



Debbie Bestwick
Chief Executive Officer

Mark Crawford
Chief Financial Officer

2021
Half Year
Results
SEPTEMBER 2021



**THE SPIRIT OF
INDEPENDENT
GAMES**

H1 2021 Highlights

Record H1 revenue of £40m, solid performance across the portfolio with growth in own IP sales and now over **500 Digital Revenue Lines**



Portfolio outstanding in H1, 17 DLC additional content packs released across **9** titles in the Back Catalogue with **6 New Releases** driving portfolio growth



Expanding Platform support with *Overcooked! All You Can Eat* and *Worms Rumble* launched on wider platforms



Acquisition of *Golf With Your Friends* strengthening owned IP portfolio value alongside *Worms*, *Escapists* & *Survivalists* and heritage IP.

Building for the future with ongoing **investment** in the team including strong exec hires in senior **management!**
Savvy, Smart, Diversity and Youth!



Continued recognition as **industry leader** with nominations and awards including **Queens Award for Enterprise**



Acquisition of *StoryToys* in July, creating a highly complementary **Edutainment Label**



Continued **Greenlight** success YOY up driving the pipeline of **future titles** across all genres including new genres and VR

H1 2021 Revenue Analysis

Consistent Revenue Growth

2021 : £40.1m

2020 : £38.8m

2019 : £30.4m

- Outstanding back catalogue and content delivery performance against comparison last year, revenues grew to a new record level of £40m for H1 2021
- Studio delivered across back catalogue new content 17 DLC across 9 back catalogue key titles and launched six new titles to expand the portfolio
- First party revenues benefitted from the acquisition of **GWYF** IP and the release of own IP titles towards end of last year
- Strengthening diverse and valuable content portfolio now contains over 500 Digital Revenue Lines multi-platform
- Digital revenues rising to 97%



Strengthening Portfolio

Back Catalogue with DLC *

Total Back Catalogue
£36.4m (91%)

New Releases
£3.7m (9%)

* Back Catalogue DLC additional content released impacted titles with revenues of £22.4m (56% of total revenues)

1st/3rd Party Breakdown

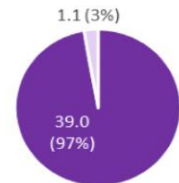
1st Party
£11.4m (28%)

3rd Party
£28.7m (72%)

Co-Dev £23.1m
(81% of 3rd party)

H1 Digital/Physical Revenues (£m)

Digital
Physical



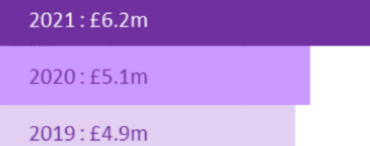
H1 2021 Key Financials

Gross Profit +10%



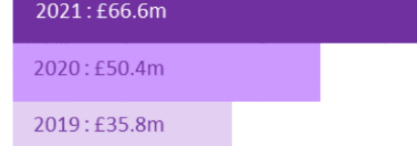
- 50% Gross Profit margin reflects sales mix with higher own IP

Admin Costs +22%



- Ongoing investment in infrastructure and team with headcount up to 262 from 250 at year end

Net Cash & Equivalents +32%



- Working capital movements driven by sales mix of own IP, licence sales, timing of royalty payments and includes GWYF deferred consideration
- Cash balance impacted by initial £9m GWYF payment made in January
- Remain highly cash generative with operating cash conversion of 108%
- Resulting cash balance supports ongoing investment and M&A, supporting growth plans

Adj. EBITDA +9%



- Elevated Adj. EBITDA margin up to 40%

Adj. Earnings Per Share +1%



- EPS growth impacted by tax rate change on deferred tax balances

Adjusted EBITDA is defined as operating profit adjusted to add back depreciation of property, plant and equipment, amortisation of brands and impairment of intangible assets (excluding capitalised development costs), share based payment costs

Adjusted EPS is calculated by dividing the adjusted profit after tax 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

Operating cash conversion is defined as cash generated from operating activities as per the statement of cash flows, divided by EBITDA

Introducing StoryToys



- **The future**, aspiring to be the No1 edutainment company for under 8's in the app space.
- **Delivering** the world's most popular characters, worlds, and stories to life for **children under the age of 8**.
- **IP Partnerships AAA**, the first company a kids brand will turn to when they need a meaningful translation of brand values from toy, film, or literary content, to the digital app space.
- Across multiple platforms with over **100M app downloads**, enjoying global success with Apple, Google and Amazon
- **Best in Class**, StoryToys has been the recipient of awards including Kidscreen Award Winner 2021, Licensing International Excellence Awards Winner 2020, KAPi Awards Winner 2020, Apple Editor's Choice Award, and multiple Bologna Ragazzi Digital Awards.
- Key titles include **LEGO® DUPLO® World**, **Disney Coloring World**, and **Hungry Caterpillar Play School**.



StoryToys Management Team



Emmet O'Neill
CEO (and Dad)

With a career in digital product design that spans over 20 years, Emmet has worked across a broad spectrum of industries including publishing, advertising and film /TV. He specialises in leading highly creative teams and content-oriented businesses.

Before joining StoryToys, Emmet was director of creative & interactive design for publisher Houghton Mifflin Harcourt. Prior to Houghton, Emmet set up a full-service digital agency within advertising agency Rothco Accenture. He was also previously the head of digital production for Element Pictures (Ireland's largest film and television company).

Emmet believes in sharing stories, experiences, and creativity with kids.



Parisa Foster
CCO (and Mom)

Parisa is a seasoned expert in mobile, with over 15 years of experience in the field. A pioneer in the space, Parisa started with business intelligence roles at Airborne Mobile in 2006, one of the worlds' first mobile content companies.

Parisa joined the first mobile & API team at Yellow Pages Group (TSX: Y), led the digital transformation of the international comedy festival Just For Laughs, and worked at a digital consulting firm before taking the role of VP Marketing & Business Development at Budge Studios. Before StoryToys, Parisa worked as an independent advisor/consultant and co-founded a mobile start-up.

Parisa believes in inspiring a future generation through the fun of learning and the joy of play.



Summary & Outlook

Pipeline

Solid pipeline of releases planned for H2 and future years

IP

Ongoing expansion to portfolio and life cycle management initiatives

Footprint

Leverage our expanded resources and facilities to underpin growth aspirations

M&A

Ongoing evaluation of selective acquisitions aligned to strategy and values

Outlook

Well positioned to deliver on 2021 goals and beyond