 to the Woodland Trust to plant a minimum of 1,280 trees. Over the course of their lifetime, the trees will collectively absorb 300 tonnes of carbon dioxide from the atmosphere, helping us to reduce the carbon footprint of our business.

This 300 tonnes is sufficient to cover all of Team17's scope 1 & 2 emissions for 2020 and 2021.

We are working with external experts to assist us to estimate the scope 3 emissions.

Over the course of 2022, we will be working on plans to create a route towards net zero with the aim to be able to share our ambitions and plans.

DELIVERING STRONG FINANCIAL MOMENTUM

The Group continued to perform well with 9% revenue growth against an exceptional prior year."



▶ Mark Crawford
Chief Financial Officer

New games launched in 2021

12

Revenue

2021	£90.5m
2020	£83.0m
2019	£61.8m

▶ Performance Overview

The Group continued to perform well throughout a challenging year in 2021. The Group continues to focus on its core activities of identifying, developing and publishing high-quality games. With underlying growth in the core Games Label business combined with the addition in the second half of StoryToys, the Group once again reported improved revenues across a growing portfolio with a continued solid performance of back catalogue sales alongside the launch of 12 new games (2020: 10) with three existing titles released on new platforms. As a result, the Group's revenues grew 9% to

£90.5m (2020: £83.0m) for FY21 with StoryToys contributing £4.2m in the period following the acquisition in July. Owned IP now makes up 22% of revenues in the period (2020: 21%) which includes **GWYF** that was acquired in January 2021.

▶ Gross Profit

Gross profit grew by 16% to £45.5m (2020: £39.1m) with an improved gross margin percentage of 50% (2020: 47%). The movement in gross margins reflects a combination of the sales mix with an increase in the proportion of owned IP sales in the current year, the age profile of the titles within our portfolio and the ongoing support provided to titles post launch where costs are fully expensed.

The combination of sales mix between back catalogue and new releases together with associated amortisation charges is subject to the scale and timing of new game releases and will vary from year to year, thus dictating the gross margin. Costs incurred to support an increasing number of live games within the portfolio as well as

delivering new content as DLC are fully expensed in the period. We invested in our outsource management capability within the Games Label in 2020 to build a better network of partners to manage studio workflow pressures within QA and development services. As a result of this prior year investment, we saw an 18% increase in outsourcing of QA in the period to £2.0m (2020: £1.7m) alongside an increase in outsourced development services of 42% to £3.3m (2020: £2.3m). The spend in this area increased compared to the prior year due to the complexity and volume of work across new releases and DLC, and the Group expects to continue to use a balanced model of internal and outsourced development supply in 2022.

With a strengthening development pipeline of new titles in production combined with technical complexity in title development across multiple platforms alongside the growing owned IP portfolio where we incur 100% of all costs, development costs capitalised in the period increased by 24% to £9.3m (2020: £7.5m).

In 2021, the development costs capitalisation policy and the related amortisation profile were refined with the capitalisation policy now reflecting the growing importance and use of early access where a title is launched during its development phase and significant further costs are incurred up to the full launch release. As a result, development costs between early access and full launch are now capitalised where previously these were expensed (See note 2 to the consolidated financial statements for further details).

Whilst we still believe it is appropriate to amortise all development costs over the first two years after launch, we have reduced the charge in the first year from 83% to 70%, with a higher percentage at the point of release to more accurately reflect the profile of demand in the first two years post full launch.

Amortisation charges on development costs have continued to rise as a result of the growing investment in the number and technical complexity of titles launched in the period and relevant prior periods under the amortisation policy.

Team17's amortisation policy still means that a high proportion of the capitalised development costs for a

title are written off in the 12 months after the title is launched. The amortisation charge will vary year to year in accordance with the timing and quantity of titles launched alongside the level of development costs capitalised.

▶ Administration Costs

Administration expenses grew by 25% to £16.3m (2020: £13.0m) which this year includes acquisition-related adjustments and fees of £1.5m (2020: £0.1m) alongside the impact of half a year with the StoryToys team as part of the Group post the acquisition in July 2021, which accounted for £1.0m in the period (2020: £Nil).

Team17 Games Label's underlying costs increased by 10% compared to the prior year driven in part by salary cost per head increases, the rise in average headcount compared to the prior year and investment in new senior leadership.

The previously outlined increase in outsourced services supported a more flexible and managed approach to workflows also ensured a reduced requirement to continue the significant growth in internal Studio headcount experienced in prior years. Whilst there was a small overall drop in headcount within Games Label, notably experienced in the last quarter, total headcount for

Gross Profit

2021	£45.5m
2020	£39.1m
2019	£29.5m

Gross Profit Margin

2021	50%
2020	47%
2019	48%

Operating Profit Margin

2021	32.3%
2020	31.5%
2019	30.7%

the Group grew to 265 at 31 December 2021 (2020: 250). This includes 21 heads at year end through the addition of the StoryToys team, noting that their resource model also utilises contract development staff working fully remotely. Average headcount increased by 13% to 263 during the period (2020: 233).

We are extremely conscious of the growing financial pressures on our team and the full benchmark salary review along with an updated assessment of the cost-of-living impact predicted in 2022 formed the basis of annual salary reviews held as normal in Q1 2022. In order to support our teams at this time, we took the decision to increase our planned cost of living inflation from 4% to a 6% annual increase and this came into effect a month early from 1 March 2022.

Marketing costs remained broadly in line with the levels from the prior year with the ongoing reduction in costs vs pre-Covid levels linked to virtual events. This is already starting to reverse in 2022 as we see more live gaming events so we expect costs to increase in this area.

The business remained debt free in the period (with the exception of the lease liabilities included under IFRS 16); with global interest rates remaining extremely low, bank interest generated zero net finance income in the period (2020: £0.1m).



On 21 January 2021, Team17 announced the acquisition of all rights and assets for *Golf With Your Friends* for a total consideration of £12m."



▶ Adjusted EBITDA

Adjusted EBITDA was £35.8m which grew 18% year on year (2020: £30.3m) and the Adjusted EBITDA margin as expressed as a percentage of revenue increased to 39% (2020: 37%), continuing to support the underlying profitability of the portfolio business model and benefiting from the addition of **GWYF** as an owned IP title in 2021. Adjusted EBITDA includes the add back for share-based payment charges (net of tax) of £0.8m (2020: £1.3m) associated with share awards used to reward and incentivise Team17 employees, the add back of £2.7m (2020: £1.4m) of amortisation of acquired intangibles (net of tax), previously referenced as "amortisation of brands", and now also includes other acquisition-related adjustments and costs incurred in the period of £1.5m (2020: £0.1m).

The Directors believe that these adjustments provide meaningful Alternative Performance Measures ("APMs") to support the statutory financial information and provide an understanding of the underlying business trading performance and profitability and these adjustments have been applied to FY20 to provide an accurate comparison (note 10 provides a breakdown of the APM adjustments).

▶ Profit Before Tax

Profit Before Tax increased 11% to £29.1m (2020: £26.2m) reflecting the gross margin gains partially offset by increased administration costs which were impacted by the acquisition-related costs incurred in the period, outlined in note 6.

Adjusted EBITDA*

2021	£35.8m
2020	£30.3m
2019	£22.0m

Adjusted Profit Before Tax*

2021	£35.0m
2020	£29.8m
2019	£21.9m

Adjusted Profit After Tax*

2021	£
2020	£24.8m
2019	£18.8m

* The Group uses Alternative Performance Measures ("APMs") to provide a more valuable insight to the underlying trading performance of the business which are not standard measures. These have been restated to include the add back of acquisition related fees not previously included in the definition, Full definitions and reconciliations to non-adjusted measures can be found in note 10.

Adjusted Profit Before Tax in the period increased 17% to £35.0m (2020: £29.8m) at a higher level reflecting the APM adjustments related to share-based payment charges, acquisition intangibles amortisation and non-trading acquisition-related adjustments and costs, detailed in note 10.

The tax charge increased to £5.4m (2020: £4.3m) with an effective tax rate after Video Games Tax Relief ("VGTR") of 18.4% (2020: 16.4%) reflecting the impact of future tax rate changes on deferred tax charges and the effect of tax on profits from becoming an international Group.

▶ Earnings Per Share

Basic earnings per share increased by 8% to 18.3 pence (2020: 17.0 pence) reflecting the increase in the statutory profit after tax.

Adjusted earnings per share, which is calculated using adjusted profit after tax was 22.1 pence (2020: 18.2 pence) representing an increase of 21.4%.

▶ Statement of Financial Position

Team17 continues to manage a strong balance sheet, remaining highly cash generative with an operating cash conversion of 101% (2020: 109%). Cash generated from operations was £35.0m (2020: £35.4m) and overall, there was a net decrease in cash and cash equivalents of £6.4m (2020: increase of £19.6m) however this resulted from the net cash outflow of £31.5m associated with the combined consideration paid during the period for the acquisitions of **GWYF** and **StoryToys**. Net cash and cash equivalents at 31 December 2021 were £55.3m (2020: £61.5m) which included £3.1m (2020: £3.2m) held in the Employee Benefit Trust ("EBT") which is used to support employee share awards and incentivise Team17 employees.

The Board expects the Group to remain highly cash generative in 2022 before any payments for acquisitions.

Intangible assets are reviewed for indicators of impairment annually, or more frequently if there are indicators of impairment. As at 31 December 2021 the net book value was £41.4m (2020: £22.4m) for goodwill reflecting the addition to goodwill associated with the acquisition of **StoryToys**, £24.0m (2020: £14.3m) for brands and also includes £9.8m (2020: £6.3m) of capitalised development costs relating to unreleased titles and titles that have been launched within the previous two years.



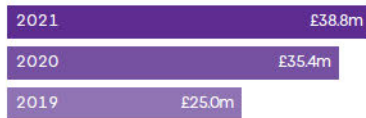
StoryToys acquired on 2 July for £19.2m with an additional further maximum of £16.3m over three years."



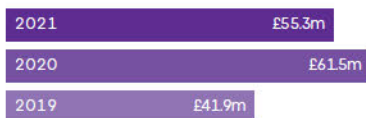


Record results from a strengthened content portfolio aligned with transformative acquisitions.¹

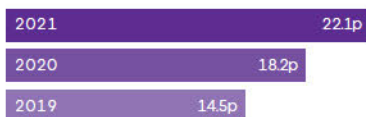
Adjusted Cash Generated from Operations*



Cash and Cash Equivalents



Adjusted Earnings Per Share**



* The Group uses Alternative Performance Measures ("APMs") to provide a more valuable insight to the underlying trading performance of the business which are not standard measures. These have been restated to include the add back of acquisition related fees not previously included in the definition. Full definitions and reconciliations to non-adjusted measures can be found in note 10.

** Adjusted earnings per share is calculated by dividing the adjusted profit after tax (note 11) by the weighted average number of ordinary shares. This is adjusted for the effect of share options when calculating the diluted adjusted earnings per share (note 11). Adjusted earnings per share has been restated for the add back of acquisition-related fees to adjusted profit after tax not previously included in the definition.

Trade and other receivables increased to £17.8m (2020: £16.4m) in line with trading. Trade and other payables increased to £24.3m (2020: £17.2m) in line with trading, however also includes provision of £5.0m for the first Earn Out payment for StoryToys due in H1 2022.

Acquisitions in the Year

On 21 January, Team17 announced the acquisition of all rights and assets for **GWYF**, an existing third-party title to become a fully owned IP for a total consideration of £12.0m.

StoryToys, a world-class developer and publisher of educational entertainment ("edutainment") apps for children was purchased on 2 July for an initial outflow of £19.2m¹ (US\$26.5m), with up to a possible further maximum £16.3m (US\$22.5m) payable in cash on delivery of challenging EBITDA performance targets within three years.

The full consideration for **GWYF** and the initial consideration for StoryToys were funded from Team17's existing cash reserves (more detail is included in note 13).

Share Issues

At 31 December 2021, the Group's issued share capital comprised 131,473,222 ordinary shares of £0.01 each. A total of 176,100 share options were issued during the year to the Executive Directors with a three-year vesting period and another 56,883 share options have been issued to staff under a variety of schemes which will be satisfied by shares held in the EBT.

After the year end 11,010,999 shares were issued at gross proceeds of £78.6m to support the Group's strategy on acquiring new businesses and titles through M&A and a further 2,136,323 shares were issued for part consideration in respect of two of the below acquisitions. Following the issue of consideration shares and placing in January, the Company has a total of 144,620,544 ordinary shares in issue (note 28 provides the full details of the fund raise and share issue in January 2022).

The Group continues to manage a Deferred Bonus Share Plan for its senior management as well as an All-Employee Share Incentive Plan ("SIP"). Team17 runs an employee SIP

with matching shares, and this continues to be well supported by Team17 Games Label employees making monthly contributions. Combining the employee SIP members and existing employee share option holders, 55% of the Games Label team were shareholders as of 31 December 2021.

As previously announced, all employees of the Group will be shareholders in early 2022 following a planned share option grant with a three-year vesting period that will be funded from the EBT and therefore will not result in the issue of shares to satisfy the options.

Events After the Reporting Date

As previously reported in January 2022, the Group completed three strategic acquisitions, which combined are expected to be earnings accretive in FY22:

astragon Entertainment GmbH ("astragon") is a well-known developer, publisher and distributor of sophisticated "working" simulation games based in Germany.

To support the astragon acquisition, the Group raised £78.6m of gross proceeds on 18 January 2022, following a successful placing of 11,010,999 ordinary shares at £7.14 per share which was oversubscribed with considerable support from existing shareholders.

The Label is a USA-based indie publisher specialising in mobile subscription games content.

Hell Let Loose IP (all rights and assets) was acquired adding an existing third-party title to the Group's first-party content portfolio.

Details of these acquisitions can be found in note 28.

Mark Crawford
Chief Financial Officer

25 May 2022

¹ \$USD to £GBP conversion rate of 0.724 used; figures are rounded.

EFFECTIVELY MANAGING OUR RISKS

Team17 Group plc is operating in a competitive and dynamic market and through its M&A strategy has added a number of strategic acquisitions. An enlarged and more experienced senior leadership team now exists that will actively manage the individual company risks that feed into a combined Group risk register which is regularly reviewed by the Board. The identified risks are up to date with the Group's operations and wider environment. The risks are appropriately scored with financial impact and mitigations reviewed. The key business and financial risks for the Group are:

► Strategic Risks

Market growth and disruption – reduced from 2020

The Group operates in a dynamic industry that has seen consistent growth over many years and increasing levels of competition as the number of new games released grows year on year. This competition is multifaceted, ranging in size, sophistication and capability from large competitors to independent games developers who choose to self-publish. Slower than expected market growth or a failure to remain competitive would adversely affect the Group's performance.

- Alongside the core Team17 Games Label's position in the market, through selective acquisitions, the Group has broadened its competitive position. It now has a broader content portfolio, wider age range of customers, continues to drive a rigorous Greenlight process to secure new IP and together with active lifecycle management of its games provides the Group with confidence that it will continue to secure, develop and release popular games and optimise their commercial success across the wider Group.

Technological change – no change from 2020

The industry has seen some major changes over the past few years with the shift to digital distribution along with the development of middleware such as Unity and Unreal. Ongoing technological change in both the development and distribution of games is to be expected and the Group will need to adapt quickly to these changes in order to remain competitive.

- The Group has a track record of being one of the first to market across new platforms and distribution channels and remains platform agnostic with no dependency on any specific platform partner. The Group invests in upskilling its workforce to be at the forefront of technological developments. It is therefore able to anticipate changes in technology and delivery and be agile and adaptable in order that it can react swiftly to changes as they emerge and exploit these as opportunities.

Dependence on concentrated customer base – no change from 2020

The Group serves a small but growing number of customers who utilise their proprietary distribution platforms to provide the Group's games to end consumers on a global basis. Any adverse changes in the status of the Group's relationship with its customers could negatively impact financial performance.

- As a result of developing and growing a commercially successful games portfolio over a long period, the Group has developed heavily entrenched partnerships with its customers over more than 20 years that deliver commercial value on both sides. The strategic acquisitions made during 2021 and post year end have widened the platforms that titles can be sold through, broadened the age range and importantly extended the experience of dealing across premium, mobile and subscription channels. The Group will continue to invest in these relationships to ensure enduring partnerships that grow and prosper to ensure that it can continue to remain platform agnostic and maximise all opportunities to distribute its portfolio of existing and new games.

Dependence on key titles to generate significant share of Group revenue – reduced from 2020

The Group has historically been reliant on a subset of successful titles to generate a large share of its revenues. Should the Group fail to competently manage the lifecycle of its core games this may adversely affect its financial results.

- The Group has expanded its portfolio of titles over recent years through new titles launched and also acquired more own IP (driving improved margins) as well as other wider genre content added to the portfolio through acquisitions. It has a track record of developing franchises with long lifecycles and potential for multiple follow-on titles. Its Greenlight process is directed at identifying future titles with this same potential and the Group invests in this process to ensure it remains agile to identify new IP in order to continue to grow the portfolio.

► Operational Risks

The ability to recruit and retain key and skilled personnel – increased from 2020

The achievement of the Group's business plan is dependent on the availability of key skills and experience across its workforce. Loss of key personnel could adversely affect and impact the Group's ability to meet its strategic ambitions.

- Although the Group experienced increased pressure in this area towards the end of 2021, employee engagement and remuneration surveys as well as external benchmarking is a core part of the Group's people first approach and ensures this pressure can be successfully managed. The Board believes that the variety of work available for staff, zero crunch approach to working hours, competitive benefits packages and

high-quality leadership make Team17 a place where talented individuals want to and can build their careers. The Group has a proactive and direct approach to recruitment offering hybrid working solutions and partners with a number of academic institutions providing a graduate intake each year. The Group is proud of how it continues to successfully develop staff internally, maintaining a succession plan to mitigate the impact should any key personnel choose to leave. Investment has been made in the HR leadership and talent acquisition to support identifying, developing and retaining our individual team members.

IT cyber security/disaster recovery – increased from 2020

The business is dependent on the security, integrity and operational performance of the systems and products it offers as well as the platform partners we work with. A security breach or major system failure could significantly impact the business and its ability to execute on its plans.

- The Group has invested in its IT team and infrastructure, implementing additional cyber security processes and policies and continues to regularly review its IT and security provisions to ensure they are industry-leading and in line with best practice. It has put in place business continuity and disaster recovery procedures with scheduled regular testing such that should an event occur, the disruption to the Group can be managed and impact minimised as far as possible.

Intellectual property – no change from 2020

The core assets of the Group are the intellectual property it owns and that of the third-party developers on whose behalf it publishes. Any infringement to this intellectual property by unauthorised third parties may prove damaging and adversely impact the Group's performance.

- The Group legally protects its own and third-party partner intellectual property. It also proactively scans for any potential infringements and rigorously challenges these where appropriate.

Managing the impact of M&A activity – new in 2022

The impact of acquisitions could distract the core business in the pre and post-acquisition phase and the growth in capital requirement alongside larger employee base to manage across multiple geographical locations could adversely impact the financial results of the Group.

- Due diligence is extensive to ensure the right financial stability (profitability and cash generation), growth ambition/opportunity and very importantly cultural fit applies with content development and commercialisation remaining core to the Group and each of its business verticals. A key part of the strategy is to secure experienced/established CEO leadership within the acquired businesses, rewarding them with longer-term incentives through Earn Out and LTIP schemes. The enlarged CEO leadership team has over 130 years of direct gaming industry experience running Team17's Games Label, StoryToys and astragon. Monthly joint CEO review meetings are

chaired by the Group CEO to discuss financial results, risks and opportunities and share experiences across the Group and the intention is for the Board to meet with each CEO and their senior teams throughout 2022.

Financial / Socio-Economic Risks

Currency risk – no change from 2020

The Group's cost base is predominantly in Pounds Sterling ("GBP") whilst its revenue is generated globally, with the largest share being received in US Dollars ("USD") which has increased with the addition of StoryToys in July 2021. As such there is a risk that the Group's financial performance could be adversely affected by unfavourable movements in foreign exchange.

- While the longer-term risks of transacting globally cannot be avoided, the Group continually reviews its foreign exchange exposure and where appropriate it can put in place forward contracts to minimise exposure where it makes commercial sense. Pricing in different markets is regularly reviewed and can be flexed if required to minimise margin pressure.

Socio-Economic Risks – changed risks from 2020

The risks previously associated with Brexit and Covid-19 continue to exist, however the impact has continued to soften over the last year as both factors are now very much part of the "new normal" way of working. The impact of Brexit on the Group is minimal in terms of direct sales given these are overwhelmingly digital in nature and therefore this risk is no longer deemed to be material to the Group. The ongoing Covid pandemic continues to impact gaming businesses where collaborative working is still an important part of game development and can add complexity and time to the overall process. Geopolitical issues linked to the Russia/Ukraine conflict currently provide further unforeseen risks to either revenues linked to games created or sold in that region or the inflationary impact of supply of fuel and raw materials impacting the cost of living.

- The Group has demonstrated its ability to work from home and continues to actively manage the wellbeing of each of its employees whilst restrictions apply. Policies and processes are in place to support studio/office working with safety of our team of paramount importance. In addition, the Group has invested resources in technology to facilitate and embrace hybrid working that can support a mixture of home and studio or office working.
- The Group continues to take a cautious approach to manage the wider global impacts on its business and employees and has already taken steps to improve salaries to provide greater protection against cost-of-living increases and taken into account the impact of Russia/Ukraine on expected trading in 2022 and will continue to monitor the situation, whilst ensuring our focus is to support and protect our employees and global partners.

LEADING WITH INTEGRITY



▶ Debbie Bestwick MBE
Group Chief Executive Officer

Debbie is an industry leader with over 30 years' experience in the games industry and is one of the founding members of Team17. Initially leading Team17's Sales and Marketing department, Debbie went on to become responsible for all of the commercial and legal aspects of the business, working globally with top tier games distributors, publishers, developers, and licence partners. Debbie became joint CEO in 2009 and sole CEO in 2010, leading the Company through its 2011 management buy-out and subsequent sale of a minority stake to LDC in 2016. Debbie was awarded an MBE for services to the video games industry in 2016, was joint winner of the Entrepreneur of the Year UK Disruptor category in 2017 and was awarded the inaugural Outstanding Contribution to the UK Games Industry at the 2017 Golden Joystick Awards. Previously, Debbie has been honoured with the Hall of Fame award at the European Women in Games Conference 2015 and MCV Person of the Year award in 2015 and voted AIM Entrepreneur of the Year in 2020. Debbie was central to establishing Team17's Games Label which has become a key growth driver for Team17.



▶ Mark Crawford
Chief Financial Officer

Mark joined the Team17 Board in April 2020 having been interim Chief Financial Officer since November 2019. Mark has over 30 years' experience with a decade at Executive and Board level and is a qualified Chartered Management Accountant. He joined Team17 from TravelUp, a privately owned online travel business, where he was Chief Financial Officer from 2018. Previously, Mark was Chief Financial Officer of TP Group plc, an AIM-listed specialist technology, energy and defence business, and prior to that held a number of positions with large corporates, including Glaxo Pharmaceuticals, PepsiCo Restaurants, Gondola Restaurants plc and more recently Kingfisher plc, supporting their major pan-European supply chain and logistics transformation programme.



▶ Chris Bell
Non-Executive Chair

Chris joined the Board of Directors in 2018, prior to Team17's IPO. Chris has a wealth of executive and board level experience across the gaming, retail and technology sectors. He currently serves as Non-Executive Chair of AIM-listed OnTheMarket plc, having overseen the company's IPO in 2018 and now sits on its Remuneration, Audit and Nomination committees. Chris has been a Non-Executive Director of the Royal Air Force Charitable Trust Enterprises since 2016, and as of February 2022, has been Chair of Codere Group SA, a Spanish-based LATAM-focused gambling business, for which he also sits on key governance committees. After holding senior marketing positions at Allied Lyons plc, Chris joined Ladbroke Group plc in 1991, becoming Managing Director of its Racing Division in 1995. In 2000, he became Chief Executive of Ladbrokes Worldwide and joined the board of Hilton Group plc. Following the sale of the Hilton International Hotel Division, Chris served as Chief Executive of Ladbrokes plc until 2010. Chris has also held Non-Executive Director positions at Spirit Pub Company plc (2011 to 2015), Gaming Realms plc (2017 to 2018), served as a Senior Independent Director at Quintain Estates and Development plc (2010 to 2015) and Rank Group plc (2015 to 2021), alongside a number of other plc board positions.



Martin Hellawell
Senior Non-Executive Director

Martin was appointed Non-Executive Director in September 2019 and became Senior Independent Non-Executive Director in March 2021. Martin has significant experience across the capital markets arena with a particular focus on both technology and high growth businesses. Martin is currently Chair of Softcat plc ("Softcat"), a leading provider of IT infrastructure products and services. He joined Softcat in 2006 as Managing Director. During his tenure, Martin guided Softcat through a significant period of growth culminating in its successful IPO in November 2015. Prior to Softcat, Martin worked at Computacenter plc, where he was part of the team that oversaw Computacenter's IPO in 1998. In August 2019, Martin was also appointed Chair of Raspberry Pi Trading Limited and in April 2021, was appointed Chair of musicMagpie plc.



Penny Judd
Non-Executive Director

Penny joined the Team17 Board in 2018 in advance of the successful IPO on AIM and is Chair of Team17's Audit Committee. Penny has over 30 years' experience in Compliance, Regulation, Corporate Finance and Audit. She is also a Non-Executive Director of AIM-listed LendInvest, Alpha Financial Markets Consulting plc and TruFin plc and serves as Senior Independent Director and Chair of the Audit Committee of both latter companies. Penny was, until June 2016, a Managing Director and EMEA Head of Compliance at Nomura International plc, a position she held for three years. Prior to this, Penny worked at UBS Investment Bank for nine years and held the position of Managing Director, EMEA Head of Compliance. Penny also acted as Head of Equity Markets at the London Stock Exchange and qualified as a Chartered Accountant.



Jennifer Lawrence
Non-Executive Director

Jen was appointed Non-Executive Director in February 2019. Jen has a wealth of experience as Executive People Director for Card Factory plc, and is jointly responsible for the successful financial and operational running of the business. With over 8,000 colleagues employed nationwide, Jen is responsible for ensuring the employment base is aligned with delivering the strategic objectives. Jen works closely with the Remuneration Committee Chair at Card Factory on all Remuneration matters and therefore brings first-hand experience to Team17. Prior to joining Card Factory, Jen held senior HR roles with Costcutter, TDX Group, Boots and Boots Opticians. Jen is Chair of Team17's Remuneration Committee.



The Board remains committed to effective and robust corporate governance and continues to analyse and improve its governance procedures and policies.

The Board has agreed to apply the QCA Code and considers itself to be compliant currently. The disclosures required by the QCA Code are made throughout this report as noted in the table below:

QCA Code Principle	Section Covered in the Annual Report
Establish a strategy and business model which promotes long-term value for shareholders	CEO and strategic review on pages 6 to 9 and business model on page 13
Seek to understand and meet shareholder needs and expectations	Corporate Governance Report below on pages 32 to 35
Take into account wider stakeholder and social responsibilities and their implications for long-term success	s172 table outlined below on page 34
Embed effective risk management, considering both opportunities and threats, throughout the organisation	Risks and Uncertainties on pages 28 and 29
Maintain the Board as a well-functioning, balanced team led by the Chair	Board biographies on pages 30 and 31, Corporate Governance Report on pages 32 to 35 and Nomination Committee notes on page 35
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	Biographies are outlined on pages 30 and 31
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	Corporate Governance Report on page 32 to 35
Promote a corporate culture that is based on ethical values and behaviours	Environmental, Social, and Governance ("ESG") reports outlined on pages 16 to 23
Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	Committee reports within the Corporate Governance pages on 32 to 35
Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Outlined in s172 table on page 34

The website disclosures required by the QCA Code can be found at <https://www.team17group.com/aim-rule-26/corporate-governance>. A copy of the QCA Code is available from the QCA website www.theqca.com

The Board

Full biographies of the Directors can be found on pages 30 and 31. At the date of this report, the Board comprises two Executive Directors and four independent Non-Executive Directors, one of which is the Non-Executive Chair and one is a Senior Non-Executive.

- Debbie Bestwick was appointed as a Director under a service contract dated 17 May 2018. This contract may be terminated by 6 months' notice by either party.
- Mark Crawford was appointed as a Director under a service contract dated 20 April 2020. This contract may be terminated by 6 months' notice by either party.
- Chris Bell was appointed as Chair under a letter of appointment dated 1 May 2018. Such appointment may be terminated by 3 months' notice by either party.
- Penny Judd was appointed as a Non-Executive Director under a letter of appointment dated 1 May 2018. Such appointment may be terminated by 3 months' notice by either party.
- Jennifer Lawrence was appointed as a Non-Executive Director under a letter of appointment dated 24 February 2019. Such appointment may be terminated by 3 months' notice by either party.
- Martin Hellawell was appointed as a Non-Executive Director under a letter of appointment dated 2 September 2019. Such appointment may be terminated by 3 months' notice by either party.

The Chair and the CEO have separate and clearly defined roles. The Chair is responsible for overseeing the Board and governance and the CEO is responsible for implementing the stated strategy of the Company and for its operational performance.

The Chair is committed to ensuring that the Board comprises sufficient Non-Executive Directors to establish an independent oversight which is challenging and constructive in its operation. The Board believes that all of the Non-Executive Directors are of sufficient experience and quality to bring an expert and objective dimension to the Board. The Company ensures that the Non-Executive Directors are enabled to call on specialist external advice where necessary.

Directors are expected to attend Board and Committee meetings and to devote enough time to the Company and its business in order to fulfil their duties as Directors.

Board Meetings

The Board meets on a regular basis throughout the calendar year and as required on an ad hoc basis with a mandate to consider strategy, operational and financial performance and internal controls. In advance of each meeting, the Chair sets the agenda, with the assistance of

the Company Secretary. Directors are provided with appropriate and timely information, including Board papers distributed in advance of the meetings. Those papers include reports from the Executive team and other operational heads.

Richard Almond of Almond & Co is the Company Secretary and attends all Board meetings as well as advising on corporate governance matters. The Company Secretary produces full minutes of each meeting, including a log of actions to be taken. The Chair then follows up on each action at the next meeting, or before if appropriate.

Matters Reserved for the Board

Matters reserved for the decision of the Board include:

- approving the Group's strategic aims and objectives;
- reviewing performance against the Group's strategic aims, objectives and business plans;
- overseeing the Group's operations;
- approving changes to the Group's capital, corporate, management or control structures;
- approving results announcements and the Annual Report and financial statements;

- approving the dividend policy;
- approving any significant changes in accounting policies;
- approving the treasury policy;
- approving the Group's risk appetite and principal risk statements;
- reviewing the effectiveness of the Group's risk and control processes;
- approving major capital projects and material contracts or arrangements;
- approving all circulars, prospectuses and admission documents;
- ensuring a satisfactory dialogue with shareholders;
- establishing Board committees and approving their terms of reference;
- approving delegated levels of authority;
- approving changes to the Board and its committees;
- determining the remuneration policy for the Directors and other senior executives;
- providing a robust review of the Group's corporate governance arrangements; and
- approving all Board mandated policies.

▶ Board and Committee Attendance

Director	Position	Board			Committee		
		Max possible attendance	Meetings attended	Nomination	Audit and Risk	Remuneration	Independence
Chris Bell	Non-Executive Chair	8	8	1	2	3	Y
Debbie Bestwick	Group Chief Executive Officer	8	8	1	N/A	N/A	N/A
Mark Crawford	Chief Financial Officer	8	8	N/A	N/A	N/A	N/A
Martin Hellawell	Senior Non-Executive Director	8	7	1	2	3	Y
Penny Judd	Non-Executive Director	8	8	1	2	3	Y
Jennifer Lawrence	Non-Executive Director	8	8	1	2	3	Y

Board Engagement with Stakeholders

In compliance with s172 of the Companies Act 2006, the Board recognises the importance of engagement with its stakeholders and its value to the long-term success of the Group. We have identified our stakeholders as set out below to outline why we consider those groups important, the key focus areas for the Company and highlighted areas in this report where these are covered:

Stakeholder Group	Importance & Engagement	Other References in this Report
Our Team	We put people first as a core part of our business culture because our teams are the heart of our business in every way. We have engaged with our teams in both reward and recognition and an overall engagement survey during 2021 and we are already working to implement improvements as a direct result of the feedback. We welcomed new team members in the second half of the year with the acquisition of StoryToys and also through the new teams acquired with The Label and astragon in January 2022. We are working on integration of the new teams into the overall business whilst ensuring we respect their established cultures.	People first report on pages 16 to 20
Customers	<p>Our direct customers are the growing number of platform providers that enable us to publish our own and third-party titles for digital sales across the globe. We engage in continuous communication at all levels with platform providers in the UK, Asia and America to understand their needs and direction, share our plans and continue to nurture collaborative commercial partnerships.</p> <p>Our commercial team's relationships and understanding of the fast-evolving digital marketplace is critical to ensure that we can position our Games Label titles with the right platforms to maximise exposure and mutual commercial success "to grow together".</p> <p>Our ultimate customers are the gamers that play our games and now cover a wide age range, and we engage with these through community teams that communicate and support gamers in the lead up to launch and then post launch.</p>	Business model page 13
Investors/ Shareholders	<p>The Group has a strong and supportive investor base whose ongoing support is key to continuing our growth trajectory and realising the ambitions of the Company.</p> <p>Throughout the year the Chief Executive and Chief Financial Officer met with shareholders both following the full-year results in March and the half-year results in September. Presentation material was posted on the Company website to share with a wider shareholder base.</p> <p>We review all the feedback from investor interactions which is shared with the Board.</p>	
Suppliers	Relatively small yet important group of partners that we use for localisation, platform conversion and QA. These relationships play a crucial part in ensuring our games are of the highest quality and delivered on time. Our strong and long-term relationships are regularly reviewed to allow for healthy supplier relationships based on openness and trust.	
Third-party Development Partners	<p>These have become a significant part of the Team17 family with long-term relationships across 13 different nationalities across the world. We treat these in the same way we treat our Teamsters, working together to develop amazing games to excite and thrill gamers in all corners of the world.</p> <p>Review of developer links and other key relationships are undertaken at Board level for new partners and ongoing relationships.</p>	Company overview on page 12
Community	<p>As a Group we are now part of communities in four locations: three in the UK and one in Ireland, growing post year end with the acquisitions made in 2022. We are looking to continue to play an active role in each local community that our team live and work in.</p> <p>We are part of the global community with our third-party development partners.</p> <p>We continue to support local communities with charitable donations to organisations within those communities managed by our volunteer Charity Committee.</p>	<p>People first report on pages 16 to 20</p> <p>Company overview on page 12</p>

Committees

The Board has in place Audit, Nomination and Remuneration Committees, which comply with the stated terms of reference for each committee. The reports of the Audit and Remuneration Committees can be found on pages 36 to 42. The Board committees are comprised solely of Non-Executive Directors with the Group CEO and CFO invited to attend committee meetings as considered appropriate by the chair of the committee.

Nomination Committee

The Nomination Committee leads the process for Board appointments and makes recommendations to the Board. The Nomination Committee shall evaluate the balance of skills, experience, independence and knowledge on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. The Nomination Committee meets as and when necessary. The Nomination Committee comprises Debbie Bestwick, Chris Bell, Penny Judd, Jennifer Lawrence, Martin Hellawell and is chaired by Chris Bell. Whilst there were no Board appointments in the financial period, the Nomination Committee continues to consider succession planning and ensure that the Board has the appropriate mix of skills and experience and was specifically involved in the move for Debbie Bestwick to take on the Group CEO role and supported the targeted search for her successor as CEO of Team17 Digital.

Board Evaluation

The Board considers it important to evaluate its performance and at each meeting of the Board includes an agenda item to evaluate whether the meeting was successful. The Board conducts a formal evaluation process of its performance and application in line with the QCA Code recommendations.

Election and Re-election of the Directors

The Board operates a staged retirement by rotation process for existing Directors and therefore Debbie Bestwick and Penny Judd will stand for re-election this year.

Support for Directors

Each Director has access to the advice and support of the Company Secretary, who ensures compliance with the Board's procedures and advice as to applicable rules and regulations. The Company also provides professional training for the Directors where necessary (at the Company's expense).

During the year, the Company NOMAD attended a Board meeting to refresh and review AIM rules.

Internal Control

The Board is ultimately responsible for maintaining the Company's risk framework system of internal control and for reviewing the effectiveness of such system. No system can be perfect, but the Board considers the Company's systems manage risks appropriately in order that the Company can achieve its business objectives.

Corporate Culture

The Board places significant importance on the promotion of ethical values and good behaviour within the Company and takes ultimate responsibility for ensuring that these are promoted and maintained throughout the organisation and that they guide the Company's business objectives and strategy.

The central role that sound ethical values and behaviour plays within the Company is enshrined in the Employee Handbook, which promotes this culture through all aspects of the business, from initial recruitment and hiring to career advancement. The Employee Handbook also sets out the Company's requirements and policies on such matters as whistleblowing, communication and general conduct of employees.

Annual General Meeting

The AGM is currently planned to be held on 29 June 2022 at 1.00pm. The Notice of AGM, setting out the resolutions proposed, is contained in a separate document and is available on the Company's website <https://www.team17group.com>.

Introduction

As the Chair of the Audit Committee, I am pleased to present the report for the year ended 31 December 2021. The Terms of Reference for the Committee were created at Admission and are reviewed annually. The report outlines the work undertaken by the Committee over the past year in fulfilling our responsibilities to provide effective governance over the Group's financial activities.

Members of the Committee

Alongside me as Chair, the members of the Committee continue to be Chris Bell, Martin Hellawell and Jennifer Lawrence. The Committee has a wealth of knowledge from multiple industry sectors and its members also sit on various other Boards for other public Companies, details of which can be seen in the Board profiles on pages 30 and 31. The Committee met twice during the year with all members in attendance and also attended by the Group Chief Executive and Chief Financial Officer by request of the Committee to facilitate discussions of the financial statements and internal controls. The auditors PricewaterhouseCoopers LLP were invited and attended both meetings. Outside the formal audit review meetings, various other meetings were held throughout the year to review accounting policies, updates on acquisition accounting, the finance system and for general updates with the CFO.

Role and Responsibilities of the Committee

The Audit Committee has the primary responsibility of monitoring the quality of internal controls and risk management to ensure that the financial performance of the Group is properly measured and reported on.

In order to ensure it meets its obligations, the Committee's key responsibilities include:

- Monitoring and reviewing the Group's financial statements relating to the performance, reporting judgements and disclosures specifically in relation to the interim and annual reports.

- Ensuring compliance with the relevant accounting standards and reviewing the consistency of the methodology applied.
- Reviewing the internal controls and risk management approach covering key areas including the financial systems, treasury, risk register and disaster recovery plans.
- Overseeing the relationship with the external auditors, reviewing their performance and advising the Board members on the auditors' appointment, independence and remuneration as well as reviewing audit and non-audit services.
- Reviewing and discussing the findings of the audit with the external auditors.
- Ensuring that the Group's approach to whistleblowing and fraud protection are monitored and fit for purpose.

Activities During the Year

The Audit Committee continually assesses whether suitable accounting policies have been adopted and whether appropriate estimates and judgements have been made by management. As part of the audit process, the Committee also reviews accounting papers prepared by management, and reviews reports by the external auditors.

These included ongoing reviews of accounting policies and key judgements for:

- Revenue recognition
- Capitalised development costs and their useful life
- Ongoing review of performance measures and KPIs
- Valuation of goodwill and intangible assets
- Taxation
- Going concern

Alongside the audit activities the Committee oversees the risk processes and reporting within the business and has overseen the implementation of an improved delegated authority system for approving Company spending. In

addition, new financial management controls have been implemented during the year to further reduce fraud risk within the business.

The whistleblowing policy was enhanced towards the end of the year with the introduction of an independent online portal to provide an additional route for all employees within the Group to access.

The Audit Committee has been involved in the review of the acquisitions made during the year and post year end and will continue to ensure that the Group is managing the soft integration of the business entities and that the right governance and controls are in place.

Finance System Upgrade

Work remains on track in terms of progress and project spend on the finance system upgrade, moving to a globally recognised cloud-based ERP solution. Parts of the system are now in place and functioning including sales database, royalty statement solutions and project timesheets. User acceptance testing and final rollout of the system within Team17's Games Label is expected during 2022. The Audit Committee continues to sponsor this project and be engaged in the progress of this key infrastructure project.

Going Concern

Given the continued challenging external market combined with recent acquisitions within the Group impacting financial forecasts, the Audit Committee has reviewed and is satisfied with the detailed going concern analysis made by management including reviews of the reasonable downside scenarios to the Group's cash flow projections.

External Audit

The Audit Committee approves the appointment and remuneration of the Group's external auditors. It is satisfied that no other non-audit work was undertaken by them.

Penny Judd

Chair of the Audit Committee
25 May 2022

Annual Statement from the Chair of the Remuneration Committee

I am pleased to present the report of the Remuneration Committee for the year ended 31 December 2021. This report is divided into four sections: (1) the Directors' Remuneration Policy section which provides the framework for Executive Remuneration; (2) the Annual Report on Remuneration which summarises the work of the Committee and our approach to Directors' remuneration; (3) the Annual Statement which outlines the remuneration outcomes to 31 December 2021; and (4) the proposed operation of the policy for the upcoming year.

This report will be submitted to an advisory shareholder vote at our 2022 AGM.

Jennifer Lawrence
Chair of the Remuneration Committee
25 May 2022

1) Directors' Remuneration Policy

The Committee is focused on setting a remuneration policy to take into account the importance of talent to the success of the Company in an industry where talented and resourceful individuals are in high demand and are relatively mobile.

Team17 Group plc promotes a culture based on sound ethical values as part of the SPIRIT values outlined in the People First section on page 16.

Non-Executive Remuneration

To attract and retain a high-calibre Chair and Non-Executive Directors, fee levels are set as appropriate for the role and responsibility of each Non-Executive Director position with reference to market levels in comparably sized public companies. Our Chair and Non-Executive Directors are paid a base fee plus an additional fee for other board responsibilities performed.

Executive Remuneration

A straightforward Executive remuneration structure is maintained by balancing base salary, pension and benefits (e.g. car allowance and private medical insurance) with a performance-related bonus and LTIP share awards.

Base Salary

The Committee reviews salaries annually, with reference to market levels in comparably sized public companies. Any increases are normally effective from 1 April each year, unless by reason of exception.

Pension & Benefits

Executive Directors will receive a pension contribution of 5% of salary. Other benefits are in line with the policy.

Performance-related Bonus

Annual bonus payments are based on performance against challenging targets which are aligned to the Group's strategic objectives and are designed to deliver shareholder value. Targets are based on the Company's adjusted EBITDA performance and consideration is given to individual performance.

The maximum earning opportunity is 125% and 100% of salary for the Group CEO and CFO respectively, with 50% awarded for on-target performance, and up to a maximum of a further 50% when the Company achieves its stretch performance targets.

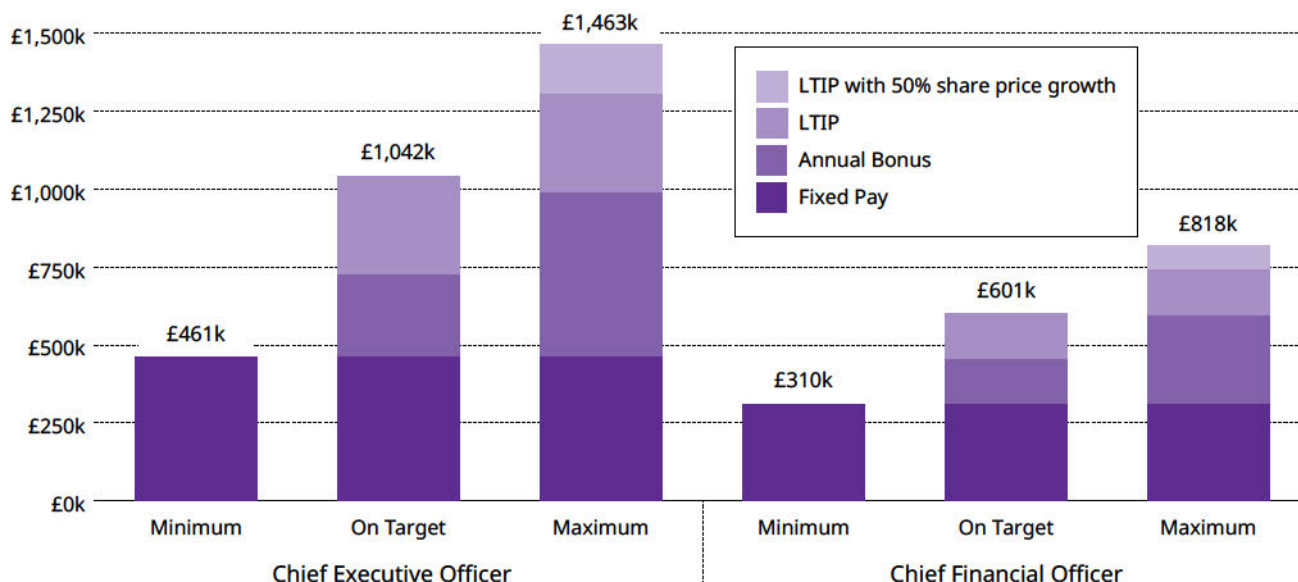
Long Term Incentive Plan ("LTIP")

The Company makes annual awards to Executive participants under the LTIP. Awards are released subject to continued employment and satisfaction of challenging performance conditions measured over three years.

Grant levels will be determined by the Committee each year. There is flexibility for the Committee to use discretion to override a formula-driven outcome and adjust the LTIP outturn. In line with the policy, Malus and Clawback provisions apply for up to two years, and a recovery and withholding mechanism applies in the event of a material misstatement of the Group's accounts and also for other defined reasons. This report will be submitted to an advisory shareholder vote at our 2022 AGM.

Remuneration Scenarios for Executive Directors

The remuneration opportunity provided to the Group CEO and CFO under the Remuneration Policy at different levels of performance for the financial year:



Minimum performance:	Comprising the minimum remuneration receivable (i.e. fixed pay only made up of base salary, pension allowances and an estimate for benefits for the 2022 financial year).
On-target performance:	Comprising fixed pay, annual bonus and LTIP of 50% of the maximum opportunity.
Maximum performance: (excluding and including share price growth)	Comprising fixed pay, an annual bonus of 100% of the maximum opportunity (125% and 100% of salary respectively for the CEO and CFO) and 100% vesting of LTIP awards (150% and 100% of salary for the CEO and CFO respectively). The maximum performance scenario also illustrates potential pay-out under the LTIP with a 50% share price growth.

Consideration of Employment Conditions Elsewhere in the Group

The Committee considers pay and employment conditions across the Company when reviewing the remuneration of the Executive Directors and other senior employees. The Remuneration Policy for the Executive Directors is designed with regard to the policy for the workforce as a whole. The Committee is kept updated throughout the year on general employment conditions and it approves the budget for annual salary increases and bonuses.

Consideration of Shareholder Views

The Company is committed to engagement with shareholders and will seek major shareholders' views in advance of making significant changes to its Remuneration Policy and how it is implemented. The Chair of the Committee will attend the Annual General Meeting to hear the views of shareholders on the Remuneration Policy and to answer any questions in relation to remuneration.

Recruitment

The Company aims to attract and retain a talented and diverse workforce. When setting remuneration packages for new Executive Directors, pay will be set in line with the Remuneration Policy. Several factors will be considered, including: the geography in which the role competes or is recruited from; the candidate's experience and skills; and the remuneration levels of other Executives and colleagues in the business.

In exceptional circumstances there may be a need to buy out unvested awards from a previous employer and this may be done on a like-for-like basis.

The Remuneration Committee is mindful that the Company should avoid paying more than is necessary to recruit the desired candidate.

Service Agreements and Payments for Loss of Office

Non-Executive Directors

The Non-Executive Directors entered into letters of appointment with the Company for an initial term of three years, rolling thereafter unless terminated earlier by either party providing three months' prior written notice.

Executive Directors

The Executive Directors have a service contract requiring 6 months' notice of termination from either party. In the event of termination for cause (e.g. gross misconduct) neither notice nor payment in lieu of notice will be given, and the Executive Director will cease to perform their services immediately.

Treatment of other elements of the policy (including short and long-term incentives), will vary depending on whether a Director is defined as a "good" or "bad" leaver. The Remuneration Committee has the discretion to determine whether an Executive is a good leaver; reasons for good leaver treatment include, but are not limited to, death, ill-health, injury or disability and retirement.

2) Annual Report on Remuneration

This section describes the operation of the Remuneration Policy and activities of the Remuneration Committee, how Executives were paid during the year and the operation of the Remuneration Policy for the upcoming year.

Committee Membership and Role of the Committee

The Terms of Reference for the Committee were created at Admission and are reviewed annually. The Remuneration Committee comprises the four Non-Executive Directors, all of whom are considered by the Board to be independent.

The current members of the Committee are as follows:

- Jennifer Lawrence (Chair)
- Chris Bell
- Penny Judd
- Martin Hellawell

The Committee met three times over the year as outlined on page 33. The primary role of the Committee is to review and set the remuneration of the Executive Directors and senior management.

Key responsibilities include:

1. Setting and monitoring the remuneration of the Executive Directors and Senior Management Team which includes salary, annual performance-related bonus and any LTIP arrangements;
2. Approval of the Team17 overall annual performance-related bonus payments and annual salary review; and
3. Approval of all share award plans and subsequent issue of share awards to staff.

Key Activities During the Year

As part of the IPO process, Debbie Bestwick was granted an Initial LTIP Award in 2018, full details of which were covered in the 31 December 2020 annual report.

The Committee reviewed the remuneration package for the CFO during the year and approved an increase in base salary to £300,000.

External Advisers

The Remuneration Committee has received independent advice from Korn Ferry and Gallagher.

3) Annual Statement (Unaudited Information)

Directors' Remuneration for the Year Ended 31 December 2021

The following table sets out the total remuneration for Executive and Non-Executive Directors for 2021, showing 2020 remuneration for comparison.

All figures shown in £'000		Salary and fees	Benefits ¹	Pension	Annual bonus	LTIP ²	Total fixed pay	Total variable pay	Total remuneration
Debbie Bestwick	2021	382	20	19	238	-	421	238	659
	2020	327	1	16	327	7,308	344	7,635	7,979
Mark Crawford ³	2021	200	12	10	100	-	222	100	322
	2020	147	7	7	147	-	161	147	308
Chris Bell	2021	100	-	-	-	-	100	-	100
	2020	100	-	-	-	-	100	-	100
Penny Judd	2021	55	-	-	-	-	55	-	55
	2020	55	-	-	-	-	55	-	55
Jennifer Lawrence	2021	55	-	-	-	-	55	-	55
	2020	55	-	-	-	-	47	-	47
Martin Hellawell ⁴	2021	52	-	-	-	-	52	-	52
	2020	45	-	-	-	-	15	-	15

1. Benefits total represents the taxable value of benefits paid. Taxable benefits provided to Executive Directors include private health cover and car allowance.

2. The LTIP figure represents the vested amount for the performance period ending 31 December 2021, based on the average share price over the final three months of the year.

3. Mark Crawford was appointed 20 April 2020.

4. Martin Hellawell was appointed Senior Independent Director in April 2021.

Basis for Annual Bonus Payments

Targets are based on the Company's adjusted EBITDA performance, and consideration is given to individual performance. The maximum annual bonus opportunity was 125% of salary for the Group CEO, and 100% of salary for the CFO, with 50% of salary awarded for on-target performance.

Performance during the year resulted in the Group CEO and CFO being awarded a bonus of 50% of the maximum opportunity, which was at the discretion of the Board when taking into consideration the successful delivery of stretching M&A objectives despite operating in an exceptionally challenging market.

Directors' Participation in the LTIP

Details of the numbers of shares held by the Executive Directors under the LTIP are set out in the table below.

Director	Date of grant	Awards held on 1 January 2021	Awards made during year	Awards vested during year	Awards lapsed/forfeited during year	Awards held on 31 December 2021	End of performance period	Exercise period
Debbie Bestwick	23 May 2018	972,727	-	972,727	-	972,727	31 Dec 2020	10 years from vesting
Debbie Bestwick	8 July 2018	-	150,943	-	-	150,943	31 Dec 2023	10 years from vesting
Mark Crawford	10 Sept 2020	20,057	-	-	-	20,057	31 Dec 2022	10 years from vesting
Mark Crawford	8 July 2021	-	25,157	-	-	25,157	31 Dec 2023	10 years from vesting

Directors' Interests and Executive Directors' Shareholding Requirements

During employment, Executive Directors are encouraged to build and maintain a shareholding equivalent to 200% of base salary for the CEO, and 150% of base salary for the CFO, accumulated over a period of 3-5 years through personal investment and retained vested LTIP shares.

The table below summarises Directors' current shareholding, including shares subject to a deferral or holding period and performance conditions, and whether or not the shareholding requirement has been met.

Director	Beneficially owned at 31 December 2020	Beneficially owned at 31 December 2021	Interests in LTIP awards (subject to performance conditions)	Shareholding at 31 December 2021 as a % of base salary
Executive Directors				
Debbie Bestwick	29,154,162	29,154,162	1,123,670	>200%
Mark Crawford	6,791	11,434	45,214	45%
Non-Executive Directors				
Chris Bell	90,909	90,909	None	n/a
Penny Judd	24,242	24,242	None	n/a
Jennifer Lawrence	1,864	1,864	None	n/a
Martin Hellowell	-	10,000	None	n/a

4) Implementation of Policy in 2022

There are changes proposed to the Directors' Remuneration Policy in 2022 following the strategic review of our Remuneration Policy.

Base Salary

The Committee reviewed the base salary for the CFO, whose salary has remained unchanged since his appointment in April 2020.

Recognising the CFO's solid performance and achievements, and the valuable experience gained during his time with the Company, it was acknowledged that the base salary set in April 2020 does not adequately reflect the additional responsibilities assumed by the CFO in the past two years and the increasingly competitive labour market we now face. The Committee therefore determined that the salary should be increased from £200,000 to £300,000, effective 1 March 2022.

The base salary for the Group CEO will receive an inflationary increase of 6% to £424,000, effective 1 March 2022, which is aligned to the approach taken for the Group's UK-based employees. It is acknowledged that this salary remains at the lower end of the market range, and the Committee may look to review this later in the year.

Annual Bonus

The annual bonus will be based on a range of stretching Adjusted EBITDA targets, subject to a cap of 125% and 100% of base salary for the Group CEO and CFO respectively, payable in cash. Consideration will be given to individual performance.

Executive Director LTIP

The award level for 2022 will be equivalent to 150% and 100% of base salary for the Group CEO and CFO respectively (based on the share price at the date of grant).

Awards are released subject to continued employment and satisfaction of challenging performance conditions measured over three years.

The 2022 annual LTIP award will be based on a stretching range of Adjusted EPS performance measured over the three years to 31 December 2024. 25% of the award is payable for threshold performance at a CAGR of 5%, with full vesting at a CAGR of 17%. This range reflects the ambitious growth strategy and will require a continued and significant improvement in our profitability.

Non-Executive Director Remuneration

Following a review by the Board, the annual base fees payable to the Non-Executive Directors have been increased by 9%, taking into account that no increase has been awarded since the formation of the Board, and with consideration for inflation to rates. A summary of the fees is shown below, with increases effective 1 March 2022, which is aligned to the approach taken for the Group's UK-based employees.

Non-Executive Director	Fee at 31 December 2021	Fee with effect from 1 March 2022	% increase
Chairperson	100,000	109,000	9
Non-Executive Director base fee	45,000	49,100	9
Senior Independent Director	10,000	10,900	9
Committee Chairperson fee	10,000	10,900	9

Signed for and on behalf of the Board by

Jennifer Lawrence

Chair of the
Remuneration Committee
25 May 2022

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the audited financial statements of Team17 Group plc (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2021.

Principal Activity

The principal activity of the Company is that of a holding company.

The principal activity of the Group (the Company and its subsidiaries) is the development and publishing of independent ("indie") premium video games for the digital and physical market, developer of educational entertainment apps for children and a leading working simulation games developer and publisher.

Future Developments

Trading for the period from 31 December 2021 to the date of this document has been positive including the recently acquired IP and businesses and is consistent with the Board's expectations, and profitability and cash generation remain encouraging.

The Group has new title releases planned during the course of 2022 across the wider businesses, and through its Greenlight process the Group continues to review and sign new titles to its Games Label, in addition to maximising the revenue opportunity provided by its substantial and now wider back catalogue.

Following the *Golf With Your Friends* and *Hell Let Loose* IP and the StoryToys, The Label and astragon business acquisitions in 2021 and early 2022, successful targeted M&A activity underlines part of the Company's strategy to make value enhancing acquisitions that will support the growth ambitions alongside organic growth and the Board expects this to be an ongoing part of the growth strategy.

Results and Dividends

The profit for the year, after taxation, amounted to £23.7m (year ended 31 December 2020: £21.9m).

The Directors have not recommended the payment of a dividend (2020: £Nil).

Directors

The Directors who served the Company during the year and up to the date of signing the financial statements were:

Chris Bell
Debbie Bestwick
Mark Crawford
Martin Hellowell
Penny Judd
Jennifer Lawrence

Full details of the Board members' profiles can be found on pages 30 and 31.

Going Concern

Management has produced a Group forecast that has also been sensitised to reflect a severe but plausible downside scenario, which has been reviewed by the Directors. This demonstrates the Group is forecast to generate profits and cash in the year ending 31 December 2022 and beyond and that the Group has sufficient cash reserves to enable the Group to meet its obligations as they fall due for a period of at least 12 months from the release of these results.

As such, the Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis for preparing these financial statements.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Risk Management

See Principal Risks and Uncertainties on pages 28 and 29.

Section 172 Statement

Compliance with s172 of the Companies Act 2006 is detailed on page 34.

Directors' Confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Significant Shareholdings

At 31 December 2021, the Company had been notified in accordance with the Disclosure Guidance and Transparency Rules, of the following interests holding 3% or more of the issued share capital in Team17 Group plc.

Shareholder	No. Ordinary Shares held	% of issued
Ms Debbie Bestwick (UK)	29,154,162	22.18
Aberdeen Standard Investments (Standard Life) (Edinburgh)	11,109,472	8.45
BlackRock Investment Mgt (London)	6,449,692	4.91
Janus Henderson Investors (London)	5,570,935	4.24
Berenberg Bank (London)	5,213,244	3.97
JPMorgan Asset Mgt (London)	4,902,758	3.73
Sanford Deland Asset Mgt (Manchester)	4,525,000	3.44
FIL Investment International (London)	4,459,688	3.39

Source: Orient Capital Shareholder register 31 December 2021.

Corporate Responsibility in Employment

Team17 now operates in three locations in the UK and with third-party development partners from around the world and seeks to be socially responsible and maintain a positive impact on the communities it operates in. We have invested in our working environments, most notably the new office in Wakefield towards the end of 2019 in order to provide the best possible place to work and grow with access to the highest standards in facilities and technology.

As a growing business we have invested in our employees both to identify and recruit new talent and also to develop and retain. This continued focus to build our teams alongside training, development and wellbeing is at the heart of our people strategy, more detail can be found in the People section on pages 16 to 20. We have a diverse team and do not tolerate discrimination of any kind.

Our team members play a fundamental role to shape our corporate responsibility culture through voluntary teams looking at employee engagement, charitable donations and environmental/sustainability targets and activities. More details are outlined on pages 21 to 23.

Website

The Directors are responsible for ensuring the Annual Report and financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Group and Company financial statements on pages 53 to 96 were approved by the Board of Directors on 25 May 2022 and signed on its behalf by:

Debbie Bestwick MBE
Group Chief Executive Officer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEAM17 GROUP PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion:

- Team17 Group plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2021 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2021; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income; the Consolidated Statement of Cash Flows; the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the consolidated and company financial statements, which include a description of the significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our Audit Approach

Overview

Audit Scope

- We conducted a full scope audit over two components within the Group. In addition, we performed procedures on specific balances on two non financially significant components. The audited components accounted for 100% of consolidated revenue.

Key Audit Matters

- Valuation and occurrence of capitalised development costs (Group)
- Calculation of the consideration and the valuation of the intangible assets acquired in StoryToys (Group)
- Acquisition of *Golf With Your Friends* intellectual property (Group)
- Licence revenue recognition (Group)
- Impairment of investments in subsidiaries (Parent)

Materiality

- Overall group materiality: £1,250,000 (2020: £900,000) based on 5% of 3 year average profit before tax.
- Overall company materiality: £2,094,000 (2020: £2,016,000) based on 1% of total assets.
- Performance materiality: £937,500 (2020: £672,000) (Group) and £1,570,500 (2020: £1,512,000) (Company).

The Scope of Our Audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Impairment of investments in subsidiaries is a new key audit matter this year related to the Company only. Calculation of the consideration and the valuation of the intangible assets acquired in StoryToys, acquisition of Golf With Your Friends intellectual property and Licence revenue recognition are new key audit matters this year for the Group. Impact of Covid-19 (group and parent), which was a key audit matter last year, is no longer included because of the ability of the Group to continue to generate profits and operate normally during the Covid-19 pandemic. Otherwise, the key audit matters below are consistent with last year.

Key audit matter

How our audit addressed the key audit matter

Valuation and Occurrence of capitalised development costs (Group)

During the year, the Group has capitalised £9.3m (2020: £7.5m) of development costs in relation to various projects.

The capitalisation of development costs policy has been refined with the costs incurred between the early access and full release of games now being capitalised where they meet the criteria to be capitalised. In addition, the amortisation policy has been revised to ensure that the rate and period of amortisation applied is in line with the consumption of benefits. Both of these revisions reflect the evolution of the business and have been applied prospectively from 1 January 2021. Refer to the accounting policies (pages 59-60) and note 12 of the consolidated financial statements (page 73).

There is a risk that the costs capitalised do not meet the criteria for capitalisation in accordance with IAS 38. Judgement is required to establish the point at which capitalisation should commence, the nature of costs to be capitalised and the point at which amortisation should commence.

There is also a risk that capitalised development costs are incorrectly valued on the closing balance sheet. This could be due to the carrying value of capitalised costs not being supported by the future cash inflows generated from product sales or the capitalised costs have been allocated against the incorrect game. The closing net book value of development costs as at 31 December 2021 was £9.8m (2020: £6.3m).

There is also judgement around the useful economic life of a game and whether the amortisation period is appropriate. Generally, the Group applies the reducing balance method for amortisation over two years for their games portfolio as it is considered to match the timing of economic consumption of the benefits of the assets.

Our audit procedures included the following:

- We have assessed the reasonableness of management's refinement to the capitalisation policy and the revision to the amortisation policy and challenged whether the policy was appropriate;
- We have performed walkthrough procedures to understand the process and key controls regarding the capitalisation of development costs;
- We have tested on a sample basis whether the costs relate to a technologically feasible project, assessed the future economic benefit to be generated by the product and associated cashflows and the useful economic life assigned;
- We agreed a sample of capitalised product development costs to source documentation, including invoices and timesheets, and determined that they had been allocated to the correct project, and are appropriate to capitalise;
- We have performed detailed testing of the impairment judgements taken by management and concur that the games involved have either been discontinued (and are therefore clearly impaired) or are not generating the level of return to support the full carrying value; and
- We have verified the mathematical accuracy of management's amortisation calculation.

Based on the procedures performed, we noted no material issues from our work.

Key audit matter

Calculation of the consideration and the valuation of the intangible assets acquired in StoryToys (Group)

Team17 acquired 100% of the shares of TouchPress Inc. on 2 July 2021. TouchPress Inc. owns 100% of the share capital of TouchPress Ireland Limited (together, "StoryToys").

The acquisition consideration consisted of the initial cash payment of £19.2m (\$26.5m), with a further maximum £16.3m (\$22.5m) payable in cash on delivery of certain targets being met within three years following completion of the acquisition. The initial cash payment of £19.2m consists of £16.9m consideration and £2.3m to settle pre-acquisition liabilities. £6.0m of the contingent payments have been recognised as deferred consideration.

As a result of this acquisition, the Group recorded intangible assets, consisting of Brands of £0.8m and Acquired Apps of £6.2m and Goodwill of £19.4m respectively as stated in note 12. For the acquisition accounting, following IFRS 3 Business Combinations, management has made significant judgements around the acquisition consideration and the valuation model to determine the fair value of the identifiable intangible assets.

Refer to the accounting policies (page 59) and note 13 of the consolidated financial statements (pages 74-75).

We identified a significant risk relating to the fair value of the consideration and the fair value of the intangible assets arising on the acquisition of StoryToys.

Acquisition of Golf With Your Friends intellectual property (Group)

Team17 acquired the rights to the IP for Golf With Your Friends on 4 January 2021. The total consideration was £12m which was split between £9m cash consideration paid at the date of the acquisition and deferred consideration of £3m which was paid in December 2021.

Management has recognised the IP as an Intangible Asset under the Brand category and determined that the useful economic life ("UEL") of the brand is 10 years.

The carrying value of the Golf With Your Friends brand at the year end date was £11.8m.

The Group's accounting policy on brands is shown in note 2 of the consolidated financial statements (page 59) and related disclosures are included in note 12 (pages 73-74).

How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained relevant purchase documents to assess whether management had accounted for the acquisition appropriately and to understand the different elements of the purchase consideration and agreed the basis of calculation;
- Engaged our internal valuations specialists to assist the audit team to assess the valuation methodology and the reasonableness of the underlying assumptions used in the management's valuation models performed by management's external expert;
- Challenged the identification of intangible assets by obtaining the acquisition agreement and assessed management's identification of intangible assets;
- Challenged management's judgement over the different components to the acquisition consideration, including the fair value of the contingent consideration, being appropriately allocated as either consideration, pre or post acquisition expense; and
- Read the disclosure in the financial statements to ensure that it is complete and accurate.

As a result of these procedures, we concluded that the valuation of the intangible assets acquired in StoryToys are free from material misstatement.

Our audit procedures included the following:

- We have obtained and reviewed the acquisition agreements to validate the nature of the acquisition and the composition of intangibles;
- We have obtained copies of the bank statements to corroborate the actual amounts paid;
- We have challenged the 10 year useful economic life to ensure this is appropriate for an amortisation period; and
- We have also obtained management forecasts which highlight the plans for the games that will sit under the brand for the next 10 years.

Based on the procedures performed, we noted no material issues from our work.

Licence revenue recognition (Group)

We considered licence revenue recognition as a key audit matter given the level of complexity and judgement involved in understanding the revenue and how key terms and conditions in the Group's revenue contracts may impact the recognition of revenues. Under IFRS 15, Revenue from Contracts with Customers, recognising revenue when (or as) the entity satisfies a performance obligation requires judgement as to whether revenue should be recognised at a point in time or over time.

Management assesses each licence contract at inception to determine the appropriate basis to recognise revenue, in particular whether the contract provides the customer with a "right to access" or "right to use" under IFRS 15. Contracts are also assessed to identify whether or not they contain multiple performance obligations. These determinations can involve management exercising significant judgement, which can have a material impact on revenue. Revenues are then recognised in line with the performance obligations being satisfied.

The Group's accounting policy on licence revenue recognition is shown in note 2 of the consolidated financial statements (page 61), and related disclosures are included in note 5 (page 68).

Impairment of investments in subsidiaries (Parent)

As described in note 7 (pages 93-94) to the Company financial statements, the investments in subsidiaries is £179.5m (2020: £156.5m).

Investments are assessed for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Company Statement of Comprehensive Income.

As at 31 December 2021, the carrying value of the investment in each directly owned subsidiary is supported by the respective subsidiaries' underlying net assets indicating no potential impairment. As no other impairment indicators were identified as of the balance sheet date management has concluded that the investment in subsidiary balance was fully recoverable and no impairment was required as of 31 December 2021.

How We Tailored the Audit Scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group has a central finance function covering six legal entities which are included in the consolidated Group financial statements. We identified two entities, including the parent company, which, in our view, required an audit of their complete financial information, either due to their size or their risk characteristics.

During the year, Team17 acquired TouchPress Inc. and its subsidiary TouchPress Ireland (thereon referred to as "StoryToys"). These entities have a finance function in Dublin, Ireland and report into the central finance function.

Our audit procedures included the following:

- Performed an assessment of design effectiveness of controls through walkthroughs of systems and controls in place around the recording of licence revenue;
- On a sample basis, we selected revenues related to licence contracts from a full revenue listing and tested the timing and accuracy of amounts recognised by performing the following:
 - Confirmed a valid contract existed with the customer by reference to evidence such as written agreements, and read the contract terms to ensure that these supported the basis of revenue recognition;
 - Challenged whether the identification of the relevant performance obligations within the contract by management is appropriate;
 - Determined whether the transaction price had been appropriately allocated to the relevant performance obligations based upon the contractual terms of the associated contract;
 - Challenged management's key judgement as to whether the performance obligations had been met and the recognition appropriate; and
 - Checked the mathematical accuracy of calculations.

Based on the procedures performed, we noted no material issues from our work.

Our procedures included the following:

- We have considered the net assets of the respective subsidiaries as at 31 December 2021 and note the net assets exceed the carrying value of investment.
- In addition to assessing the net assets, we have considered other internal and external factors, such as the market capitalisation of the Company and the underlying performance of the Group and each of its subsidiaries during the period, and no impairment triggers have been identified.

Based on the procedures performed, we noted no material issues from our work.

We performed certain audit procedures over specific financial statement line items across two non-significant components gaining further audit coverage over certain balances in the consolidated financial statements.

The following financial statement line items of StoryToys where audit procedures were undertaken: Revenue, Cost of Sales and Operating Expenses, Intangible Assets, Right of Use (ROU) Assets and Lease Liabilities, Accounts Receivables, Accruals and Deferred Income, Prepayments; and Cash and Cash Equivalents.

The Group engagement team performed the audit procedures for the whole Group as described above giving us the evidence we needed for our opinion on the group financial statements as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
Overall materiality	£1,250,000 (2020: £900,000).	£2,094,000 (2020: £2,016,000).
How we determined it	5% of 3 year average profit before tax	1% of total assets
Rationale for benchmark applied	The key objective of the Group is to deliver underlying profitable growth to increase long-term shareholder value. As a result of the strong growth achieved, we believe a three-year average of profit before tax is an appropriate benchmark to use in assessing materiality.	The Company is a non-trading holding company. The entity's assets relate solely to their ownership of the subsidiary trading companies and thus reflect the Company's purpose.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £500,000 and £1,125,000 (with £1,125,000 being used for the Company for the purpose of the group audit). Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £937,500 (2020: £672,000) for the group financial statements and £1,570,500 (2020: £1,512,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £62,500 (group audit) (2020: £44,000) and £56,250 (company audit) (2020: £40,350) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions Relating to Going Concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management forecasts for the period to June 2023 and evaluating management's severe but plausible downside scenario. We have tested the mathematical accuracy of the forecasts and challenged the underlying assumptions in the forecasts, in particular relating to revenue and expenses and including the impact of post year end acquisitions on future cashflows (note 28). We have performed our own sensitivity analysis on the forecasts.
- Assessing the composition of revenue and costs within the forecasts to evidence that they were prepared on an appropriate basis.
- Evaluating the level of forecast liquidity and management's assessment that there would be a sufficient level of working capital for the foreseeable future.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the Financial Statements and the Audit

Responsibilities of the Directors for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the AIM Rules and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to overstatement of revenue and profits. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessment of the annual report, including the financial statements, for compliance with AIM rules and the Companies Act;
- Evaluated compliance with tax laws and regulations during the year through our testing of tax balances, including Video Games Tax Relief;
- Understanding and evaluating management's processes and controls designed to prevent and detect irregularities and non-compliance with laws and regulation and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Challenging assumptions made by management in the selection and application of significant accounting judgements and estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations and the consolidation journals.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this Report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other Required Reporting

Companies Act 2006 Exception Reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andy Ward (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
25 May 2022

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Revenue	5	90,509	82,969
Cost of sales		(44,989)	(43,823)
Gross profit		45,520	39,146
Administrative expenses		(16,277)	(12,979)
Operating profit	6	29,243	26,167
Finance income	8	10	112
Finance costs	8	(144)	(43)
Profit before tax		29,109	26,236
Taxation	9	(5,370)	(4,292)
Profit for the year		23,739	21,944
Earnings per share			
- Basic (pence)	11	18.3	17.0
- Diluted (pence)	11	18.2	16.8

All amounts relate to continuing operations.

The notes on pages 58 to 86 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Profit for the year	23,739	21,944
<i>Items which might be potentially reclassified to profit or loss:</i>		
Exchange difference on translation of foreign operations	(100)	-
Total other comprehensive income	(100)	-
Total comprehensive income for the year	23,639	21,944

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

COMPANY REGISTRATION NUMBER: 11205116

	Note	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Assets			
Non-current assets			
Intangible fixed assets	12	81,308	42,921
Property, plant and equipment	14	1,446	1,353
Right-of-use assets	15	2,189	1,378
Deferred tax asset	20	561	-
Total non-current assets		85,504	45,652
Current assets			
Trade and other receivables	16	17,825	16,430
Tax receivables		-	670
Cash and cash equivalents	17	55,302	61,470
Total current assets		73,127	78,570
Total assets		158,631	124,222
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	21	1,315	1,315
Share premium	21	44,084	44,084
Merger reserve	21	(153,822)	(153,822)
Currency translation reserve	21	(100)	-
Other reserves	21	159,296	159,296
Retained earnings	21	76,863	52,476
Total equity		127,636	103,349
Non-current liabilities			
Lease liabilities	19	2,042	1,320
Provisions		109	76
Deferred tax liabilities	20	3,550	2,126
Total non-current liabilities		5,701	3,522
Current liabilities			
Trade and other payables	18	24,315	17,206
Tax payables		678	-
Lease liabilities	19	301	145
Total current liabilities		25,294	17,351
Total liabilities		30,995	20,873
Total equity and liabilities		158,631	124,222

The financial statements on pages 53 to 86 were approved by the Board of Directors and authorised for issue on 25 May 2022, and were signed on its behalf by:

Debbie Bestwick MBE
Group Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

Equity attributable to shareholders of the Group

	Note	Share capital £'000	Share premium account £'000	Merger reserve £'000	Currency translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2020		1,313	44,084	(153,822)	-	158,864	29,710	80,149
Profit and total comprehensive income for the period		-	-	-	-	-	21,944	21,944
Transactions with owners								
Issue of shares on exercise of options		1	-	-	-	-	-	1
Issue of shares on acquisition of subsidiary		1	-	-	-	432	-	433
Share based compensation	22	-	-	-	-	-	822	822
Total transactions with owners		2	-	-	-	432	822	1,256
At 31 December 2020		1,315	44,084	(153,822)	-	159,296	52,476	103,349
Profit for the year		-	-	-	-	-	23,739	23,739
Other comprehensive expense for the year		-	-	-	(100)	-	-	(100)
Transactions with owners								
Share based compensation	22	-	-	-	-	-	648	648
Total transactions with owners		-	-	-	-	-	648	648
At 31 December 2021		1,315	44,084	(153,822)	(100)	159,296	76,863	127,636

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Cash generated from operations	23	35,081	35,415
Tax paid		(4,091)	(7,125)
Net cash inflow from operations		30,990	28,290
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)		(15,093)	(814)
Purchase of IP		(12,000)	-
Purchase of other intangibles		(107)	-
Purchase of property, plant and equipment	14	(573)	(338)
Sale of property, plant and equipment		-	43
Capitalisation of development costs	12	(9,257)	(7,512)
Interest received	8	10	112
Net cash outflow from investing activities		(37,020)	(8,509)
Cash flows from financing activities			
Interest paid	8	(144)	(43)
Repayment of lease liabilities		(264)	(121)
Net cash outflow from financing activities		(408)	(164)
Net (decrease)/increase in cash and cash equivalents		(6,438)	19,617
Cash and cash equivalents at beginning of year		61,470	41,853
Effect of exchange rates on cash and cash equivalents		270	-
Cash and cash equivalents at end of year	17	55,302	61,470

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. General Information

The principal activity of Team17 Group plc (the "Company") is that of a holding company and the principal activity of the Company and its subsidiaries (together, the "Group") is the development and publishing of independent ("indie") premium video games for the digital and physical market and development of educational entertainment apps for children. The Company is a public company limited by shares and incorporated and domiciled in the United Kingdom. The address of its registered office is 3 Red Hall Avenue, Paragon Business Park, Wakefield, WF1 2UL. The registered number of the Company is 11205116.

2. Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared and approved by the Directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

The consolidated financial information has been prepared on a going concern basis, under the historical cost convention, presented in sterling and has been rounded to the nearest thousand (£'000). The principal accounting policies adopted are set out below.

New and Amended Standards Adopted by the Group

There were no new standards applied for the reporting period commencing 1 January 2021.

Revisions in Accounting Policies and Estimates

During the year the Group has reviewed the development costs capitalisation policy and the related amortisation profile. The growth of titles being released into early access and the continued provision of titles to new platforms under license deals has led to a change in the amortisation profile and a revision to the capitalisation policy. Further details about these revisions can be found on pages 59 and 60.

Going Concern

Management has produced a Group forecast that has also been sensitised to reflect a severe but plausible downside scenario, which has been reviewed by the Directors. This demonstrates the Group is forecast to generate profits and cash in the year ending 31 December 2022 and beyond and that the Group has sufficient cash reserves to enable the Group to meet its obligations as they fall due for a period of at least 12 months from the signing of these financial statements.

As such, the Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis for preparing these financial statements.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its return. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of loss of control, as applicable.

Team17 Group plc has provided a guarantee under section 479A of the Companies Act 2006 to Yippee Entertainment Limited for the Company to take the exemption from audit.

Business Combinations and Goodwill

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Statement of Comprehensive Income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment every six months using a discounted cash flow method applied to business forecasts. If this review demonstrates that impairment has occurred, this is expensed to the income statement. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing, with the allocation being made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Intangible Assets Acquired in a Business Combination

The cost of such intangible assets is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An asset is only recognised if the following conditions are met:

- it meets the definition of an intangible asset under IAS 38 "Intangible Assets";
- the asset is separable or arises from contractual or legal rights;
- sufficient information exists to measure reliably the fair value of the asset.

Internally Generated Intangible Assets

Intangible assets are measured on initial recognition at cost. Intangible assets are measured on initial recognition at cost. Development costs are the only identified category of internally generated intangible assets that meet criteria for capitalisation under IAS 38 Intangible Assets. Costs that do not meet the criteria are recognised in the Statement of Comprehensive Income when they are incurred.

Brands

Where an acquisition of IP does not fall under the scope of IFRS 3 "Business Combinations", it is accounted for under IAS 38 "Intangible Assets". The cost of such intangible assets is the purchase price plus any directly attributable cost of preparing the asset for its intended use. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An asset is only recognised if the following conditions are met:

- it meets the definition of an intangible asset under IAS 38 "Intangible Assets";
- the asset is separable or arises from contractual or legal rights;
- sufficient information exists to measure reliably the fair value of the asset.

Development Costs

These are internally generated intangible assets arising from the Group's development activities and are recognised only if all of the following conditions are met:

- it meets the definition of an intangible asset under IAS 38 "Intangible Assets";
- completion of the intangible asset is technically feasible so that it will be available to generate economic benefits;
- the Group intends to complete the intangible asset and has the ability to generate probable future economic benefits that will flow to the Group;
- the expenditure attributable to the intangible asset during its development can be measured reliably; and
- the Group has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

As part of the review of development costs undertaken during the year, the capitalisation policy was refined with the costs incurred between the early access and full release games now being capitalised if they meet the criteria to be capitalised. This has been applied since 1 January 2021. See note 12 for further details of the impact.

2. Significant Accounting Policies continued

Development Costs continued

The policy is expanded to capitalise spend on titles between early access and full release. Where development costs incurred do not meet the recognition criteria set out, expenditure is recognised as an expense in cost of sales in the period in which it is incurred.

Disposal of Development Costs

Development costs on third-party games are disposed of at the date that Team17 ceases to generate revenue from the games.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite and at the year end date no intangible assets are accorded an indefinite life other than goodwill.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Amortisation on Development Costs

Amortisation of development costs commences upon completion of the asset. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement in cost of sales for development costs.

As part of the current year review, an adjustment to the amortisation policy was made to ensure that the rate and period of amortisation applied is in line with the consumption of benefits. As per the stages of development identified above, the following amortisation policies are applied:

Stages of development	Start of amortisation	End of amortisation	Amortisation policy	Previous policy
Development costs until release into early access	Early access release date	Earlier of 2 years (as per policy) or full release date ¹	Over 2 years Month 1 – 30% Month 2-12 – 40% Month 13-24 – 30%	85% reducing balance over 2 years
Development costs between early access and full release	Full release date	2 years (as per policy)	Over 2 years Month 1 – 30% Month 2-12 – 40% Month 13-24 – 30%	Not previously capitalised
Console porting	Launch on platform	2 years (as per policy)	Over 2 years Month 1 – 30% Month 2-12 – 40% Month 13-24 – 30%	85% reducing balance over 2 years
License contract costs	Launch on platform	Launch on platform	Fully released at launch	Fully released at launch

¹ At the point of full release of a title, any unamortised balance of development costs incurred prior to early access release are combined with the development costs incurred between early access and full release, making a single asset.

The revision to the amortisation policy has been treated as a revision in accounting estimate and therefore the adjustment has been included in the current year results and not retrospectively adjusted. The revised amortisation profile reduced the amortisation by £702,000 for the year ended 31 December 2021.

Amortisation on Brands

The useful economic life of a brand asset is assessed at the point of acquisition based on forecasted benefits and then reassessed each year for any changes to this life. Amortisation commences at the point of acquisition and is recognised in the Statement of Comprehensive Income in administrative expenses for brand assets. Amortisation is calculated over the estimated useful life of the brands which ranges from 10 to 20 years straight-line.

Impairment of Non-financial Assets

The Group assesses at least every year whether there is an indication that an asset may be impaired. If any indication exists, or when impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognised in the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Comprehensive Income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Trade and Other Receivables

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Revenue Recognition

Revenue includes income from the release of full games and early access versions of self-published games. The Group designs, produces and sells video games based on its own and third-party intellectual property to digital and physical distributors, who 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 who have a license to sell the Group's games to consumers. Revenue is recognised at the point at which the distributor sells the content to the consumer. The transaction price is the amount the Group is entitled to in accordance with the contractual arrangement with the third party.

The Group also receives revenue where the Group agrees to make a game available to a third-party platform for their customers to download for an agreed period of time for a fixed fee and with minimal future performance obligations required by the Group. These contracts are determined as right to use contracts in accordance with IFRS 15 and the fixed fee is recognised on the date the game is first made available on the third-party platform. Any additional revenue earned based on volume of sales in these contracts are recognised as usage-based royalties when usage occurs. If any contract includes a break clause then the revenue recognised excludes the amount that would be foregone if the break clause was exercised. The remaining revenue is recognised once the break clause has expired.

2. Significant Accounting Policies continued

IFRS 16 "Leases"

A lease liability reflecting future lease payments and a right-of-use asset for lease contracts are recognised at the lease commencement date. The value of the assets and liabilities recognised is calculated from the total of the future lease payments discounted for the incremental borrowing rate at the date of application. Interest on the lease liability is calculated on a monthly basis and recognised in the Statement of Comprehensive Income. The right-of-use assets created are depreciated over the length of the lease and the depreciation is included in the Statement of Comprehensive Income. Lease incentives affect the total of the future lease payments and therefore are included within the right-of-use assets and lease liabilities recognised at the commencement date.

The incremental borrowing rate is decided on through discussion with our bankers and comparison to other businesses in the industry.

Right-of-use assets

Right-of-use assets are recognised where the Group is a lessee. The amount recognised as an addition is the total of the future lease payments discounted for the incremental borrowing rate at the date of application. Depreciation is calculated on a straight-line basis over the length of the contract taking into consideration any break clauses included within the lease.

Taxation

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the period end date.

Video Games Tax Relief ("VGTR")

VGTR tax credits are included within current tax. They are only recognised where the Directors believe that a tax credit will be recoverable. This is based upon the Group's experience of obtaining the required certification to facilitate its titles in development to qualify for VGTR and success of previous submitted claims. An estimate is made throughout the year, and a tax receivable recognised, based on qualifying expenditure during the year.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates and laws that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Exceptional Items

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.

Share Based Compensation

The Company has awarded share options to various employees and Directors. These shares are separated into the following types of schemes:

- Directors' LTIPs – These include performance criteria and the fair value of these options has been estimated using a Monte Carlo Simulation model to estimate the fair value of the awards.
- Employee share options – The only performance criteria included on these options is for the employee to remain in the company for a specified period of time. The fair value has been estimated based on the share price at award date.

The fair value of these options are recognised as an expense in the Statement of Comprehensive Income over the vesting period of the options with a corresponding credit included within retained earnings. Employers' national insurance due on the share options are included over time within the Statement of Comprehensive Income based on the estimated number of shares expected to vest multiplied by the balance sheet date share price whilst the credit is included within trade and other payables. The accumulated share option value is adjusted for any lapsed share options on a monthly basis.

Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are held and administered separately from those of the Group. Contributions payable for the year are charged in the Statement of Comprehensive Income. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The Group has no further payment obligations once contributions have been paid.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost includes the original price of the asset and the cost attributable to bringing the asset to its current working condition for its intended use. Depreciation, down to residual value, is calculated on a straight-line basis over the estimated useful life of the asset which is reviewed on an annual basis.

Depreciation is calculated over the estimated useful lives of the assets as follows:

Leasehold improvements	– straight-line over the life of the lease
Plant and equipment	– 3 years straight-line
Fixtures and fittings	– 6 years straight-line
Motor vehicles	– 5 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive Income in the year the item is derecognised.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

In accordance with IFRS 9 "Financial Instruments", the Group has classified its financial assets as "Financial assets at amortised cost". The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through the Statement of Comprehensive Income, transaction costs that are attributable to the acquisition of the financial asset.

2. Significant Accounting Policies continued

Financial Assets continued

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial Assets Carried at Amortised Cost

This category applies to trade and other receivables due from customers in the normal course of business. All amounts which are not interest bearing are stated at their recoverable amount, being invoice value less provision for any expected credit losses. These assets are held at amortised cost.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- (i) the asset is held within a business model with the objective of collecting the contractual cash flows; and
- (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost comprise current trade and other receivables due from customers in the normal course of business and cash and cash equivalents.

The Group does not hold any material financial assets at fair value through other comprehensive income or at fair value through the Statement of Comprehensive Income. The Group does not hold any derivatives and does not undertake any hedging activities.

Trade receivables are initially recognised at their transaction price. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money. Other financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Trade and other receivables are measured at amortised cost less provision for expected credit losses.

Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits held with banks with a maturity of three months or less from inception. Included within cash and cash equivalents is cash owned by the EBT. The EBT cash is not readily available for use by the Group to meet its everyday operating costs but can be spent for the benefit of the employees and as such is an appropriate cash equivalent.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

Subsequent Measurement

Impairment of Financial Assets

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 permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade 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. The Group recognises 12-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.

Expected credit losses incorporate forward-looking information, take into account the time value of money when there is a significant financing component and are based on days past due, the external credit ratings of its customers, and significant changes in the expected performance and behaviour of the borrower.

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.

Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and previously included loans and other borrowings including Directors' loans.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Comprehensive Income.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Comprehensive Income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset with the net amount reported in the Statement of Financial Position only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured using the Directors' best estimate of the expenditure required to settle the obligation at the period end date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors. Materially, the Group supplies a single product range into a single marketplace and so there is considered to be only one segment.

2. Significant Accounting Policies *continued*

Foreign Currency

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the Statement of Comprehensive Income.

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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Employee Benefit Trust

As the Company is deemed to have control of its Employee Benefit Trust ("EBT"), it is treated as a subsidiary and consolidated for the purposes of the combined and consolidated financial statements. The EBT's assets (other than investments in the Company's shares), liabilities, income and expenses are included on a line-by-line basis in the consolidated financial statements. The EBT's investment in the Company's shares is deducted from equity in the Consolidated Statement of Financial Position as if they were treasury shares. The gain or loss on transfer of the shares from the EBT to employees is recognised within equity.

New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Adoption of New and Revised Standards

There are a number of standards and interpretations issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. The following have not been adopted by the Company in preparing the financial statements for the year ended 31 December 2021:

- IAS 1 "Classification of liabilities" (effective 1 January 2023)
- Amendments to IFRS 3 "Business combinations"; IAS 16 "Property, plant and equipment", IAS 37 "Provisions, contingent liabilities and contingent assets" (effective 1 January 2022)
- Amendments to IAS 1 "Presentation of financial statements" (effective 1 January 2023)
- Amendments to IAS 8 "Accounting policies" (effective 1 January 2023)

The application of the standards and interpretations not yet applied is not expected to have a material impact on the Company's financial performance or position, or give rise to additional disclosures in the financial statements.

3. Key Sources of Estimation Uncertainty and Significant Accounting Judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following key judgements and estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Development Costs Capitalisation and Impairment (Judgement)

The Group invests heavily in research and development. The identification of development costs that meet the criteria for capitalisation is dependent on management's judgement and knowledge of the work done together with any agreements made with the rights holders of a specific game. Judgements are based on the information available at each period end. Economic success of any development is assessed on a reasonable basis and a review for indicators of impairment is completed by product at each period-end date. The net book values of the development intangible assets at 31 December 2021 are £9,848,000 (2020: £6,287,000). Intangible assets are subject to amortisation and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, for example, a decision to suspend a self-published title under development. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are reviewed by project for which there are separately identifiable cashflows.

During the year Team 17 Digital Limited refined its capitalisation policy and has assessed in line with IAS 38 "Intangible Assets" that development costs on titles between early access and full release of a game should be capitalised.

Useful Life of Intangible Assets (Estimate)

Amortisation of intangible assets is calculated over the useful economic lives of the assets. The estimates of useful economic lives are reviewed at least annually for any changes to this estimate.

The useful life of brands was initially estimated as between 10 and 20 years after looking at expected future revenues from titles utilising those brands along with future releases planned.

The estimates of useful life for capitalised development costs continue to be included as two years. The review of economic benefits undertaken during the year looked at the gross contribution (revenue less royalties) of all titles in the Company's portfolio and adjusted for outliers. This model showed that gross contribution was heavily weighted towards the first month and also towards the first year to reflect the sales curve of games. In line with this the amortisation profile was revised to be 30% in the first month after release of the title, 40% in months 2-12 and 30% over months 13-24.

Revenue Recognition (Judgement)

In applying IFRS 15, the Group is required to make a judgement on whether certain revenue contracts containing a license provide either a right to use or right to access the IP. Licenses that meet all three specific criteria as described in paragraph 11.256 of IFRS 15 are considered to provide a right to access the IP. If any of these three criteria are not met then the contract should be treated as a right to use the IP. The Group considers that all of its license contracts to date provide a right to use the asset and all new contracts are reviewed against the criteria to ensure the correct treatment is applied.

Acquisition of Subsidiaries (Estimate)

Deferred consideration is due on the acquisition of StoryToys based on certain financial targets being met. In order to assess the fair value of this consideration, management have assessed the likelihood of targets being met. For FY21 this is based on the trading results for the period. For the FY22 and FY23 earn-out targets, management have reviewed a risk weighted forecast for the period. This will be reassessed at each reporting date and any movements in the fair value of the consideration amount will be recognised in the income statement.

The value of the Brands intangible asset acquired was estimated using the relief from royalties valuation technique. An internal rate of return ("IRR") of 19.9% has been applied to forecasts for StoryToys.

The value of acquired apps has been estimated by using the excess returns models for the various apps and applying an IRR of 19.9%.

4. Segmental Analysis

Materially, the Group supplies a single product range into a single marketplace and so there is considered to be only one segment. For management purposes the Group is considered to comprise only one segment for reporting to the chief operating decision maker, that of the development and publishing of video games for the digital and physical market.

Four (2020: three) customers each contributed over 10% of the total revenue in 2021 with total revenue derived from these customers being £70,244,000 (2020: £58,977,000).

All non-current assets are located in the UK.

5. Revenue

All revenue was generated by the sale of goods.

The Group does not provide any information on the geographical location of sales as the majority of revenue is through third-party distribution platforms which are responsible for the sales data of consumers.

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' understanding of our results, the split of revenue from these two categories is shown below:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Internal IP	20,133	17,310
Third-party IP	70,376	65,659
	90,509	82,969

6. Operating Profit

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
The following items are included in profit before tax:		
Amortisation of development costs – cost of sales (note 12)	5,296	4,028
Amortisation of brands – administrative expenses (note 12)	3,021	1,784
Amortisation of acquired apps – administrative expenses (note 12)	311	–
Amortisation of other intangibles – administrative expenses (note 12)	2	–
Depreciation of property, plant and equipment (note 14)	413	404
Depreciation of right-of-use assets (note 15)	311	135
Loss on disposal of property, plant and equipment	27	24
Loss on foreign exchange	598	107
Operating lease rentals	5	20
Acquisition fees	1,131	108
Auditors' remuneration:		
Fees payable to the Company's auditors for the audit of Team17 Group plc	75	21
Fees payable to the Company's auditors in respect of:		
Audit of Company's subsidiaries	275	154

7. Staff Numbers and Costs

The monthly average number of persons employed by the Group (including Directors) during the year, was as follows:

	Group	
	Year ended 31 December 2021 No.	Year ended 31 December 2020 No.
Staff and Directors	263	233

The aggregate payroll costs of these persons were as follows:

	Group	
	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Wages and salaries	10,012	10,415
Social security costs	1,415	1,933
Other pension costs	434	389
Share based compensation	648	822
	12,509	13,559

The following table sets out the Directors' payroll costs:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Aggregate emoluments	1,243	1,208
Social security costs	486	983
Company contributions to money purchase scheme	29	23
Share based compensation	525	666
	2,283	2,880

Retirement benefits are accruing to 2 directors (2020: 2) under money purchase schemes.

Mark Crawford was acting as Interim CFO during the year prior to him joining the Group as permanent CFO in April 2020 under an employment contract and was paid £Nil (2020: £80,000) for his services. These figures have not been included in the notes above.

The remuneration of the highest paid Director was:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Aggregate emoluments	659	681
Company contributions to money purchase scheme	19	16
Share based compensation	363	652
	1,041	1,349

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Finance Income and Costs

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Finance costs		
Interest payable on lease liabilities	93	43
Interest on consideration	51	-
	144	43
Finance income		
Interest receivable	10	112

9. Taxation

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Current tax:		
Current year tax	6,634	5,539
Video Games Tax Relief	(652)	(1,018)
Adjustments in respect of prior periods:		
Video Games Tax Relief	245	134
Other	(651)	270
	5,576	4,925
Deferred tax:		
Origination and reversal of temporary differences	(206)	(633)
	(206)	(633)
Total tax charge	5,370	4,292

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Reconciliation of total tax charge:		
Profit before tax	29,109	26,236
Taxation using the UK Corporation Tax rate of 19% (2020: 19%)	5,531	4,985
Effects of:		
Expenses not deductible for tax purposes	350	19
R&D Relief	(101)	(97)
Video Games Tax Relief	(652)	(1,018)
Adjustments in respect of prior periods	(406)	91
Change in deferred tax rate	588	312
Overseas tax on profits	60	-
Total tax charge	5,370	4,292

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, deferred taxes have therefore been measured using the tax rate at the date that the deferred tax asset or liability unwinds of 19-25% (2020: 19%).

10. Alternative Performance Measures

Adjusted EBITDA (Restated)

During the year the Group has made changes to adjustments made when calculating its Alternative Performance Measures ("APMs") in order to provide a better understanding of the underlying business trading performance and profitability. Acquisition fees and adjustments have been adjusted for as shown in the table below and 2020 figures have also been adjusted. In addition, the tax effect of any adjustments as shown have been taken into account when calculating the adjusted profit after tax.

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 (restated) £'000
Profit attributable to shareholders		23,739	21,944
Share based compensation (net of tax)	22	813	1,346
Acquisition-related adjustments:			
Acquisition fees		1,131	108
Fair value movement on acquired assets (net of tax)		117	-
Interest on consideration	8	51	-
Other acquisition-related adjustments (net of tax)		206	-
Amortisation on recognised intangible assets (net of tax)		2,679	1,445
Adjusted profit after tax		28,736	24,843
Taxation (net of adjustments above)	9	6,264	4,947
Adjusted profit before tax		35,000	29,790
Finance income	8	(10)	(112)
Finance cost	8	93	43
Amortisation of other intangibles	12	2	-
Depreciation	14 & 15	724	539
Loss on disposal of property, plant and equipment		36	67
Adjusted EBITDA		35,845	30,327

Adjusted EBITDA now also includes acquisition-related adjustments and fees incurred in the period of £1.5m (2020: £0.1m).

The share based compensation figure for the year ended 31 December 2021 includes the add back of £356,000 (2020: £840,000) relating to Employers' National Insurance contributions due upon exercise of the share options and included net of corporation tax.

Operating Cash Conversion

Operating cash conversion is defined as cash generated from operating activities as per the statement of cash flows activities adjusted to add back payments made to satisfy pre-acquisition liabilities recognised under IFRS 3 "Business Combinations" (note 13), divided by earnings before interest, tax depreciation and amortisation ("EBITDA").

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Cash generated from operating activities	35,081	35,414
Payments made to satisfy pre-acquisition liabilities recognised under IFRS 3 "Business Combinations" (note 13)	3,691	-
Adjusted cash generated from operating activities	38,772	35,414
EBITDA	38,518	32,581
Adjusted operating cash conversion	101%	109%

11. Earnings Per Share

The calculation of the basic earnings per share is based on the profits attributable to the shareholders of Team17 Group plc divided by the weighted average number of shares in issue. The weighted average number of shares takes into account treasury shares held by the Team17 Employee Benefit Trust. The diluted earnings per share uses the same calculation, however, the number of shares in issue are adjusted to include shares considered to be dilutive under the treasury stock method. An option is considered to be dilutive when the total proceeds per option is less than the average share price for the period.

	Year ended 31 December 2021	Year ended 31 December 2020
Profit attributable to shareholders £'000	23,739	21,944
Weighted average number of shares	130,002,844	129,398,375
Weighted average diluted number of shares	130,146,649	130,607,624
Basic earnings per share (pence)	18.3	17.0
Diluted earnings per share (pence)	18.2	16.8

The calculation of adjusted earnings per share is based on the profit attributable to shareholders as shown in the Statement of Comprehensive Income plus additional costs added back during the year as shown in note 10. The weighted average diluted number of shares includes share options considered to be dilutive under the treasury stock method as described above. The prior year balance has been restated in line with the changes to the adjusted profit after tax measure detailed in note 10.

	Year ended 31 December 2021	Year ended 31 December 2020 (restated)
Adjusted profit after tax (note 10) £'000	28,736	24,843
Weighted average number of shares	130,002,844	129,398,375
Weighted average diluted number of shares	130,146,649	130,607,624
Adjusted basic earnings per share (pence)	22.1	18.2
Adjusted diluted earnings per share (pence)	22.1	18.1

12. Intangible Fixed Assets

	Development costs £'000	Brands £'000	Acquired apps £'000	Goodwill £'000	Other intangibles £'000	Total £'000
Cost						
At 1 January 2020	13,830	21,983	-	21,083	-	56,896
Additions	7,512	-	-	-	-	7,512
Amounts arising on acquisitions	-	-	-	1,296	-	1,296
At 31 December 2020	21,342	21,983	-	22,379	-	65,704
Additions	9,257	12,000	-	-	107	21,364
Amounts rising on acquisitions	-	755	6,228	19,409	-	26,392
Translation on foreign operations	-	-	-	(339)	-	(339)
Disposals	(1,002)	-	-	-	-	(1,002)
At 31 December 2021	29,597	34,738	6,228	41,449	107	112,119

Accumulated amortisation

At 1 January 2020	11,027	5,944	-	-	-	16,971
Charge for the year	4,028	1,784	-	-	-	5,812
At 31 December 2020	15,055	7,728	-	-	-	22,783
Charge for the year	5,296	3,021	311	-	2	8,630
Disposals	(602)	-	-	-	-	(602)
At 31 December 2021	19,749	10,749	311	-	2	30,811

Net carrying amount

At 31 December 2021	9,848	23,989	5,917	41,449	105	81,308
At 31 December 2020	6,287	14,255	-	22,379	-	42,921

Development Costs

During the year, the capitalisation policy was refined to capitalise development costs from early access of a title up until its full release. In addition, costs incurred in porting games to new platforms are also capitalised where the expenditure is expected to be significant.

The amortisation policy has also been revised from 1 January 2021 to amortise the asset over 2 years split as follows:

Month 1	30%
Month 2-12	40%
Month 13-24	30%

Brands

As part of the acquisition of StoryToys, separately identifiable intangibles of £755,000 were recognised relating to the StoryToys brand. This represents the value of the brand in the edutainment marketplace. Amortisation is calculated over the asset's estimated useful life using the following policy:

StoryToys brand	20 years straight-line
-----------------	------------------------

12. Intangible Fixed Assets continued

Acquisition of Golf With Your Friends

On 4 January 2021, Team17 Digital acquired the Golf With Your Friends IP from Entertainment Holdings Pty Ltd, a company incorporated in Australia, for £12m. This consideration is made up of an initial cash payment of £9m and deferred cash consideration of £3m paid within 12 months of the acquisition date. The purchase is not being accounted for as a business combination under IFRS 3 due to the assets being acquired comprising a single group of assets under the concentration test as set out in "Definition of a Business (Amendments to IFRS 3)" by the IASB issued in October 2018. As such the acquisition is considered an asset purchase under IAS 38 "Intangible Assets". Amortisation is calculated over the assets' estimated useful life using the following policy:

Golf With Your Friends brand 10 years straight-line

Acquired Apps

These represent the fair value of games and apps arising at acquisition. The assets are tested for impairment annually or more frequently if there are indicators of impairment. Amortisation is calculated over the estimated useful life using the following policy:

Acquired Apps 10 years straight-line

Goodwill

The Group tests for impairment annually, or more frequently if there are indicators that goodwill might be impaired.

The recoverable amount of the cash-generating units ("CGUs") at 31 December 2021 is determined from the value in use. The key assumption in calculating the value in use was the expected future cashflows at 31 December 2021. The discount rate applied at the time to the future cash flows was 7.2%. No reasonable possible change in assumptions would result in an impairment. No impairment is considered necessary at 31 December 2021.

Other Intangibles

These are made up of capitalised software and are amortised under the following policies:

Capitalised software 2 years straight-line

13. Investments

On 2 July 2021 Team17 Group plc acquired 100% of the share capital of the StoryToys Group for a maximum cash payment of £35.5m (\$49.0m) subject to normal cash, net debt and working capital adjustments. The initial payment for the acquisition is £19.2m (\$26.5m), with a further maximum £16.3m (\$22.5m) payable in cash on delivery of certain targets by the vendors within three years following completion of the acquisition. There was no minimum due on the deferred consideration.

StoryToys consists of Touch Press Inc. and StoryToys Limited. StoryToys is a world-class developer and publisher of educational entertainment ("edutainment") apps for children, and the acquisition establishes a new highly complementary and fast-growing edutainment vertical for Team17, strengthening the enlarged Group's position as a leading games entertainment business.

The initial cash payment of £19.2m consists of £16.9m consideration and £2.3m to settle pre-acquisition liabilities. Additional payments during the year totalled £2.7m consisting of £1.3m of consideration and £1.4m to settle pre-acquisition liabilities. Details of the purchase consideration, net assets acquired and goodwill are as follows:

	£'000
Purchase consideration	
Cash consideration	16,865
Deferred consideration	5,990
Total cash consideration	22,855

Deferred consideration consists of the earn-out for the sellers along with two additional contingent liabilities all included at fair value and payable based on the acquired business reaching certain results.

The fair value of the purchase consideration takes into account the following assumptions and estimates:

- Earn-out targets – Management have assessed the likelihood of targets being met. For FY21 this is based on the trading results for the period. For the FY22 and FY23 earn-out targets, management have reviewed a risk weighted forecast for the period. This will be reassessed at each reporting date and any movements in the fair value of the consideration amount will be recognised in the income statement.
- Interest costs of £51,000 have been included in the Income Statement for the year.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Book value £'000	Fair value adjustment £'000	Fair value acquired £'000
Cash and cash equivalents	3,113	–	3,113
Property, plant and equipment	9	–	9
Right-of-use asset	1,015	–	1,015
Acquired apps	–	6,228	6,228
Brands	–	755	755
Other intangibles	130	(130)	–
Receivables	1,796	(323)	1,473
Deferred tax asset	780	–	780
Deferred tax liability	–	(1,751)	(1,751)
Payables	(8,733)	557	(8,176)
Net identifiable assets acquired	(1,890)	5,336	3,446
Add: Goodwill			19,409
			22,855

The value of Brands acquired was estimated using the relief from royalties valuation technique.

The goodwill is attributable to StoryToys' talented development team and experience in the edutainment market. It has been allocated to the edutainment segment of the business which is the production and publishing of video games. None of the goodwill is expected to be deductible for tax purposes.

Acquisition fees for the year ended 31 December 2021 of £1.1m (2020: £0.1m) are included in administrative expenses in the Income Statement.

The StoryToys Group for the 6 months since acquisition contributed revenues of £4.2m and profit before tax of £1.4m to the Team17 Group plc consolidated results. If StoryToys had been part of the Group for the full year the revenue contribution would have been £9.1m and profit before tax £1.2m.

Details of the subsidiaries in which the Group holds 20% or more of the share capital are as follows:

Name of company	Holding	Proportion of Voting rights and shares held	Activity
Subsidiary undertakings			
Team17 Holdings Limited	Ordinary Shares	100%	Intermediate holding company
Team17 Software Limited	Ordinary Shares	100%	Intermediate holding company
Team17 Digital Limited	Ordinary Shares	100%	Development and publishing of video games for the digital market
Mouldy Toof Studios Limited	Ordinary Shares	100%	Dormant
Yippee Entertainment Limited	Ordinary Shares	100%	Development of video games for the digital market
Touch Press Inc.	Ordinary Shares	100%	Intermediate holding company
StoryToys Limited	Ordinary Shares	100%	Development of edutainment apps

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Property, Plant and Equipment

	Leasehold improvements £'000	Plant and equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2020	866	1,149	246	101	2,362
On acquisition	-	8	-	-	8
Additions	18	318	2	-	338
Disposals	(4)	(156)	(6)	(80)	(246)
At 31 December 2020	880	1,319	242	21	2,462
On acquisition	-	9	-	-	9
Additions	46	487	-	-	533
Disposals	-	(676)	-	(21)	(697)
At 31 December 2021	926	1,139	242	-	2,307
Accumulated depreciation					
At 1 January 2020	21	780	34	49	884
On acquisition	-	28	-	-	28
Charge for the year	71	276	40	17	404
Disposals	-	(129)	(5)	(45)	(179)
At 31 December 2020	92	927	69	21	1,109
Charge for the year	85	289	39	-	413
Disposals	-	(640)	-	(21)	(661)
At 31 December 2021	177	576	108	-	861
Net book value					
At 31 December 2021	749	563	134	-	1,446
At 31 December 2020	788	392	173	-	1,353

15. Right-of-Use Assets

	Buildings £'000	Total £'000
Cost		
At 1 January 2020	1,570	1,570
Additions during the year	-	-
At 31 December 2020	1,570	1,570
On acquisition	1,015	1,015
Additions during the year	107	107
At 31 December 2021	2,692	2,692
Accumulated depreciation		
At 1 January 2020	57	57
Charge for the year	135	135
At 31 December 2020	192	192
Charge for the year	311	311
At 31 December 2021	503	503
Net carrying amount		
At 31 December 2021	2,189	2,189
At 31 December 2020	1,378	1,378

16. Trade and Other Receivables

Amounts falling due within one year:

	31 December 2021 £'000	31 December 2020 £'000
Trade receivables	2,199	1,514
Accrued income	12,987	13,875
Other receivables	1,415	452
Prepayments	1,224	589
	17,825	16,430

There are no (2020: No) impaired assets within trade and other receivables.

17. Cash and Cash Equivalents

	31 December 2021 £'000	31 December 2020 £'000
Cash at bank and in hand	15,213	58,314
Cash equivalents	40,089	3,156
	55,302	61,470

Included within the cash equivalents balance above is £3,115,000 (2020: £3,156,000) owned by the EBT. This cash is not readily available for use by the Group to meet its everyday operating costs but can be spent for the benefit of the employees and as such is an appropriate cash equivalent.

The remaining cash equivalents balance of £36,974,000 (2020: £Nil) represents an amount held by our solicitors for the purchase of the shares of the *Hell Let Loose* IP and shares of The Label Inc. in January 2022.

18. Trade and Other Payables

Amounts falling due within one year:

	31 December 2021 £'000	31 December 2020 £'000
Trade payables	2,748	655
Other payables	5,812	1,098
Taxation and social security	457	297
Accruals and deferred income	15,298	15,156
	24,315	17,206

19. Lease Liabilities

	31 December 2021 £'000	31 December 2020 £'000
Amounts falling due within one year	301	145
Amounts falling due in over one year	2,042	1,320
	2,343	1,465

Interest expense during the year on the above lease liabilities included in finance costs was £93,000 (2020: £43,000). The total cash outflow for leases during the year was £408,000 (2020: £164,000).

20. Deferred Taxation

Recognised deferred tax asset:

	Tax losses £'000	Other short-term timing differences £'000	Total £'000
At 1 January 2020	–	248	248
Deferred tax recognised in profit or loss	–	909	909
Offset against deferred tax liability	–	(1,157)	(1,157)
At 31 December 2020	–	–	–
On acquisition	780	–	780
Deferred tax recognised in profit or loss	(219)	–	(219)
At 31 December 2021	561	–	561

Recognised deferred tax liabilities:

	Accelerated depreciation for tax purposes £'000	Other short- term timing differences £'000	Arising on intangible fixed assets £'000	Total £'000
At 1 January 2020	47	1	2,959	3,007
Deferred tax recognised in profit or loss	122	404	(250)	276
Offset from deferred tax asset	–	(1,157)	–	(1,157)
At 31 December 2020	169	(752)	2,709	2,126
On acquisition	–	37	1,714	1,751
Deferred tax recognised in profit or loss	220	(828)	281	(327)
At 31 December 2021	389	(1,543)	4,704	3,550

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, deferred taxes have therefore been measured using the tax rate at the date that the deferred tax asset or liability unwinds of 19-25% (2020: 19%).

21. Share Capital

	31 December 2021 £'000	31 December 2020 £'000
Authorised, allotted, called up and fully paid		
131,473,222 (2020: 131,473,222) ordinary shares of 1p each	1,315	1,315
	1,315	1,315

The ordinary shares have voting, dividend and capital distribution rights. They are not redeemable.

No new shares were issued in the current year. In the previous year on 1 January 2020 Team17 Group plc issued 114,000 ordinary shares of 1p each as part of the acquisition of Yippee Entertainment Limited. On 10 July 2020 Team17 Group plc issued 70,946 ordinary shares of 1p each to satisfy share options exercised.

Shares Held by Subsidiaries

At 31 December 2021, and included in these consolidated financial statements, the Team17 Employment Benefit Trust (the "Trust") holds 1,920,150 (2020: 1,920,150) shares in Team17 Group plc with a nominal value of £19,202 (2020: £19,202).

21. Share Capital continued

Share Capital

Represents the nominal value of the shares that have been issued.

Share Premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium, net of any related income tax benefits.

Retained Earnings

Includes all current and previous retained profits and losses.

Merger Reserve

On 23 May 2018 the Company became the ultimate parent company of the Group. The merger reserve was created as a result of the share for share exchange under which Team17 Group plc became the parent undertaking prior to the IPO. Under merger accounting principles, the assets and liabilities of the subsidiaries were consolidated at book value in the Group financial statements and the consolidated reserves of the Group were adjusted to reflect the statutory share capital, share premium and other reserves of the Company as if it had always existed, with the difference presented as the merger reserve.

Currency Translation Reserve

Currency movements arising on the revaluation of foreign subsidiaries into the presentation currency of the consolidated accounts, GBP, are included in other comprehensive income and held in the currency translation reserve.

Other Reserves

Other reserves are made up of the following:

Merger Relief Reserve

Includes the premiums received on the issue of share capital in a share for share exchange on 23 May 2018. The premiums on the shares issued as part of the acquisition of Yippee Entertainment Limited have also been included in the merger relief reserve.

Capital Contribution

Includes the value of shares gifted to the Team17 Employment Benefit Trust on 23 May 2018 as part of the IPO.

22. Share based Compensation

The following share schemes have been awarded but have not yet vested or exercised at 31 December 2021:

Share scheme name	Award date	Vesting date	Maximum number of share options outstanding	Exercise price per share option
Executive LTIPs – 2018	23 May 2018	23 May 2021	972,727	£Nil
Free shares	4 April 2019	4 April 2022	72,000	£Nil
Senior management share options (Issue 1)	8 April 2019	8 April 2022	10,393	£Nil
Senior management share options (Issue 2)	18 December 2019	18 December 2022	17,392	£Nil
Senior management share options (Issue 3)	22 April 2020	21 April 2023	3,208	£Nil
Senior management share options (Issue 4)	6 May 2020	5 May 2023	8,023	£Nil
Senior management share options (Issue 5)	1 May 2021	30 April 2024	37,014	£Nil
Executive LTIPs – 2020	10 September 2020	9 September 2023	20,057	£Nil
Executive LTIPs – 2021	8 July 2021	7 July 2024	176,100	£Nil
Share Incentive Plan (see note below)	Monthly award	3 years from award date	18,576	£Nil

The maximum number of outstanding share options at 31 December 2021 was 1,335,490 (2020: 1,179,914). Of these share options 166,606 (2020: 187,130) will be settled from shares already held by the Team17 Employment Benefit Trust.

Share based payment charges are included within either cost of sales or administrative expenses (depending on which employees the shares were issued to) in the Statement of Comprehensive Income and included within retained earnings in the Statement of Financial Position. In addition, Employers' National Insurance accrued at 13.8% (2020: 13.8%) on the balance sheet share price multiplied by the number of shares expected to vest is included within either cost of sales or administrative expenses and accruals in the Statement of Financial Position.

Included within the financial statements is the following:

	31 December 2021 £'000	31 December 2020 £'000
Statement of Comprehensive Income		
Share options charge	648	822
Employers' National Insurance	356	840
	1,004	1,662
Statement of Financial Position		
Accruals (cumulative employers national insurance balance)	1,373	1,017
Retained earnings (cumulative balance)	2,753	2,105

Executive LTIPs

The fair value of services received in return for share options awarded is calculated based on the Monte Carlo method for valuing share options. The expense is apportioned over the vesting period and is based on the number of financial instruments which are expected to vest and the fair value of those financial instruments at the date of the award. The fair value of options is reassessed every six months to reflect the Group's Cumulative Adjusted Earnings Per Share ("AEPS") position against the targets.

Executive LTIPs – 2018

The Executive Directors were awarded share options during 2018 under the Team17 Group plc Long Term Incentive Plan. These options only vest if certain performance criteria are met. The options are split into two parts with the amount of part A options that will vest depending on the Group's Cumulative AEPS targets whilst part B depends on annualised absolute total shareholder return.

Underlying share price (£)	2.20
Award price (£)	-
Exercise price (£)	-
Vesting period	3 years
Estimate of part A options vesting	100%
Estimate of part B options vesting	100%
Expected volatility of the share price	38%
Dividends expected on the shares	0%
Risk-free rate	1%
Fair value at vesting date (£'000)	1,952

During the year ended 31 December 2021, 972,727 (2020: 70,946) share options issued under this scheme vested.

22. Share based Compensation continued

Executive LTIPs – 2020

Share options awarded to Executive Directors in 2020 under the Team17 Group plc Long Term Incentive Plan have a slightly different performance criteria. Instead of splitting the awards into two parts, the performance criteria for 100% of shares are based on meeting the Group's Cumulative AEPS target over three financial years.

Underlying share price (£)	6.86
Award price (£)	-
Exercise price (£)	-
Vesting period	3 years
Estimate of options vesting	100%
Dividends expected on the shares	0%
Risk-free rate	0.83%
Fair value at vesting date (£'000)	138

Executive LTIPs – 2021

Share options awarded to Executive Directors in 2021 under the Team17 Group plc Long Term Incentive Plan have a slightly different performance criteria. Instead of splitting the awards into two parts, the performance criteria for 100% of shares are based on meeting the Group's EPS compound annual growth target over three financial years.

Underlying share price (£)	7.95
Award price (£)	-
Exercise price (£)	-
Vesting period	3 years
Estimate of options vesting	100%
Dividends expected on the shares	0%
Risk-free rate	0.83%
Fair value at vesting date (£'000)	1,400

Free Shares

During 2019 all staff employed by Team17 Digital Limited at 30 September 2018 were provided with share options. The only criteria for these share options to vest is for the employees to remain in employment over the vesting period.

The fair value of these share options is calculated as the fair value at the award date multiplied by the number of share options outstanding. The expense is apportioned over the vesting period. These share options will be settled from shares already held by the Team17 Employment Benefit Trust.

Senior Management Share Options

During the current and previous year there were awards provided to senior management. These were issued at different points during the years. As with the free shares, the only criteria for these share options to vest is for the employees to remain in employment over the vesting period.

The fair value of these share options is calculated as the fair value at the award date multiplied by the number of share options. The expense is apportioned over the vesting period. These share options will be settled from shares already held by the Team17 Employment Benefit Trust.

Share Incentive Plan ("SIP")

The Group operates a SIP for all employees. Under the SIP, the Group has made awards of matching shares which are conditional on remaining employed with the Group for three years from the award date.

The fair value of these matching shares is calculated as the fair value at the award date multiplied by the number of share options. The expense is apportioned over the vesting period. These share options will be settled from shares already held by the Team17 Employment Benefit Trust.

23. Cash Generated From Operations

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Cash flow from operating activities		
Profit before tax	29,109	26,236
Adjustments for:		
Depreciation of property, plant and equipment	413	404
Depreciation of right-of-use assets	311	135
Amortisation of intangible fixed assets	8,630	5,812
Loss on disposal of fixed assets	36	24
Share based compensation	648	822
Finance income	(10)	(112)
Financial expenses	144	43
Operating cash flow before changes in working capital	39,281	33,364
Decrease/(Increase) in trade and other receivables	509	(4,908)
Increase in provisions	33	50
(Decrease)/Increase in trade and other payables	(4,743)	6,909
Cash generated from operations	35,081	35,415

24. Commitments and Contingencies

Capital Commitments

The Group had no contracted capital commitments at 31 December 2021 (31 December 2020: £Nil).

25. Related Parties

Ultimate Controlling Party

At 31 December 2021 there was not considered to be a single ultimate controlling party of Team17 Group plc.

Transactions with Related Parties

There were no transactions with related parties during the year ended 31 December 2021 and there are no loan notes outstanding with related parties at 31 December 2021.

Transactions with Key Management Personnel

The key management personnel of the Group are deemed to be the Board of Directors and details of their aggregate remuneration can be found in note 7. Mark Crawford was appointed in November 2019 to act as Interim CFO. During the year £Nil (2020: £80,000) was paid to Stratfield Fairlane Ltd for his services prior to joining the Group as permanent CFO in April 2020 under an employment contract.

26. Financial Instruments

At 31 December 2021	Note	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Book value £'000	Fair value £'000
Financial assets					
Trade and other receivables	16	16,342	-	16,342	16,342
Cash and cash equivalents	17	55,302	-	55,302	55,302
Financial liabilities					
Trade and other payables	18	-	(22,631)	(22,631)	(22,631)
Tax payables		-	(678)	(678)	(678)
Lease liabilities in under one year		-	(301)	(301)	(301)
Lease liabilities in over one year	19	-	(2,042)	(2,042)	(2,042)
		71,644	(25,652)	45,992	45,992

At 31 December 2020	Note	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Book value £'000	Fair value £'000
Financial assets					
Trade and other receivables	16	15,841	-	15,841	15,841
Tax receivables		670	-	670	670
Cash and cash equivalents	17	61,470	-	61,470	61,470
Financial liabilities					
Trade and other payables	18	-	(15,309)	(15,309)	(15,309)
Lease liabilities in under one year		-	(145)	(145)	(145)
Lease liabilities in over one year	19	-	(1,320)	(1,320)	(1,320)
		77,981	(16,774)	61,207	61,207

Trade and other receivables shown above comprises trade receivables, accrued income and other receivables as disclosed in note 16.

Trade and other payables comprises trade payables, other payables and accruals as disclosed in note 18.

Loans and receivables are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Management have assessed that for cash and short-term deposits, trade receivables, trade payables and other current liabilities their fair values approximate to their carrying amounts largely due to the short-term maturities of these instruments. Book values are deemed to be a reasonable approximation of fair values.

The fair value of all financial instruments is equivalent to their book value due to their short maturities.

Financial Risks

The Group monitors and manages the financial risks relating to the financial instruments held. The principal risks include credit risk on financial assets, and liquidity and interest rate risk on financial liability borrowings. The key risks are analysed below.

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital, reserves and retained earnings.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount. Supply of products by the Group results in trade receivables which management consider to be of low risk; other receivables are likewise considered to be low risk. However, certain customers comprise in excess of 10% of the revenue earned by the Group (see note 4). Credit risk on cash and cash equivalents is considered to be small as the counterparties are all substantial banks with high credit ratings. The maximum exposure is the amount of the deposit.

Currency Risk

The Group receives and remits payments in Euros and US Dollars and manages this foreign currency risk by offsetting payments and receipts along with transferring excess foreign currency balances into GBP at the earliest possible opportunity.

Financial Assets

The Group is not exposed to significant interest rate risk on the financial assets, other than cash and cash equivalents.

Cash and cash equivalents are exposed to interest rate risk as they are held at floating rates, although the risk is not significant as the interest receivable is not significant.

Liquidity Risk

Cash and Cash Equivalents

Bank balances are held on short-term / no notice terms to minimise liquidity risk.

Trade and Other Payables

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Lease Liabilities

Included within lease liabilities is £301,000 (2020: £145,000) of lease liabilities due within one year and £2,042,000 (2020: £1,320,000) due in over one year.

27. Pensions

The Group operates a defined contribution scheme for its Directors and employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The outstanding pension contributions at 31 December 2021 were £59,000 (31 December 2020: £48,000).

28. Post Statement of Financial Position Events

On 6 January 2022, Team 17 Digital Limited acquired the *Hell Let Loose* IP from Black Matter Pty Ltd, a company incorporated in Australia, for up to £46.0m. This is made up of an initial balance of £31.0m and a deferred payment of up to £15.0m due within 30 months of the acquisition. Initial outflow was satisfied through a combination of £19.8m in cash and the issue of 1,531,780 shares valued at £11.2m which are subject to a lock-in period of 12 months from the date of acquisition. Deferred payments of up to £15.0m will be satisfied in cash based on meeting revenue performance targets over the financial years ending 31 December 2022 and 2023.

Also on 6 January, Team17 (USA) Inc. (a wholly owned subsidiary incorporated on 15 December 2021 for the purposes of acquiring the Label Inc.) acquired 100% of the share capital of The Label Inc. for up to £29.6m (US\$40.0m). This consists of an initial balance of £17.8m (US\$24.0m) made up of £13.3m (US\$18.0m) in cash and the issue of 604,543 shares valued at £4.5m (US\$6.0m). Deferred balances of up to £11.8m (US\$16.0m) will be settled through cash and shares within 42 months based on meeting EBITDA performance targets over the financial years ending 31 December 2022, 2023 and 2024.

On 13 January 2022, Team17 Group plc acquired 100% of the share capital in astragon Entertainment GmbH for up to £83.0m (€100.0m). Initial cash outflows of £63.0m (€75.0m) were settled from the proceeds of a share issue detailed below. Deferred cash outflows of up to £20.0m (€25.0m) are payable on the delivery of EBITDA performance targets for the financial years ending 31 December 2021 and 2022. An additional £6.3m (€7.5m) has been committed as a management incentive plan for the benefit of existing management and employees of astragon for the delivery of these EBITDA targets.

Team17 Group plc raised £78.6m of gross proceeds on 18 January 2022 after a successful placing of 11,010,999 ordinary shares at £7.14 per share.

These acquisitions underline part of the Company's strategy to make value-enhancing acquisitions that will support the growth ambitions alongside organic growth and the Board expects this to be an ongoing part of the growth strategy.

At the time when these financial statements were authorised for issue, the Group had not yet completed the accounting for the acquisitions and hence the fair values of assets acquired have not been disclosed.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

COMPANY REGISTRATION NUMBER: 11205116

	Note	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Fixed assets			
Investments	7	179,510	156,475
Deferred tax asset		676	502
		180,186	156,977
Current assets			
Trade and other receivables	8	43,113	46,661
Cash at bank and in hand		37,461	2
		80,574	46,663
Creditors: amounts falling due within one year			
Trade and other payables	9	(59,556)	(2,039)
		21,018	44,624
Net current assets			
		201,204	201,601
Capital and reserves			
Called up share capital	10	1,315	1,315
Share premium account	11	44,084	44,084
Other reserves	11	154,245	154,245
Profit and loss account	11	1,560	1,957
Total equity		201,204	201,601

The Company has taken advantage of the exemption permitted by section 408 of the Companies Act 2006 not to produce its own profit and loss account. The loss (2020: profit) for the year dealt with in the accounts of the Company was £1,045,000 (2020: £367,000).

The financial statements on pages 87 to 96 were approved by the Board of Directors and authorised for issue on 25 May 2022, and were signed on its behalf by:

Debbie Bestwick MBE
Group Chief Executive Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

Equity attributable to shareholders of the Company:

	Note	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total Equity £'000
At 1 January 2020		1,313	44,084	153,813	768	199,978
Profit and total comprehensive income for the period		-	-	-	367	367
Share based compensation	12	-	-	-	822	822
Issue of shares on acquisition of subsidiaries		2	-	432	-	434
At 31 December 2020		1,315	44,084	154,245	1,957	201,601
Loss and total comprehensive income for the year		-	-	-	(1,045)	(1,045)
Share based compensation	12	-	-	-	648	648
At 31 December 2021		1,315	44,084	154,245	1,560	201,204

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. General Information

Team17 Group plc (the "Company") is incorporated and domiciled in the United Kingdom and the principal activity of the Company is that of a holding company. The address of its registered office is 3 Red Hall Avenue, Paragon Business Park, Wakefield, WF1 2UL. The registered number of the Company is 11205116.

2. Significant Accounting Policies

Basis of Preparation

The Company transitioned from FRS 102 to FRS 101 with an effective date of 1 January 2021. There were no transition adjustments required as a result of the transfer to FRS 101. The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and the Companies Act 2006.

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its individual Statement of Comprehensive Income in these financial statements. The Company's overall result for the year is given in the Statement of Changes in Equity.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7 "Financial Instruments: Disclosures"
- The requirements of paragraphs 91-99 of IFRS 13 "Fair Value Measurement"
- The requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - Paragraph 79(a)(iv) of IAS 1;
 - Paragraph 73(e) of IAS 16 "Property, Plant and Equipment"; and
 - Paragraph 118(e) of IAS 38 "Intangible Assets"
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 "Presentation of Financial Statements"
- The requirements of IAS 7 "Statements of Cash Flows"
- The requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
- The requirements of paragraph 17 and 18A of IAS 24 "Related Party Disclosures"
- The requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- The requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 "Impairment of Assets"

The financial information has been prepared on a going concern basis and under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The financial information is presented in sterling and has been rounded to the nearest thousand (£'000).

Going Concern

Management has produced forecasts that have also been sensitised to reflect a plausible downside scenario as a result of the-19 pandemic and its impact on the global economy, that have been reviewed by the Directors. These demonstrate the Group is forecast to generate profits and cash in the year ending 31 December 2022 and beyond and that the Group has sufficient cash reserves to enable the Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

As such, the Directors are satisfied that the Company and the Group have adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis for preparing these financial statements.

2. Significant Accounting Policies continued

Share based Compensation

The Company has awarded share options to various employees and Directors. These shares are separated into the following types of schemes:

- Directors' LTIPs – These include performance criteria and the fair value of these options has been estimated using a Monte Carlo simulation model to estimate the fair value of the awards.
- Employee share options – The only performance criteria included on these options is for the employee to remain in the Company for a specified period of time. The fair value has been estimated based on the share price at award date.

The fair value of these options is recognised as an expense in the Statement of Comprehensive Income over the vesting period of the options with a corresponding credit included within retained earnings. Employers' National Insurance due on the share options are included over time within the Statement of Comprehensive Income based on the estimated liability due at exercise whilst the credit is included within trade and other payables. The accumulated share option value is adjusted for any lapsed share options on a monthly basis.

Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment. The Company assesses at least every year whether there is an indication that an asset may be impaired. If any indication exists, or when impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

Trade and other receivables

Short-term debtors are measured at transaction price, less any impairment.

Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits held with banks with a maturity of three months or less from inception.

Financial Instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured at the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Trade and Other Payables

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Revenue Recognition

Revenue represents income from Group management charges on a monthly basis.

Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Taxation

Current Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the period end date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates and laws that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Share Capital

Share capital represents the nominal value of the shares that have been issued.

Share Premium

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Merger Relief Reserve

Merger relief reserve, which has been included in other reserves, includes any premiums received on the issue of share capital in a share for share exchange.

Retained Earnings

Includes all current and previous retained profits and losses.

Foreign Currency

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

3. Key Sources of Estimation Uncertainty and Significant Accounting Judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Investments in Group undertakings are stated at cost, unless their value has been impaired, in which case they are valued at the lower of their realisable value or value in use.

The Company assesses whether there is an indication of impairment in investments by reviewing forecasts of the CGU's and calculating the value in use. The discount rate applied to the future cashflows was 7.2%. No reasonable possible change in assumptions would result in an impairment.

This calculation of value in use requires estimates to be made relating to the timing and amount of future cash flows expected, and suitable discount rates based on the weighted average cost of capital adjusted to reflect the specific economic environment.

4. Revenue

All revenue was generated from Group management charges.

All revenue was generated in the United Kingdom.

5. Operating Profit

Remuneration paid to our auditors is stated in note 6 of the consolidated financial statements and has not been included within the individual entity accounts.

6. Staff Numbers and Costs

The average monthly number of persons employed by the Company during the year was as follows:

	Year ended 31 December 2021 No.	Year ended 31 December 2020 No.
Executive Directors	2	2
Non-Executive Directors	4	4
	6	6

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Wages and salaries	1,243	1,208
Social security costs	486	983
Other pension costs	29	23
Share based compensation	525	666
	2,283	2,880

The following table sets out the Executive Directors' payroll costs:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Aggregate remuneration	1,243	1,208
Social security costs	486	983
Company contributions to money purchase scheme	29	23
Share based compensation	525	666
	2,283	2,880

Retirement benefits are accruing to 2 Executive Directors (2020: 2) under money purchase schemes. In addition, long-term share incentive schemes are in place for 2 (2020: 2) Executive Directors.

During the year Nil (2020: 1) Directors exercised share options.

The remuneration of the highest paid Director was:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Aggregate emoluments	659	670
Company contributions to money purchase scheme	19	16
Share based compensation	363	652
	1,041	1,338

7. Investments

Cost	£'000
At 1 January 2020	154,954
Additions	1,521
At 31 December 2020	156,475
Additions	23,035
At 31 December 2021	179,510
Net book value	
At 31 December 2021	179,510
At 31 December 2020	156,475

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Investments continued

Included in the additions balance is £22,912,000 representing the acquisition of StoryToys and £1,364,000 included in 2020 representing the acquisition of Yippee Entertainment Limited. The remaining additions of £123,000 (2020: £158,000) represents the value of share options issued to employees employed by Team17 Group plc's subsidiaries.

Name of company	Holding	Proportion of voting rights and shares held	Activity
Subsidiary undertakings			
Team17 Holdings Limited	Ordinary Shares	100%	Intermediate holding company
Team17 Software Limited	Ordinary Shares	100%	Intermediate holding company
Team17 Digital Limited	Ordinary Shares	100%	Development and publishing of video games for the digital market
Mouldy Toof Studios Limited	Ordinary Shares	100%	Dormant
Yippee Entertainment Limited	Ordinary Shares	100%	Development of video games for the digital market
Touch Press Inc.	Ordinary Shares	100%	Intermediate holding company
StoryToys Limited	Ordinary Shares	100%	Development of edutainment apps

The investment in Team17 Digital Limited is held via Team17 Software Limited. The investment in StoryToys Limited is held via Touch Press Inc.

The registered office of all subsidiaries is 3 Red Hall Avenue, Paragon Business Park, Wakefield, WF1 2UL.

8. Trade and Other Receivables

Amounts falling due within one year:

	31 December 2021 £'000	31 December 2020 £'000
Amounts owed by Group undertakings	42,926	46,545
Other receivables	20	1
Prepayments	167	115
	43,113	46,661

There are no impaired assets within trade and other receivables.

9. Trade and Other Payables

Amounts falling due within one year:

	31 December 2021 £'000	31 December 2020 £'000
Trade payables	99	68
Amounts owed to Group undertakings	51,282	-
Other payables	5,287	43
Current tax liabilities	28	156
Taxation and social security	96	38
Accruals and deferred income	2,764	1,734
	59,556	2,039

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10. Called Up Share Capital

	31 December 2021 £'000	31 December 2020 £'000
Authorised, allotted, called up and fully paid		
131,473,222 (2020: 131,473,222) ordinary shares of 1p each	1,315	1,315
	1,315	1,315

The ordinary shares have voting, dividend and capital distribution rights. They are not redeemable.

11. Reserves

Share Premium Account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and Loss Account

Includes all current and previous retained profits and losses.

Merger Relief Reserve

Merger relief reserve, which has been included in other reserves, includes any premiums received on the issue of share capital in a share for share exchange.

12. Share based Compensation

Please see note 22 in the consolidated Team17 Group plc consolidated financial statements for further information on the share based compensation charge in the year.

13. Related Parties

Ultimate Controlling Party

At 31 December 2021 there was not considered to be a single ultimate controlling party of Team17 Group plc.

Transactions with Key Management Personnel

The key management personnel of the Group are deemed to be the Board of Directors and details of their aggregate remuneration can be found in note 7 to the Group financial statements.

14. Pensions

The Company operates a defined contribution scheme for its Directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The outstanding pension contributions at 31 December 2021 were £3,000 (2020: £Nil).

15. Post balance sheet events

On 13 January 2022, Team17 Group Plc acquired 100% of the share capital in astragon Entertainment GmbH for up to £83.0m (€100.0m). Initial cash outflows of £63.0m (€75.0m) were settled from the proceeds of a share issue detailed below. Deferred cash outflows of up to £20.0m (€25.0m) are payable on the delivery of EBITDA performance targets for the financial years ending 31 December 2021 and 2022. An additional £6.3m (€7.5m) has been committed as a management incentive plan for the benefit of existing management and employees of astragon for the delivery of these EBITDA targets.

Team17 Group Plc raised £78.6m of gross proceeds on 18 January 2022 after a successful placing of 11,010,999 ordinary shares at £7.14 per share.

These acquisitions underline part of the Company's strategy to make value enhancing acquisitions that will support the growth ambitions alongside organic growth and the Board expects this to be an ongoing part of the growth strategy.

At the time when these financial statements are authorised for issue, the Group had not yet completed the accounting for the acquisitions and hence the fair values of assets acquired have not been disclosed.



Printed by a CarbonNeutral® Company, certified to ISO 14001 environmental management system.

100% of all dry waste associated with this production has been recycled.

This publication is printed on an FSC® certified paper produced mix sourced material manufactured at a mill that has ISO 14001 environmental standard accreditation.

The paper is Carbon Balanced with World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked-in, that would otherwise be released.

Designed and produced by **emperor** 
Visit us at emperor.works

OUR DIVERSE AND GROWING PORTFOLIO

2021 Releases

January

- ▶ Main Assembly

February

- ▶ Rogue Heroes

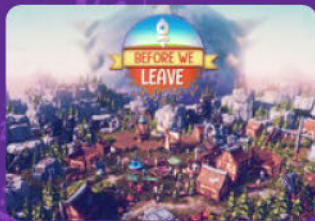


March

- ▶ OC AYCE (XB1/PS4/PC/Switch)
- ▶ Narita Boy

May

- ▶ Before We Leave
- ▶ King Of Seas



June

- ▶ Hokko Life (EA)
- ▶ Super Magbot
- ▶ Worms Rumble (XB1/Switch)

July

- ▶ Hell Let Loose

August

- ▶ Greak: Memories of Azur



September

- ▶ Sheltered 2
- ▶ Honey I Joined A Cult (EA)
- ▶ Crown Trick PS4/XB1

October

- ▶ Age Of Darkness (EA)
- ▶ Hell Let Loose Console



November

- ▶ Hammering (out of EA)
- ▶ Epic Chef

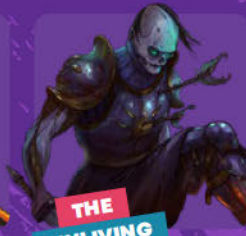
December

- ▶ Greak PS4/XB1

Titles for Future Release



BATORA



THE UNLIVING



THYMESIA



SHIP OF FOOLS



THE KNIGHT WITCH



SWEET TRANSIT



MARAUDERS



TREPANG2



GORD

Plus lots more still to announce as well as our titles coming out of EA



Following the successful launch of *LEGO DUPLO Marvel* in December 2020, StoryToys started FY22 with new updates following the successful launch of *LEGO DUPLO Marvel* in December 2021 with new updates across their portfolio of children's apps including a breakout hit with Encanto in *Disney Coloring World* and has created a range of In-App Events that utilise a new App Store feature from Apple. There is a solid pipeline of new sets for the *LEGO DUPLO* range of apps including the highly anticipated Hulk Smash set in April.



astragon have started FY22 with a number of updates across *Police Simulator* and *Bus Simulator*. Besides the steady third-party physical product distribution business there is a pipeline of owned IP projects in the field of working simulations and additional support of existing products through several unannounced paid-for Downloadable Content ("DLC") and updates for 2022.



TEAM17 GROUP PLC
3 Red Hall Avenue,
Paragon Business Park,
Wakefield, WF1 2UL

WWW.TEAM17GROUP.COM