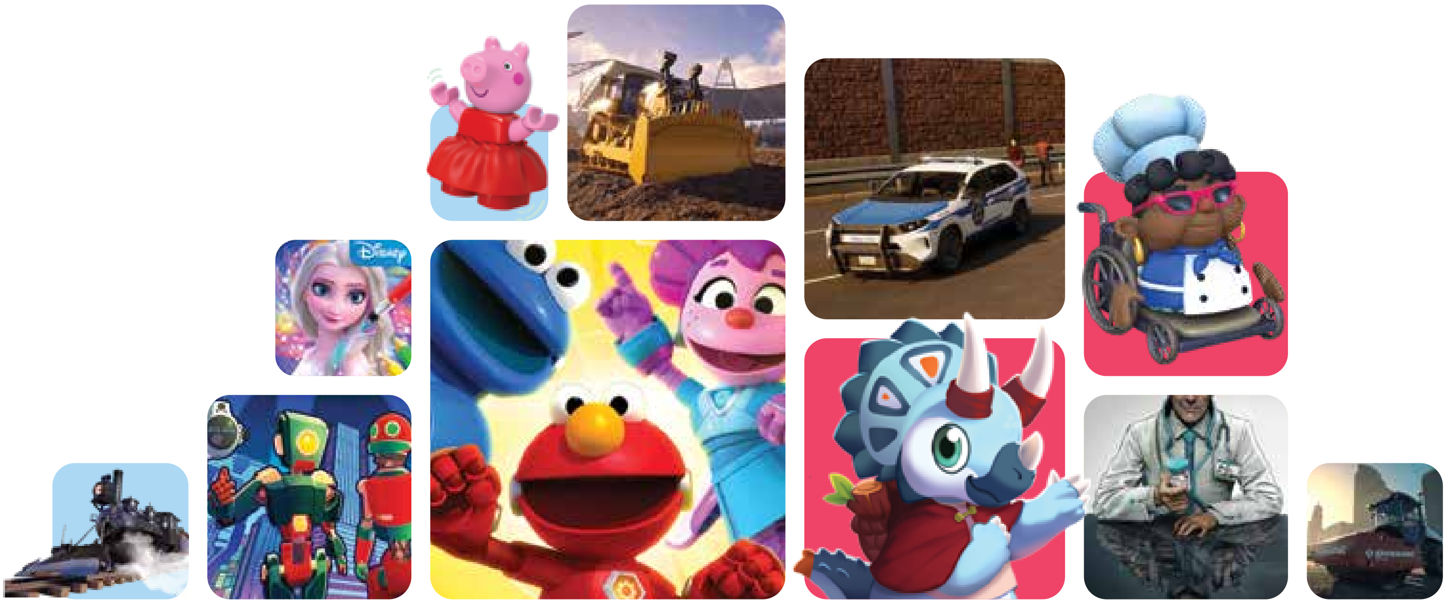
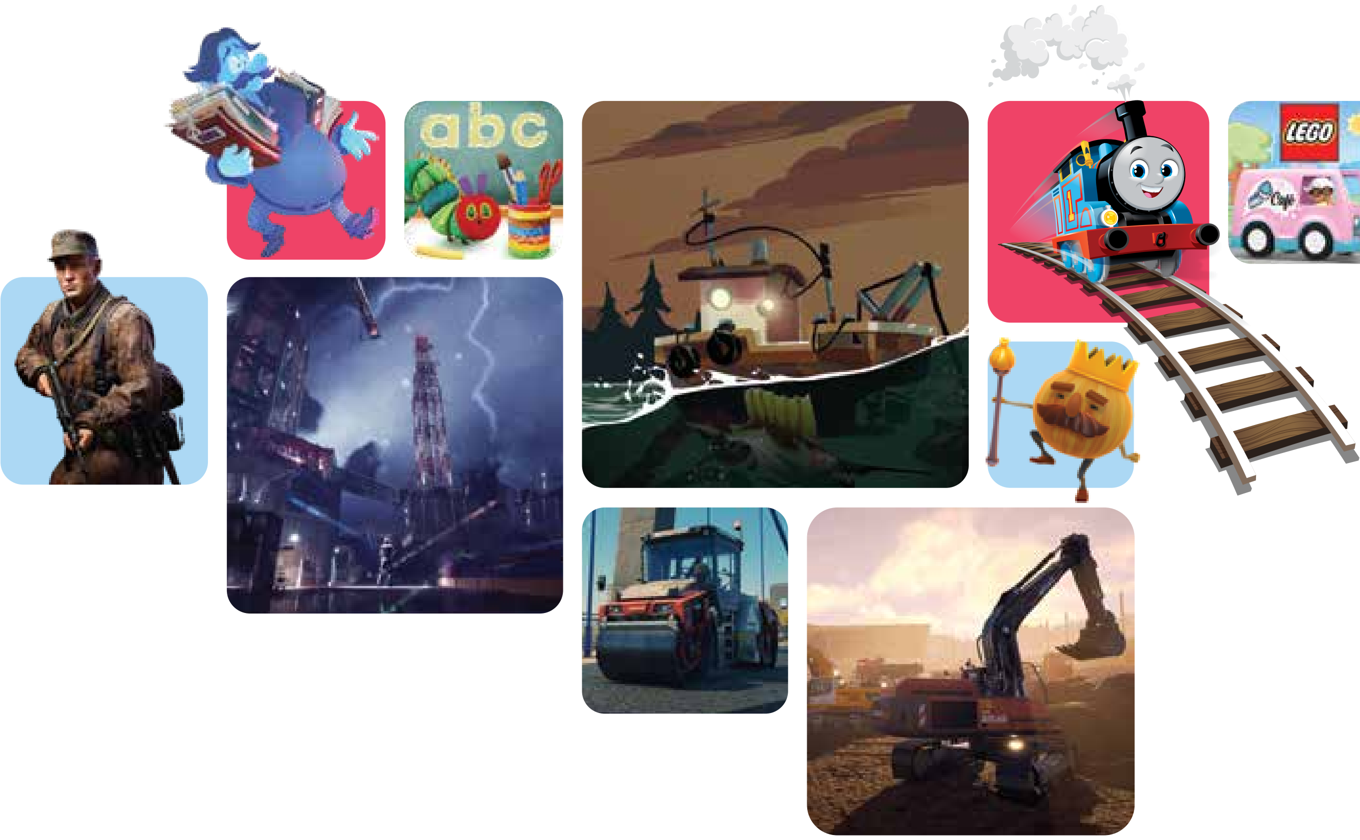


# everplay

**everplay group plc**
Annual Report and Financial Statements 2024

Never stop playing



# everplay group plc, a leading global independent (“Indie”) games label developer and publisher of premium video games and apps.

**Team17**
/ Indie Games Label

Team17 is a global games label, creative partner and developer of premium video games.

**Find out more on pages 18-21**

**astragon**
/ Working Simulation

astragon is a leading developer, publisher and distributor of sophisticated ‘working’ simulation games.

**Find out more on pages 22-25**

**StoryToys**
/ Edutainment

StoryToys is a world-class developer and publisher of educational entertainment apps for children.

**Find out more on pages 26-29**

### Strategic Report



### Corporate Governance



### Group Financial Statements



### Company Financial Statements








# Highlights

### 2024 Operational Highlights

- Double-digit growth in first-party IP revenues, which contributed 37% to Group revenues (FY 2023: 35%). 10 first-party IP projects are in the development pipeline, based both on established and new IP and to launch mostly in 2026 and 2027.
- The back catalogue had another excellent year across all divisions, with revenues up 27%, demonstrating the outstanding lifecycle management skills as well as the dependable nature of the portfolio strategy. Over 130 titles contributed to back catalogue revenues during the period, spread across a wide range of genres and release years.
- Community engagement was very strong across our key titles. In particular, ***Hell Let Loose*** enjoyed record revenues (five years after its original launch), with peak concurrent users (CCU) during the year over 90% higher yoy, increasing to over 140,000 following its release on the Epic platform at the year end.
- astragon delivered strong revenue growth of 22%. Strong contributors for the year included the popular ***Police Simulator*** and ***Construction Simulator*** franchises, the latter of which saw the introduction of a Year 2 Season Pass. Revenue growth for the year was supported by the release of two new games (FY 2023: three) – including ***Construction Simulator 4*** – as well as the physical distribution of ***Farming Simulator 25*** in Germany, five existing first and third-party IP games released on additional platforms and 12 paid DLCs[4] (FY 2023: 16).
- StoryToys delivered another excellent year of growth, up 25%. It launched three new licensed app titles (FY 2023: three), including ***LEGO® DUPLO® Peppa Pig*** in addition to 531 app updates (FY 2023: 327) across existing titles supporting subscriptions. Active subscribers continue to grow and now exceed 337,000, with 11 million active users and the number of total lifetime downloads now exceeding 240 million (FY 2023: 200 million).
- Team17 revenues fell by 5%, as some new titles failed to meet management expectations and some titles were moved into 2025. There was, on the other hand, strong double-digit growth in the back catalogue. More than 80 titles contributed towards back catalogue revenues in period, encompassing over 1,200 Digital Revenues Lines (up from over 900 in FY 2023), with stand-out performers including first-party IPs ***Hell Let Loose*** and ***Golf With Your Friends*** and third-party IPs ***Overcooked!*** and ***Dredge.*** Team17 launched 10 new games (FY 2023: 11) in the period, with 11 existing games released on new platforms (FY 2023: five).
- The Group continued to strengthen its Board and Senior Management Team. Rashid Varachia joined in October 2024 in the newly-created joint role of Group Chief Financial Officer and Chief Operating Officer. Harley Homewood joined as Group Product Acquisition Director, with responsibility for innovating our publishing models, leading our IP acquisition strategy as well as strategic involvement in our greenlight process.
- Following the year end, in January, the Group rebranded to everplay group plc, reflecting the evolution of the business following its IPO in 2018.

### 2024 Financial Highlights

| | |
|---|---|
| **£166.6m**<br>**Revenue**<br>(FY 2023: £159.1m) | **+5%**<br>**Revenue Growth**<br>(FY 2023: +12%) |
| **£69.4m**<br>**Gross Profit**<br>(FY 2023: £57.5m) | **41.6%**<br>**Gross Margin**<br>(FY 2023: 36.1%) |
| **£43.5m** (+46%)<br>**Adjusted EBITDA[1]**<br>(FY 2023: £29.9m) | **26.1%**<br>**Adjusted EBITDA Margin[1]**<br>(FY 2023: 18.8%) |
| **£25.3m**<br>**Profit Before Tax**<br>(FY 2023: £1.1m loss) | **£43.4m** (+51%)<br>**Adjusted Profit Before Tax[1]**<br>(FY 2023: £28.7m) |
| **14.0p**<br>**Basic EPS**<br>(FY 2023: 2.6p loss) | **24.1p** (+38%)<br>**Adjusted EPS[2]**<br>(FY 2023: 17.5p) |
| **97%**<br>**Operating Cash Conversion[3]**<br>(FY 2023: 87%) | **£62.9m**<br>**Cash & Cash Equivalents**<br>(FY 2023: £42.8m) |

1. A full description of Alternative Performance Measures, the rationale for their use, and reconciliation between adjusted and reported statutory measures can be found within the Group Chief Financial Officer’s Report on page 15.

   Adjusted profit before tax excludes acquisition-related costs and adjustments, amortisation and impairment of acquired intangible assets recognised as a result of business combinations, share-based compensation and one-off restructuring costs from the statutory measure whilst adding back development cost amortisation eliminated through acquisition fair value adjustments.

   Adjusted profit after tax excludes the same items as adjusted profit before tax removing corporation tax net of any tax effects on these items.

   Adjusted EBITDA can be calculated from adjusted profit after tax by adding back all remaining finance income and costs, tax, depreciation, amortisation and impairment except for those on development costs and publishing rights.
2. The calculation of adjusted earnings per share is based on the adjusted profit after tax divided by the weighted average number of shares (either basic or diluted).
3. Operating cash conversion is defined as cash generated from operating activities adjusted to add back payments made to satisfy pre-acquisition liabilities recognised under IFRS 3 “Business Combinations”, divided by earnings before interest, tax, depreciation and amortisation (“EBITDA”)
4. Downloadable content.

# Chair's Statement

"We continue to be a leading player in the Indie space, with our skilled lifecycle management and resilient back catalogue setting us apart from our competitors."

**Frank Sagnier**
Chair

**£166.6m**
Group revenues for FY 2024

This report marks my first full year as Chair of everplay group plc. Much has changed over the last 12 months, such as the realignment of focus on the Indie market, alongside tighter cost controls and increased effort on driving our first-party IP. With a strengthened Group leadership and company re-branding, I believe this year has been pivotal in getting the business back on the right track to ensure profitable growth over the next few years.

We have refocused our go-to-market strategy by concentrating on what everplay group plc knows best – Indie games and edutainment apps. We continue to be a leading player in the Indie space, with our skilled lifecycle management and resilient back catalogue setting us apart from our competitors. A key example of this from this year was the launch of ***Worms Armageddon: Anniversary Edition.*** It has been 25 years since the original Worms game was released, yet this series continues to captivate players and has a dedicated and loyal player community.

In the year ended 31 December 2024, the Group generated revenues of £166.6 million (FY 2023: £159.1 million), gross profit of £69.4 million (FY 2023: £57.5 million) and adjusted EBITDA of £43.5 million (FY 2023: £29.9 million). The Group continues to provide a strong balance sheet, with £62.9 million of cash and cash equivalents at 31 December 2024 (31 December 2023: £42.8 million). This places us in a robust position for future growth, as we consider new opportunities which closely align with our Indie focus.

In January 2025, we launched our new Group brand: everplay group plc. Our new name reflects the evolution and growth of the Company since our IPO and creates greater clarity for our three distinct divisions, astragon, StoryToys and Team17, operating across complementary markets within the video games and apps industry. Our new brand will have greater external relevance and internal efficiency, as we further centralise key business functions, such as finance, HR, legal, IT and compliance across all three divisions.




"2024 has been pivotal in getting the business back on the right track to ensure we deliver profitable growth."

We are continuing to bring experienced games industry experts into this new structure, with their knowledge and leadership skills resonating across the broader business. In October 2024, we welcomed Rashid Varachia to the Board as Chief Financial Officer and Chief Operating Officer. Rashid is ideally placed to oversee a widened operational remit, having amassed over 25 years' financial, gaming, M&A and capital markets experience. The strengthened senior management team is working alongside our dynamic Board, which has unrivalled gaming pedigree, making everplay better placed than ever before as the go-to Indie games label developer and publisher of premium video games and apps.

We have now reenergised our greenlight process, which has historically been people and data led, but will now benefit from the counsel of our strengthened senior team. This means that we can move more swiftly when it comes to attracting brilliant games available for us to develop, expanding on our first-party IP, as well as third party development. We now focus on exclusively Indie investment in this process, which is paramount to our goal of becoming the go-to developer for Indie games.

The Indie market continues to grow, with more titles released in 2024 than any other year in history. In light of this competitive new release market, the strength of everplay's back catalogue continues to be vital to the Company's success. Over the last six years, the back catalogue has on average accounted for 76% of total revenues, reflecting our ability to develop evergreen, timeless games which captivate audiences year after year. In 2024, its resilience strengthened, contributing 86% of the Company's revenue. Our back catalogue revenue base significantly derisks our exposure to an already crowded marketplace, as our success is not solely dependent on our latest releases.

FY 2025 is shaping up to be another successful year for everplay. There are a number of titles scheduled for launch in 2025, including new first-party IP titles, while broader market growth will be supported by the launch of the Nintendo Switch 2 console hardware. We're cognisant of the challenges associated with growth in an increasingly crowded games market, and so will deploy our strengthened organisation and strong balance sheet to explore M&A opportunities to accelerate our growth.

everplay remains a differentiated and compelling investment proposition within the games industry. Alongside the development of high-quality, engaging games and apps, everplay has a track record of consistently leveraging the strength of its back catalogue to drive reliable revenue streams from our existing content portfolio.

It is this confidence, in both our people and our strategy, that underpins the strength of the Board's belief in the future prospects for the business.

**Frank Sagnier**
Chair

1 May 2025

"The business is now positioned for future growth, as we consider new growth-accretive opportunities which closely align with our Indie focus."

# Group Chief Executive Officer's Review

"I would like to acknowledge the passion of the entire team across all our divisions at everplay. I remain inspired by the level of dedication they bring to the business and am continually motivated by our ambition and drive."

**Steve Bell**
Group Chief Executive Officer

**Introduction**
In my first full year as Chief Executive Officer of everplay group plc, I am delighted with how the business has responded as we realigned our focus to our Indie heritage, which best captures the passion and drive of our hugely talented people. The focus of the team over the past 12 months has been excellent as we've sought to bring our divisions closer together and align under shared aspirations and goals.

This progress is evidenced in our financial performance, delivering all-time high revenues of £166.6 million (FY 2023: £159.1 million) and gross profit of £69.4 million (FY 2023: £57.5 million) in FY 2024, supported by strong traction from our extensive back catalogue, alongside sales from new releases. The business also saw a sharp recovery in adjusted EBITDA to £43.5 million (FY 2023: £29.9 million), highlighting the inherent strength of our business model. Reported profit before tax was £25.3 million (FY 2023: loss of £1.1 million). Further detail and granularity on the financial performance can be found in the Chief Financial Officer's review.

The Group retains a healthy balance sheet, with £62.9 million of cash and cash equivalents at 31 December 2024 (31 December 2023: £42.8 million), which provides a strong base from which to further invest and grow our business.

**140+**
games contributed to revenues in FY 2024






"everplay, our new name, reflects the connection we have with our consumers: inspiring gamers to never stop playing. It supports our ambition to be the best place in the world to make and play games, creating pioneering and captivating experiences that enrich and inspire players around the world of all ages."

In January 2025, we successfully completed the rebranding of our business to everplay group plc. Our new name better captures the breadth of our genre, platform and demographic-agnostic business. It also reflects the connection we have with our consumers: inspiring gamers to never stop playing. It supports our ambition to be the best place in the world to make and play games, creating pioneering and captivating experiences that enrich and inspire players around the world of all ages. It also allows astragon, StoryToys and Team17 to retain their distinctive and well-established brand identities whilst maximising operational synergies and cross-selling opportunities across the wider Group.

**Strategic Priorities**
As highlighted at the beginning of 2024, we set out our key strategic priorities, along with our "Action Plan for Growth Delivery", aimed specifically at accelerating revenue growth, improving profitability and tightening cost control, while increasing agility, maximising synergies across the business and ultimately improving shareholder returns. These strategic priorities are laying the foundations for the Group to deliver continued market-beating growth, and I'm pleased to report we are already demonstrating tangible progress against these:

**Evergreen brands:** we continue to focus on our first-party IP games, which drive our return on investment. Ten exciting first-party IP projects are currently in development, with the first launch anticipated in 2025. At the same time, we maximise our lifecycle management skills to sustain our resilient back catalogue, which remains the bedrock of our business, supported by evergreen franchises such as ***Overcooked!, Hell Let Loose*** and ***Worms,*** while innovative marketing strategies drive both player engagement and sales.

**Relationship builders:** to be the leading Indie publisher, we need to continue to nurture our world-class partnerships with developers, platforms and brand owners. We reviewed more games in FY 2024 than in any prior year through our reinvigorated and streamlined greenlight process, in which we evaluate and analyse game submissions from potential developers, ensuring we access the most exciting games from outstanding developers from around the world. Our recently-appointed Group Legal Director has already enhanced the rigour of the process. We have reinforced our strict investment limits for games signed, ensuring each title has the right investment profile and our teams are fully aligned to develop and promote the games accordingly. StoryToys' launch of ***LEGO™ DUPLO™ Peppa Pig*** in May 2024 was further evidence of another leading brand choosing to partner with everplay, entrusting the Group to maintain the brand reputation.

**Innovation and M&A:** we are exploring opportunities to capitalise on our knowledge base and drive growth into new markets, audiences and IP, both organically and through M&A. Our commercial and scouting teams are adopting more flexible and innovative publishing models to ensure we are attracting the highest quality developers and publishing the best Indie games in the world. We are cognisant of our skillset and experience with back catalogue management and are exploring the opportunity to leverage this in innovative adjacent business models.

**Synergies and collaboration:** we are continuing to foster greater collaboration between all our teams and divisions, maximising the potential of their unique skills and expertise, whilst simultaneously optimising efficiencies and synergies across the business. The Group team is creating a more connected culture throughout the business, facilitating a greater sharing of best practice, expertise and cost discipline, while freeing up resources from the divisions.

**4** of the top 10
In FY 2024, 4 of the top 10 games sold in the period came from first-party IP titles

# Group Chief Executive Officer's Review

continued

"The strength of everplay's extensive back catalogue of 130+ titles and the team's expertise in lifecycle management cannot be overstated enough as it continues to elevate our brands in an increasingly crowded marketplace."

**Talent and culture:** to deliver growth and achieve our ambitions, we need to ensure we retain our world class talent, and that our culture supports aspiration, creativity and belonging. We believe that when our employees have pride in their work, trust in the business and camaraderie amongst their colleagues, they will be more engaged and productive. We have taken several major steps during 2024 to improve employee engagement through surveys, townhalls, training programmes and workshops and look forward to building on this in 2025.

## Operational Review

The Indie gaming market remains highly dynamic, as favourable demographic trends support underlying growth in gamers, while the proliferation of development tools and distribution channels lowers barriers to entry. Although growth in the broader gaming market remained modest in 2024 at 0.6%[1], this highly competitive landscape saw 18,148[2] titles launched on Steam in 2024, a 30% increase on 13,933 titles launched in 2023.

Against the backdrop of an increasingly competitive marketplace, discoverability remains crucial in driving the success of games. With such an increased number of titles competing for players' attention across all platforms, the role of marketing in growing and developing communities that engage with and raise awareness of our games has never been more important.

Adopting innovative marketing strategies forms a key component of driving discoverability, alongside supporting the Group's expertise in lifecycle management. Targeted marketing, optimisation for platform-specific algorithms and social media campaigns are three examples of the many components we have at our disposal. In 2024, we successfully partnered with a number of influencers on social media platforms to drive awareness of specific titles from our back catalogue, including a feast of TikTok content for ***Overcooked!*** and taking over a burger bar in LA to recreate ***Overcooked!*** in real life with influencers, resulting in 53 million views across social media platforms, and driving a pleasing resulting peak in sales. Exploring partnerships and targeted marketing opportunities continues to form a key part of our marketing strategy going forward.

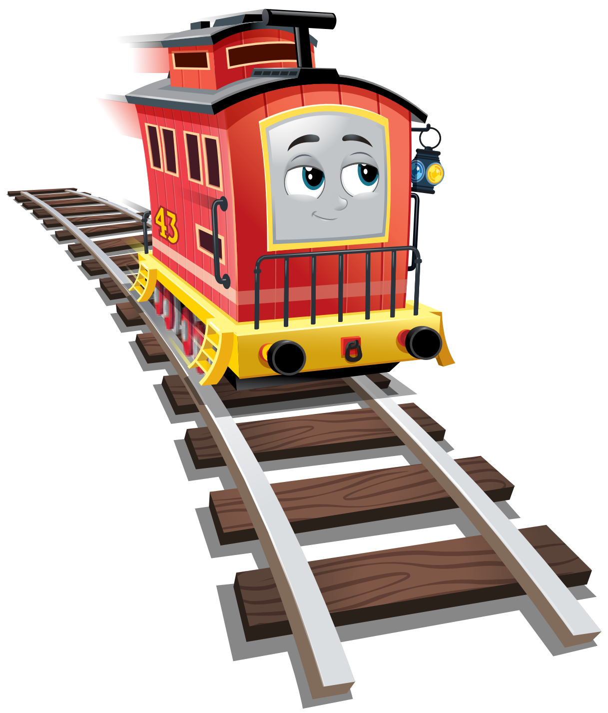
"Part of the Group's strategy going forward is to drive revenues from our first-party titles, where we naturally retain a higher portion of revenues."

The strength of everplay's back catalogue and the team's expertise in lifecycle management cannot be overstated and it continues to elevate our brands in what has become a crowded marketplace. Over 130 games contributed revenues to our back catalogue in FY 2024 and the team's ability to continue to drive player engagement, launch new content and develop sequel titles for the back catalogue is key to underpinning the resilience of our revenues and the long-term success of everplay.

## Divisional Highlights

Revenues generated by Team17 in 2024 were underpinned by the strong performance of the back catalogue. Whilst 10 new titles were launched (FY 2023: 11 titles) – comprising a mix of first-and third-party IP – Team17 was equally focused on driving sales through the release of additional content across existing titles within the portfolio. Key launches in the period included the multi-award-winning ***Conscript, Classified: France 44*** and ***Amber Isle,*** along with content updates including ***Dredge: The Iron Rig, Worms Armageddon: Anniversary Edition*** and ***Olympus Odyssey*** for ***Golf With Your Friends.***

astragon continued the historic trend of delivering solid revenue growth over the period, with its high-quality working simulation titles. New titles in 2024 included ***Construction Simulator 4,*** based in a new Canadian setting, along with additional content released across ***Construction Simulator, Police Simulator*** and ***Lawn Mowing Simulator*** among others. astragon also launched ***Police Simulator – Prop Island*** in August in collaboration with Fortnite, which sees gamers in either the Props or Hunters teams, battling to reign victorious.



1. Newzoo Total gaming market growth (2024)
2. Video Games Insights





"The Indie gaming market remains highly dynamic, as favourable demographic trends support underlying growth in gamers, while the proliferation of development tools and distribution channels lowers barriers to entry."

The launch of additional apps including ***Thomas & Friends™: Let's Roll*** and the highly successful ***LEGO™ DUPLO™ Peppa Pig,*** our first collaboration with this globally iconic children's brand, further expanded StoryToys' portfolio in the period. Furthermore, an additional 520 app updates were delivered in the period, demonstrating the continued development and evolution of the products and responsibility in updating content to reflect feedback from users. The foundation of StoryToys' success is the strength of its partner relationships and reputation for delivering high quality apps that do not diminish a brands' value.

As previously outlined, part of the Group's strategy is to drive revenues from first-party titles, where we naturally retain a higher portion of revenues. In FY 2024, 4 of the top 10 games sold in the period came from first-party IP titles, with the constituents of the top 10 including titles from Team17, astragon and StoryToys. For FY 2024, the top ten selling games represented approximately 60% of total revenues, demonstrating the breadth of the portfolio's performance.

## The Team

I would like to acknowledge the dedication and passion of the entire team at everplay group plc. I remain inspired by the level of dedication they bring to the business and am continually motivated by the company culture.

We have continued to strengthen the team throughout FY 2024 and, in particular, introduced a number of roles at the Group level which will help to drive synergies and ensure we benefit from the expertise and skillset across the divisions.

Rashid Varachia joined us in October 2024 in the newly-created role of Chief Financial Officer and Chief Operating Officer. Rashid replaced Mark Crawford, who I would like to personally thank for his support and contribution to the business over the last five years. In Rashid, we have someone with a rich pedigree in the video games industry and we are already benefitting enormously from his experience and insights. In December 2024, Harley Homewood, a gaming industry veteran who previously worked with Debbie Bestwick MBE at Team17, joined as Group Product Acquisition Director.

I believe the strength of the Board continues to be a point of differentiation for everplay group plc. During my first year at the helm, I have been privileged to benefit from such a breadth of experience in the gaming and public markets.

## Outlook

Our ambition is clear: to create pioneering and captivating experiences that enrich and inspire players around the world and to never stop playing, whilst also delivering market-beating growth and improved profitability for our shareholders.

For 2025, we have an exciting pipeline of at least 10 games and apps. We expect a greater proportion of our launches to be our first-party IP going forward and are employing more innovative marketing strategies to drive discoverability in a crowded market. We are also implementing more agile publishing models whilst looking for the best M&A opportunities that are both strategically and commercially additive to the Group.

We have an enormously experienced and talented team across the business. Centralising a number of functions will ensure that we are able to drive further synergies and leverage the business expertise across the portfolio.

I am hugely excited for the future of everplay group plc. The Group is well positioned to deliver growth in the short to medium term and the current financial year has started strongly with the positively-received ***Sworn*** already launched and several other titles announced. I look forward to updating all stakeholders on further progress throughout the year.

**Steve Bell**
Group Chief Executive Officer

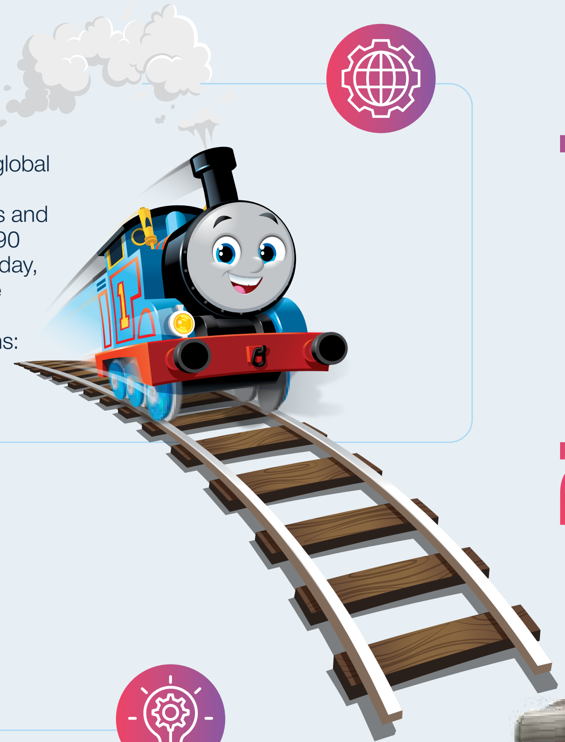
1 May 2025

# Group Strategy and Business Model

## Who We Are:

### Global

We are an award winning leading global Indie games label developer and publisher of premium video games and apps. everplay was founded in 1990 and successfully listed in 2018. Today, everplay employs over 350 people across 8 locations in 5 countries, and operates across three divisions: astragon, StoryToys and Team17.



### Pioneering

We are the place for players and creators. Our mission for over 30 years is to create pioneering and captivating experiences that enrich and inspire players around the world. Play is our thing. It always has been. It always will be.

### Experts

We are experts in identifying, developing, publishing, distributing & licensing a mix of both first and third-party IP games. Our portfolio of over 140 games appeals to a wide range of gamers, from 2 to 60 years of age, across multiple platforms.

### Market-Leading Businesses

- astragon is a leading games publisher, developer and distributor of sophisticated working simulation games, targeting a broad audience from young enthusiasts to technical experts and casual gamers.
- StoryToys is a world-class developer and publisher of educational entertainment apps for children. StoryToys brings the world's most popular characters, worlds and stories to life for children, making apps to help them learn, play and grow.
- Team17 is an independent games label developer, publisher and creative partner for studios around the world that leads and nurtures without compromising our independent spirit.

## Our Market:

Following a one-off surge in gaming during the COVID-19 pandemic, the total gaming market declined in 2022, and has delivered only modest growth since, averaging 1.1% in 2023 and 2024. Newzoo forecasts the market will grow at a compound annual growth rate of 3.7% over the next three years. The number of gamers is growing globally, driven by increasingly diverse demographics and the adoption of digital distribution which has broadened accessibility for customers.

everplay is firmly focused on the Indie market, which we estimate to be worth around $8 billion, based on internal estimates. While smaller, the Indie market provides a differentiated, more affordable and less time-consuming proposition for gamers compared with the AAA market, while still offering an incredible range of genres, platform and co-op opportunities to gaming communities, alongside sizeable commercial opportunities for developers.

## Our Business Model:

As well as developing our own first-party IP, accounting for 37% of sales, we co-develop and publish IP from third-party developers and branded license partners.

In addition to the development of new high-quality, engaging games and apps, we have an enviable track record of consistently leveraging our unparalleled diverse back catalogue with world class lifecycle management capabilities to drive additional, reliable revenue streams from our existing content portfolio, building long-lasting franchises, including ***Overcooked!, Hell Let Loose, Blasphemous, Construction Simulator*** and ***Police Simulator*** to name a few.

### Team17

Team17's business model is focused on identifying, developing, enhancing, publishing and extending IP in the Indie space. In addition to our first-party IP, we are partners to new and returning independent developers around the globe. Team17 has developed a successful and comprehensive greenlight process for identifying and commercialising creative ideas and talent, as we seek to discover stand out content for our gaming communities. We provide funding, development, publishing and commercial resources to our developer partners, from end-to-end support in the game creation process, to marketing and revenue lifecycle management. Managing the lifecycle of games, through new downloadable content, sequels, discounts, promotions and innovative marketing, ensures they continue to contribute revenues to the business as part of our back catalogue.

**Find out more on pages 18-21**

### astragon

In addition to revenue from base game sales, we follow a strategy that combines free updates with paid DLCs to continuously add fresh value to our content and maintain long-term revenue streams. Our first-party IPs undergo a multi-year development process, which varies based on the scope of the project and the platform. Over a decade ago, we launched our first first-party IP game and have since continued to release significant new instalments and updates to keep our diverse customer base engaged with our content.

**Find out more on pages 22-25**

### StoryToys

StoryToys secures global leading brand partner license agreements for popular kids' brands to create, develop and publish engaging mobile apps and games appealing to children in early childhood. The apps are free to download and access basic content. Parents and caregivers can unlock additional content through a recurring subscription or one-time in-app purchases across mobile (iOS, Android), Apple, Google, Amazon and Samsung marketplaces. Platforms like Apple and Google deduct their fees, and StoryToys pays brand owners royalties based on net revenues and the agreed commercial terms. StoryToys boasts over 337,000 active subscribers, 11 million monthly active users and over 240 million app downloads.

**Find out more on pages 26-29**

# Group Strategy and Business Model
continued

## Our Growth Strategy:

The Group plans to continue to grow revenue and profit, which includes increasing the proportion of revenues from first-party IP over time, sharpening our greenlight process, developing more innovative marketing and publishing models, while pursuing an active M&A agenda.

We have a strong pipeline of new games and apps scheduled for launch across 2025 and beyond, and we will continue to develop and launch additional content across the existing portfolio.

As everplay moves forward, it will be focused on five core strategic pillars, namely:

### Evergreen brands:

We will be the custodians of our games and IP with a development roadmap to unlock their potential today and into the future. We will focus on our established first-party IP games and the discovery of new games for existing and new players. We will use our world class lifecycle management skills to support our back catalogue and employ innovative marketing strategies driving player engagement to improve growth, profitability and return on investment.

### Relationship builders:

We will nurture our world-class partnerships with developers, platforms and brand owners to remain the leading Indie developer and publisher. We will leverage our greenlight process to access the most exciting games from outstanding developers from around the world.

### Innovation and M&A:

We will explore and implement opportunities to capitalise our knowledge base and drive growth into new markets, technologies, audiences and IP, both organically and through M&A. We will adapt our publishing models to ensure we attract the highest quality developers.

### Synergies & collaboration:

We will foster greater collaboration between all our teams and divisions, maximising the potential of their unique skills and expertise, whilst simultaneously optimising efficiencies and synergies within the Group.

### Talent & culture:

We will ensure our culture attracts and retains world class talent. We will support aspiration, creativity and belonging, to deliver growth and achieve our strategic ambitions. We believe that when our employees have pride in their work, trust in the business and camaraderie amongst their colleagues, they will be more engaged and productive.





## Our Investment Case:

**37%**
**Group sales from first-party IP**[1]
IP and talent in place to deliver accelerated growth

**>140**
**Active titles across the Group**[2]
Diversified portfolio, across multiple platforms, to a broad demographic

**12**
**Franchise titles with sales >$20m**[3]
Evergreen brands: proven franchise creation & lifecycle management

**76%**
**Group sales from back catalogue**[4]
Dependable back catalogue providing mid-term visibility

**21%** vs 5%
**Organic revenue growth vs market**[5]
Consistent track record of market-beating revenue growth

**£62.9m**
**Cash & equivalents**[6]
Strong balance sheet & cash generation support M&A optionality

1. FY 2024
2. Active = generated sales in FY 2024
3. Lifetime sales to Dec 2024
4. Average for FY 2018 – 2024
5. Average annual Group organic growth vs Newzoo console and PC market 2018 – 2024
6. FY 2024

# Group Chief Financial Officer's Review

27%
Growth in back catalogue revenues

## Performance Overview

FY 2024 was another highly competitive year for the gaming sector. Against this backdrop, the Group delivered a pleasing revenue performance, up 5% compared to the prior year, substantially ahead of the market which grew just 0.6%. 2024 was everplay's seventh consecutive year since its IPO of delivering market-beating revenue growth. This growth was generated organically through revenues from existing businesses, through a combination of new releases and a stellar performance from the Group's extensive back catalogue, further demonstrating the benefit of everplay's portfolio strategy and exceptional lifecycle management skills. Tightened cost controls, improved title mix and lower impairments all contributed to a significant improvement in margins. This, along with the higher revenues, contributed to a sharp recovery in earnings, with profits before tax of £25.3 million (FY 2023: £1.1 million loss).

## Revenue

Group revenues increased 5% on a like-for-like basis to £166.6 million (FY 2023: £159.1 million). Team17 (formerly Team17 Games Label) contributed £98.6 million, down 5% on the prior year (FY 2023: £103.6 million), astragon delivered £43.8 million (FY 2023: £36.0 million) showing excellent growth of 22%, whilst StoryToys had another outstanding year, with revenues up 25% to £24.3 million (FY 2023: £19.5 million).

"2024 was our seventh consecutive year since its IPO of delivering market-beating revenue growth."

**Rashid Varachia**
Group Chief Financial Officer and Chief Operating Officer

10%
Growth in first-party IP revenues



"Tightened cost controls and improved mix, along with higher revenues, all contributed to a sharp recovery in earnings."


Overall first-party IP revenues increased 10% to £61.5 million (FY 2023: £55.9 million) reflecting a strong performance from games such as ***Hell Let Loose, Construction Simulator, Police Simulator*** and ***Golf With Your Friends*** – all of which remain in the Group's top 10 selling titles. This brings first-party IP revenues up to 37% of revenues (FY 2023: 35%), in line with the Group's core strategy to increase the weighting of first-party IP revenues. Third-party game revenues grew modestly to £105.1 million (FY 2023: £103.3 million), led by ***Overcooked!*** and 2023's award-winning ***Dredge.***

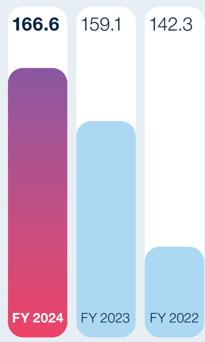
The Group's back catalogue enjoyed another year of sustained strong performance, thanks to some excellent new downloadable content ("DLC") and innovative marketing activity from the teams. Revenues grew 27% to £143.8 million (FY 2023: £113.6 million). This growth is testament both to the quality of the Group's portfolio, and the team's skills in lifecycle management. Stand out performers included ***Overcooked! 2, Hell Let Loose, Police Simulator*** and ***Dredge.*** The competitive environment and strong prior year base did result in a more muted revenue performance for new releases at £22.9 million (FY 2023: £45.5 million), affecting Team17 in particular. However, reviews for many of games which were released were pleasing, including 90% positive user reviews on Steam for ***Conscript*** and 89% for ***Amber Isle.***

## Gross Profit

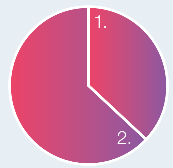
Gross profit in the year rose 21% to £69.4 million (FY 2023: £57.5 million). The gross margin increased sharply by 550bps to 41.6% (FY 2023: 36.1%), due to a number of factors including substantially lower title impairment charges, development cost amortisation charges, expensed development costs and royalty payments.

As usual, a full review was undertaken of the value of intangible assets held on the balance sheet which included both released games with a residual net book value as well as games in development yet to be released. Title impairment charges for the year were £4.7 million (FY 2023: £11.1 million), across select titles following the lower-than-expected performance of new releases in H1 2024 and the current view of the new release market.

**Group Revenues** £m

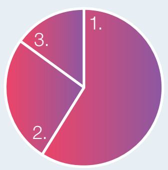



**IP Revenues Split** £m, 2024



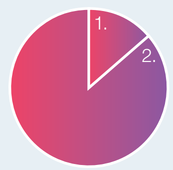

| | |
|---|---|
| 1. First-party | 61.5 |
| 2. Third-party | 105.1 |

**Divisional breakdown** 2024




| | £m | % |
|---|---|---|
| 1. Team17 | 98.6 | 59 |
| 2. astragon | 43.8 | 26 |
| 2. StoryToys | 24.3 | 15 |

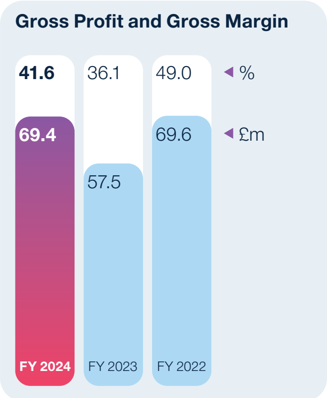
**Divisional breakdown** £m, 2024

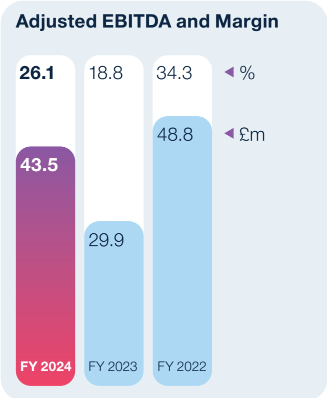


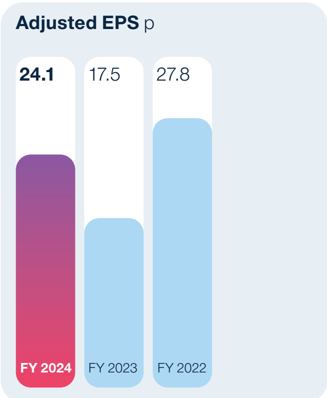

| | |
|---|---|
| 1. New release | 22.9 |
| 2. Back catalogue | 143.8 |

# Group Chief Financial Officer's Review
continued

**46%**
Growth in adjusted EBITDA




Royalty payments were lower year on year, accounting for 29.9% of sales (FY 2023: 30.4%), due to the stronger performance of first-party titles relative to third-party titles (the latter of which generate higher levels of royalty payments). However, astragon's first-party IP simulation games represented a higher proportion of the Group's first-party revenues this year (50% compared to 47% in FY 2023) and unlike Team17's first-party IP games, these attract a royalty paid to astragon's dedicated development partners, which moderated the reduction in overall royalty payments in the period.

After several years of increases resulting from acquisitions and some larger third-party game development investments at Team17, capitalised development costs in the year decreased to £25.0 million (FY 2023: £32.2 million) of which £12.1 million (FY 2023: £22.5 million) related to Team17, £9.9 million (FY 2023: £7.1 million) to astragon and £3.0 million (FY 2023: £2.6 million) to StoryToys. This reflects lower planned development costs for Team17 third-party titles, partly offset by higher spending on first-party IP in both Team17 and astragon – for which there are 10 projects currently under development. As a result of the capitalisation, impairment and development cost amortisation charges, capitalised development costs on the balance sheet at the end of the period stood at £40.6 million (FY 2023: £35.1 million).

Development cost amortisation charges were £13.5 million for the year (FY 2023: £12.7 million), an increase on the prior due to the higher number of new releases in the period. Expensed development costs also fell during the year, partly due to the greater use of outsourcing within the Team17 studios.





"Adjusted EBITDA rose to £43.5 million, a sharp recovery from the £29.9 million in FY 2023, reflecting the strong revenue growth, underlying margin improvements and lower impairments."

### Administrative Expenses
Total costs in the period decreased to £45.6 million (FY 2023: £57.6 million). The decrease was primarily due to the lower non-cash impairment of goodwill charge relating to The Label Inc. of £4.6 million (FY 2023: £20.9 million). Acquisition-related adjustments, costs and amortisation were £13.9 million (FY 2023: £10.0 million).

Staff costs within administrative expenses increased 27% in the year predominantly reflecting higher bonus payments across the Group as well as the final management incentive payments relating to the acquisition of StoryToys and astragon. Marketing costs decreased during the year, following the implementation of tighter controls in H2 2023 to better align to the Indie model. Depreciation and amortisation fell to £13.1 million (FY 2023: £15.0 million). Other costs including premises, professional fees and travel & entertainment were lower as a percentage of sales than the prior year. Total headcount for the Group at 31 December 2024 was 344 (31 December 2023: 348).

### Alternative Performance Measures ("APMs")
The Directors believe that the reported APMs provide meaningful performance information to aid the understanding of the underlying business trading performance and profitability. Although these are not GAAP measures as defined by IFRS, they have been applied to provide an accurate comparison as well as provide readers of the financial statements a clear understanding of the underlying profitability of the business and more consistent comparisons over time. A breakdown of the adjusting factors is provided in the table below:

| | Adjusted EBITDA | | Adjusted Profit After Tax | |
|---|---|---|---|---|
| | **FY24 £'000** | FY23 £'000 | **FY24 £'000** | FY23 £'000 |
| **(Loss)/Profit before Tax** | **25,323** | (1,080) | **25,323** | (1,080) |
| Development cost amortisation eliminated through FV adjustments | **(1,469)** | (3,791) | **(1,469)** | (3,791) |
| Goodwill Impairment | **4,563** | 20,879 | **4,563** | 20,879 |
| Share based compensation | **1,008** | 417 | **1,008** | 417 |
| Restructuring costs | **n/a** | 1,209 | **n/a** | 1,209 |
| **Acquisition related costs & adjustments** | | | | |
| Amortisation on acquired intangible assets | **11,529** | 13,759 | **11,529** | 13,759 |
| Acquisition related costs | **2,334** | 1,360 | **2,334** | 1,360 |
| Earn out fair value | **84** | (5,086) | **84** | (5,086) |
| Interest & FX on contingent consideration | **7** | 1,023 | **7** | 1,023 |
| **Adjusted profit before tax** | **43,379** | 28,690 | **43,379** | 28690 |
| Finance income and costs net of acquisition related costs and adjustments | **(1,196)** | 556 | **n/a** | n/a |
| Depreciation and loss on disposal of tangible assets and software | **1,276** | 1085 | **n/a** | n/a |
| Amortisation of intangible assets (excluding development costs and acquired intangibles) | **90** | 16 | **n/a** | n/a |
| **Adjusted EBITDA** | **43,549** | 29,873 | | |
| Taxation (net of impacts on adjustments) | | | **(8,747)** | (3,467) |
| **Adjusted profit after tax** | | | **34,632** | 25,223 |
| **Adjusted basic EPS (p)** | | | **24.1** | 17.5 |

# Group Chief Financial Officer's Review

continued

Adjusted EBITDA reflects the EBITDA of the Group in a steady state, without the impact of acquisition-related costs which vary year on year based on acquisition activity. In addition, we include the impact of amortisation and impairment of development costs and publishing rights, as this reflects the primary costs incurred by the Group in generating revenue. In the previous year, restructuring costs were also excluded as one-off in nature and not reflective of the underlying performance of the Group.

Adjusted profit before tax reflects the profitability of the Group, adjusted for the previously outlined acquisition-related costs. In the prior year, this was also adjusted for the goodwill impairment which is not a recurring cost to the Group.

Share-based compensation charges of £1.0 million (FY 2023: £0.4 million) relate to options that were granted to the Executive Directors, the senior leadership team and other members of the team under a variety of schemes which other than in the case of the Executive Directors and Non-Executive Directors will be satisfied by shares held in the Employee Benefit Trust ("EBT").

Acquisition-related adjustments created a net cost in the period of £2.4 million (FY 2023: £2.7 million credit), relating to one-off costs directly associated with the acquisitions made over the last three years. There were £2.3 million of associated management incentive payments in FY 2024 (FY 2023: nil), with other acquisition costs and fair value adjustments totalling £0.1 million (FY 2023: £1.4 million). Finance costs relating to contingent consideration was £0.1 million (FY 2023: £1.0 million) reflecting the lower balances outstanding.

**Adjusted EBITDA**

Adjusted EBITDA rose to £43.5 million, a sharp recovery from the £29.9 million in FY 2023, reflecting the strong revenue growth, underlying margin improvements and materially lower title impairment costs. Adjusted EBITDA excludes acquisition related adjustments and fees, amortisation on and impairment of acquired intangible assets as a result of business combinations, share-based compensation (as well as one-off Team17 restructuring costs and tax in FY 2023).

**Profit Before Tax**

Profit Before Tax for the year was £25.3 million, compared to a £1.1 million loss in the prior year (which was negatively affected by the £32.0 million of non-cash impairment charges).

In addition, net finance income increased to £1.2 million (FY 2023: £0.9 million cost), reflecting higher interest rates and cash on balance.

Adjusted profit before tax, adjusting for the items outlined in the APMs table above, was £43.4 million (FY 2023: £28.7 million).

The tax charge for the year was £5.1 million (FY 2023: £2.7 million). The effective tax rate for the year was 20%.

**Earnings Per Share ("EPS")**

Basic EPS rose to 14.0 pence (FY 2023: (2.6) pence), reflecting higher pre-tax profits, as well as the non-cash impairment charges affecting the FY 2023 base. Basic adjusted EPS, reflecting the APM adjustments noted above and calculated using the adjusted profit after tax increased 38% to 24.1 pence (FY 2023: 17.5 pence).






**£62.9m**

Cash and cash equivalents highlight the Group's strong balance sheet

**Statement of Financial Position**

The Group remains highly cash generative with an operating cash conversion of 97% (FY 2023: 87%), and a net inflow of cash from operations of £51.2 million (FY 2023: £41.4 million). As a result of final cash earn-out payments in the period (£5.0 million) and investment in capitalised development costs (£25.0 million), there was an overall net increase in cash and cash equivalents to £62.9 million (FY 2023: £42.8 million) which includes £2.7 million (FY 2023: £2.9 million) held in the EBT.

The EBT remains an important fund established at IPO to support employee share awards and incentivise team members across the Group. All UK and EU employees across the Group continue to be awarded share options on joining, noting that the use of the EBT avoids the issue of new shares to satisfy these and other employee options.

Goodwill and intangible assets now total £197.0 million (FY 2023: £210.0 million). As at 31 December 2024, the net book value of goodwill was £82.3 million (FY 2023: £86.2 million). The value of the Group's brands now stands at £51.4 million (FY 2023: £57.6 million) which takes into account the annual brand amortisation charge. The current net book value of capitalised development costs at year end stands at £40.6 million (FY 2023: £35.1 million).

Movements in working capital totalled £1.7 million in the period (FY 2023: £3.5 million). This amounted to a £9.1 million increase in trade and other receivables (FY 2023: £0.4 million), offset by a corresponding increase in trade and other payables balance of £7.6 million (FY 2023: £3.3 million decrease). This increase in trading balances is due to high volumes of trade in Q4 related to physical distribution within astragon, while an increase in license sales also impacted year end working capital.

**Share Issues**

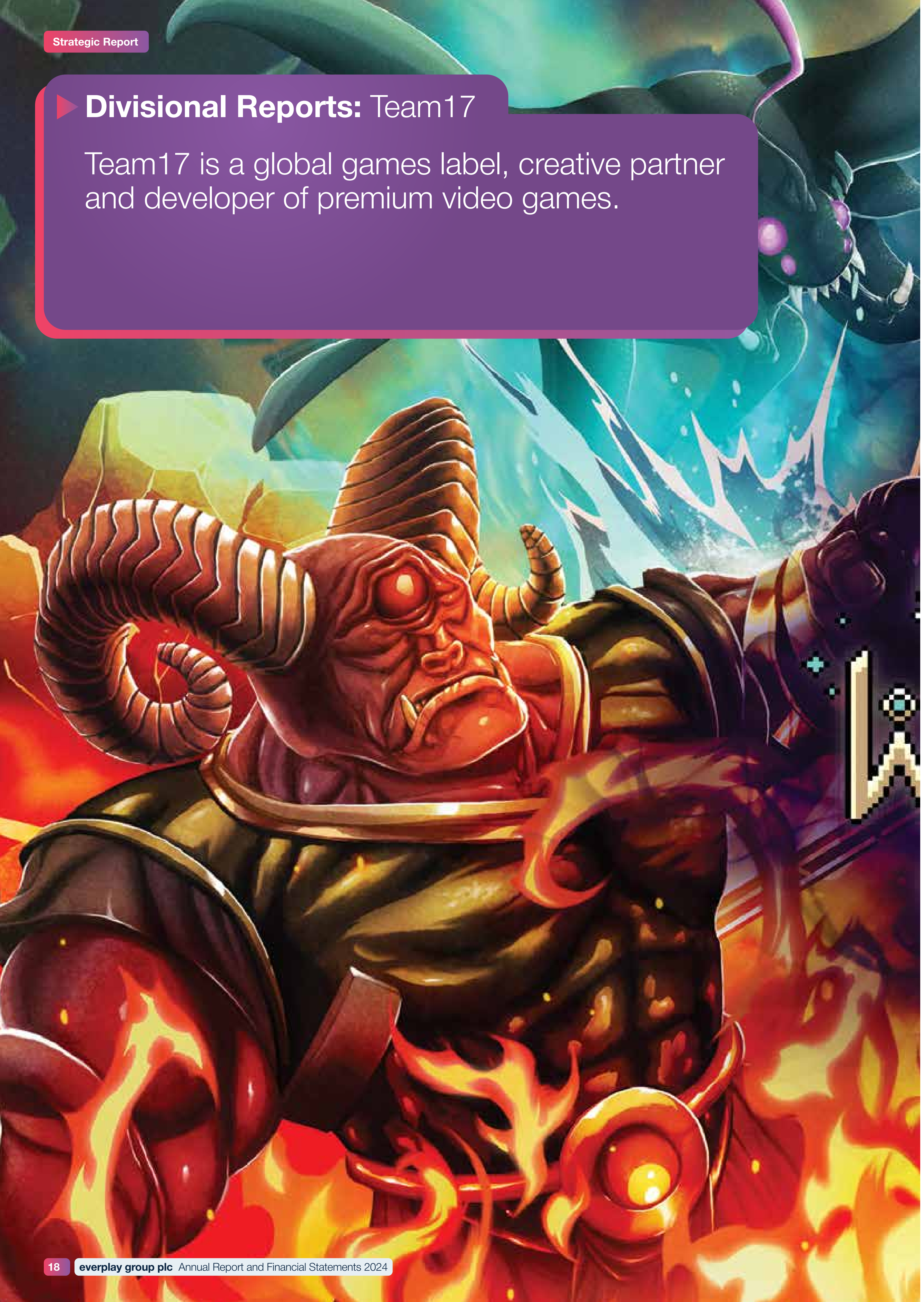
As at 31 December 2024, the Group's issued share capital comprised 145,848,677 ordinary shares of £0.01 each (FY 2023: 145,803,620).

A total of 317,970 (FY 2023: 294,535) share options were issued during the year to the Executive Directors with a three-year vesting period with performance criteria, 391,465 (FY 2023: 532,858) share options were issued to other employees across the Group also with a similar three-year vesting period and performance criteria, while 61,648 share options were issued to Non-Executive Directors as part of a new Share Option Plan.

The Group has extended the use of its Long-Term Incentive Plan with performance criteria across its senior divisional leadership team together with the deferred bonus share plan for senior management. everplay continues to administer an All-Employee Share Incentive Plan ("SIP") which is a UK employee SIP with matching shares open to all UK employees and which continues to be well supported.

**Rashid Varachia**
Group Chief Financial Officer and Chief Operating Officer

1 May 2025



# Divisional Reports: Team17

Team17 is a global games label, creative partner and developer of premium video games.





"All of us share a passion for securing excellent content, nurturing consumer loyalty and, above all, empowering our teams to deliver continuous growth."

**Ann Hurley**
General Manager, Team17

**Our Business Model**
We are a focused Indie developer and publisher supporting both first and third-party IP, with a portfolio of 100+ games. Our Indie games feature across all major platforms (PC, console and mobile), serving a growing a community of gamers of all ages and tastes. In addition to our first-party IP, we are partners to new and returning independent developers around the globe. Working with studios ranging from one developer through to much larger established outfits overseas, Team17 offers a range of publishing services from end-to-end support in the game creation process, to marketing and revenue lifecycle management. We pride ourselves on having a collection of the most passionate, and engaged industry specialists, invested in a games-first approach. All of us share a passion for securing excellent content, nurturing consumer loyalty and, above all, empowering our teams to deliver continuous growth.

**Our Strategy**
We continually seek to improve our portfolio of high-quality games by maintaining an active and varied release schedule across our catalogue, aiming to launch 8-10 new titles each year developed from first-party IP franchises or third-party IP, identified through our greenlight process. In addition to new releases, our unparalleled back catalogue of Indie games, whose revenues we extend and optimise through expert lifecycle management, drive the division's revenues, along with new downloadable content for our existing games. Maintaining this balance between new releases and back catalogue games provides a predictable revenue stream that underpins the business. Through the use of innovative and creative marketing techniques, we seek to raise our profile and deepen our relationship with our gaming community. We consistently explore options to diversify into new territories, platforms and media.

**Our Customers**
We are laser-focused on engagement with our gaming communities, whose support is key to the success of our games. Our games are enjoyed by gamers around the globe, across all platforms. However, we recognise that different gaming communities have different characteristics. We define these as:

- **Casual** – the hobbyist gamer who is dedicated to the games they love;
- **Competitive** – for whom gaming is a sport and they like to win; and
- **Committed** – the single player gamer.

Creating content which appeals to each of these communities is a core focus for Team17.

**First-Party IP Focus**
The strength and diversity of products planned for 2025 and beyond includes a mix of brand-new IP, internally created as well as externally developed, and long-awaited sequels with strong partners across a variety of genres. Within its first-party IP portfolio, Team17 boasts iconic games such as ***Worms, The Escapists, Golf With Your Friends*** and ***Hell Let Loose.*** We are excited to be working on new content for these titles, creating new experiences which we know will delight these games' communities when they launch from late 2025 onwards.

# Divisional Reports: Team17

We are a leading games publisher with a clear focus on developing and launching pioneering Indie games that inspire players around the world for a lifetime.

**2024 Highlights:**

- The biggest year ever for ***Hell Let Loose,*** in the game's 5th year
- Great performance of first and third-party back catalogue titles, including ***Overcooked!, Dredge, Blasphemous 2*** and ***Golf With Your Friends***
- Excellent review scores for many of our new releases, including 90% positive user reviews on Steam for ***Conscript*** and 89% for ***Amber Isle***

**10**
new games released in 2024

**100+**
active high-quality games across our portfolio

**32%**
revenues from first-party IP

**1,200+**
Digital Revenue Lines

# Divisional Reports: astragon

astragon is a leading developer, publisher and distributor of sophisticated "working" simulation games.






"astragon's diversified business model is built on a foundation of proprietary IPs, strategic third-party collaborations, and a robust distribution network."

**Tim Schmitz and Julia Pfiffer**
Chief Executive Officers, astragon

**Our Business Model**
In addition to revenue from base game sales, we follow a strategy that combines free updates with paid DLCs to continuously add fresh value to our content and maintain long-term revenue streams. Our first-party IPs undergo a multi-year development process, which varies based on the scope of the project and the platform. Over a decade ago, we launched our first first-party IP game and have since continued to release significant new instalments and updates to keep our diverse customer base engaged with our content.

**Our Strategy**
We are dedicated to creating compelling content to grow our audience, enhancing our existing IPs, and forging new licensing partnerships. Our key strategic priorities are:

- **First-party IP focus:** maximise potential of our flagship franchises and growing brands
- **New instalments:** delivering fresh and unique content
- **Community:** expand player community and increase community engagement
- **Lifecycle:** maximising product longevity and diversification
- **Sustaining engagement through content:** DLCs, Season Passes, Updates

Our primary mission is to be the ideal partner for global game studios, offering comprehensive support across project development, production management, marketing, sales strategies, and project funding. This commitment spans all platforms, including PC, console, and mobile. With our in-house development team at Independent Arts Software, we are able to accelerate the diversification of our product lineup and develop new proprietary IP products.

**Our Customers**
Our video games appeal to a broad and diverse audience, ranging from young enthusiasts and casual players to seasoned technical experts. We are proud to provide an inclusive gaming experience that meets the unique preferences of all players. Our games are designed to engage both newcomers and experienced gamers alike, ensuring that everyone can enjoy and connect with our offerings. This diversity among our players highlights the adaptability of our products and underscores our dedication to creating games that go beyond conventional boundaries, delivering joy and fulfilment to every player, no matter their level of experience.

**First-Party IP Focus**
astragon is proud to have developed high quality simulation IPs, with currently four franchises developed and released over the last 10 years, including the ever-popular ***Police Simulator*** and ***Construction Simulator,*** along with ***Firefighting Simulator*** and ***Bus Simulator.***

Over the past year, the team has focused continuously on the enhancement of our first-party IPs with additional content and offerings aimed at maximising their long-term value and appeal, further strengthening our commitment to product lifecycle management and strategically diversifying our portfolio.

To meet the expectations of our players and extend the lifecycle of our games, in 2024 we have further intensified our investment in the development of DLCs, Season Passes, and Gold Editions, such as the introduction of Year 2 Season Pass for ***Construction Simulator,*** as well as extending our platform reach, including the release of ***Police Simulator*** on Switch. These not only deliver new and exciting gaming experiences but also create recurring revenue opportunities that ensure the sustained success of our titles.

By integrating these expansive elements into our portfolio, we have broadened the scope and reach of our brands. We have focused on creating innovative and engaging content that offers a unique gaming experience to both existing fans and new audiences.

With our continued emphasis on product lifecycle management and the diversification of our offerings, we are well-positioned to respond to future market trends and drive further growth. Our development activity in 2024 has paved the way for exciting games launches in 2025 and beyond, with extensions of our existing IP as well as brand new IP concepts.

Our strategy aims to deliver sustainable value – both for our players and our stakeholders. We are confident that these measures will help us strengthen our market position and establish our IPs for the long term.

# Divisional Reports: astragon

## We are a leading games publisher, developer, and distributor of working simulation games, targeting a broad audience from young enthusiasts to technical experts and casual gamers.

**2024 Highlights:**

- Diversification of our successful IPs to Switch with ***Construction Simulator 4*** and ***Police Simulator: Patrol Officers*** to further broaden the audience.
- Expanding our reach and fostering deeper engagement through integration with subscription services for the first time.
- Introduction of Year 2 Season Pass for ***Construction Simulator***
- Full release of ***Railroads Online*** from our third-party publishing portfolio demonstrating our commitment to broadening our operational reach and diversifying our revenue base.
- Marketed and distributed well-known brands like ***Farming Simulator*** and ***Banishers*** in our 3PD segment in Germany.

**22%**
revenue growth in FY 2024

**60+**
global brand license partners

**12**
paid DLC releases across our first-party IP games

**4**
first-party IP brands in portfolio

astragon ENTERTAINMENT

# Divisional Reports: StoryToys

StoryToys is a world-class developer and publisher of educational entertainment apps for children.



"To take such iconic characters and translate them to magical digital play experiences is an absolute privilege for StoryToys."

**Emmet O'Neill**
Chief Executive Officer, StorysToys

**Our Business Model**
StoryToys secures global leading brand partner license agreements for popular kids' brands to create, develop and publish engaging mobile apps and games appealing to children in early childhood. The apps are free to download and access basic content. Parents and caregivers can unlock additional content through a recurring subscription or one-time in-app purchases across mobile (iOS, Android), Apple, Google, Amazon and Samsung marketplaces. Platforms like Apple and Google deduct their fees, and StoryToys pays brand owners royalties based on net revenues and the agreed commercial terms. StoryToys boasts over 337,000 active subscribers, 11 million monthly active users and over 240 million app downloads.

**Our Strategy**
StoryToys forms strategic partnerships with brand owners to license popular kids' brands and has established a diverse portfolio of brands and licensed partners. We conduct in-depth research to develop entertaining and enriching mobile apps that address market opportunities. Our strategic focus is the regular delivery of new content via new and existing games, maximising average revenue per download by supporting subscription conversion rates and lifetime value, and optimising and expanding existing games to new platforms. Our comprehensive marketing strategy drives downloads, and we regularly update content to keep users engaged, including over 520 app updates in FY 2024.

**Our Customers**
StoryToys has a large global footprint, with our apps available worldwide and localised in up to 28 languages. While the US is our largest market, 71% of our users are from outside the US, including in countries such as Brazil, Indonesia, India, the UK, and Mexico. We specialise in designing apps for preschool (ages 2 to 5) and early childhood (ages 4 to 7). Our primary audience is children, while parents and caregivers who download and make purchases are our secondary audience. We take pride in creating apps that kids love and that parents feel good about. We have 11 million children use our apps every month – that's enough to fill Disneyland 550 times, or, if they were holding hands, they could circle the Earth nearly three times!

**Focus on Top Tier Kids' Brands**
While our apps are owned and developed in-house, we partner with top tier kids' brands to license their IP. The brands which translate into the most successful games are those which kids' love, and that their parents trust and often have a connection with from their own childhood. StoryToys' license partners have grown to include The Lego Group, The Walt Disney Company, Marvel Entertainment, Mattel, Sesame Workshop, Hasbro and Penguin Random House, which has enabled the launch of seven new apps since its acquisition by everplay in 2021. Looking ahead, StoryToys will continue to grow existing licensing relationships in addition to pursuing opportunities and, where appropriate, to further expand its network of global license partners.

**▶ Divisional Reports:** StoryToys

We bring the world's most popular characters, worlds, and stories to life for children, making apps to help them learn, play, and grow.

**2024 Highlights:**

- Launched 3 new licensed app titles (vs. 3 in 2023), including ***Sesame Street Mecha Builders, Thomas & Friends™: Let's Roll*** and ***LEGO® DUPLO® Peppa Pig***
- Launched ***Barbie Color Creations+*** on Apple Arcade
- 520 app updates across existing titles supporting subscriptions, including ***LEGO® DUPLO® WORLD, LEGO® DUPLO® MARVEL, Disney Coloring World, Barbie Color Creations,*** and ***Hungry Caterpillar Play School***
- 5 Kidscreen Awards 2025 nominations
- Included in The Sunday Times 2024 "Best Places to Work"

**25%**
revenue growth in 2024

**240m**
total lifetime downloads in 2024, vs 200m in 2023

**11m**
11m: monthly active users (compared to 8m in FY 2023)

**>337k**
active subscribers in 2024

"This app is really lovely. We have used it for two years now as it has such a variety of games which are often added to, since our son was 4 years old. It is educational and fun, and our son used to build the Lego models with his physical Lego blocks – now at 5 years old he builds amazing things! The app is perfect to keep little ones busy on a journey or a flight. I would definitely recommend."

**Customer**
(LEGO DUPLO World – November 2024)

# ESG Report: People



"Play is our thing.
It always has been.
It always will be.
Forever. And ever"

**92%**

Team17 employees feel their manager genuinely cares about their wellbeing

Carnival celebration at astragon

**Introduction**
We continue to have distinctive, vibrant cultures within each of our businesses, which make them special. However, this year we have come closer together in a number of ways and in January 2025 we announced our rebranding to become everplay group plc. This rebranding is leading to new ways to naturally share and learn from one another and also to unlock new career possibilities for our employees across the Group. The first initiative is a cross-Group mentoring program called "Co-op" which launches in 2025.

**Engagement and Culture**
The environment we work in and our connection with what we are trying to achieve together is important to attract and retain our great people. Just as importantly, it makes each day more enjoyable and more productive.

Team17 thrives on a foundation of strong social connection and open communication which we actively foster through regular events such as TeamFest, our annual summer festival, in person social Townhalls, and internal talks and panels which look to break down barriers, challenge stereotypes and create environments where everyone is valued and respected. Recent examples have covered topics such as gender diversity in gaming, mental health, men's health and menopause. Managers are critical in supporting this and we were delighted that in our 2024 Annual Employee Survey 92% felt their manager genuinely cares about their wellbeing and 90% are happy with their current level of flexibility at work.

At StoryToys, our company culture is the cornerstone of our success, fostering an environment where employees feel valued, engaged, and inspired to do their best. In 2024, we were proud to be recognized as one of Ireland's Best Places to Work, achieving an impressive 89% employee happiness score in April. This accolade reflects the strength of our workplace culture and enhances our reputation both internally and externally.

Our commitment to engagement was further demonstrated in our Group engagement survey in May, which revealed an 88% engagement score – up 6% from 2023. Highlights from the survey included:

- **96%** of employees take pride in working at StoryToys and would recommend it as a great place to work.
- **93%** satisfaction with work-life balance.
- **90%** confidence in leadership and 89% in management.
- **71%** believe there are good career opportunities within StoryToys.

StoryToys team members

At astragon, our commitment to creating an engaging and inclusive workplace has always been at the heart of what we do. Feedback is essential when fostering a culture where everyone's voice can be heard. Our inaugural engagement survey saw a response rate of 79%. Some of our highlights from this survey were:

- **84%** felt they can arrange time off when needed.
- **77%** understand how their work contributes to astragon's overall goals.
- **73%** feel included in diversity and inclusion efforts.

We value the importance of continuous engagement and suggestions, which is why we gather feedback at the end of every monthly company stand-up and provide transparency on the results with the business.

**Communication**
Effective communication is at the heart of our success, and we've implemented several initiatives to promote open dialogue, transparency and alignment. New groupwide practices have been introduced, for example global town halls, newsletters and launch announcements by each business shared across the Group. The year closed with a fun review focusing on our games and our people.

At astragon, we believe in fostering a strong sense of community, and our calendar of social events helps bring our team together. A highlight of this year was our joint Summer Party with Independent Arts, which included an exciting escape game challenge, creating fun and teamwork. We also had a lot of fun during our rescheduled Christmas party from 2023, which had to be postponed twice due to rail strikes. Given the timing, we decided to turn it into a carnival-themed celebration, and instead of Ugly Xmas Sweaters, we enjoyed more creative and extravagant costumes. These events, along with other activities throughout the year, ensure there's something for everyone to enjoy and opportunities for us all to come together.

In Team17 we have recently created a Comms Committee, where employees across the business come together to create new initiatives and promote two-way communication. Our monthly Townhall meetings allow leadership to share key updates, celebrate wins, and discuss strategic goals whilst our Q&A sessions offer employees a direct line to leadership for real-time feedback and questions. Additionally, we host focus groups and encourage peer-to-peer knowledge sharing through our Spotlight sessions where employees can share insights, resources and knowledge about departments, roles and projects. These initiatives have helped to cultivate a culture of transparency, trust and shared purpose, ensuring that every employee remains engaged and aligned with our vision.

To ensure every employee has a voice we have an employee representative committee called TEC, ('Teamster Engagement Committee') that meets monthly to discuss workplace culture, wellbeing initiatives and opportunities for improvement. This committee empowers employees to contribute to company decisions, enhancing engagement, morale and transparency and makes suggestions directly to the Senior Leadership Team. This year, they successfully implemented Summer Hours into Team17, meaning our people were able to take Friday afternoons off during summer. As a result, our team feels more connected, valued and committed to our shared goals, driving greater productivity and loyalty whilst fostering a sense of belonging that enhances our competitive advantage.

In StoryToys, we have a vibrant calendar of social events organized and hosted by our team, which aims to further strengthen our sense of community. From Scribble & Sip evenings to yoga sessions, board game nights, Family LEGO Building Days, and festive celebrations like our Halloween and Christmas parties, these gatherings ensure there's something for everyone to enjoy and fosters connectivity.

**Continuous Development**
2024 saw significant strides in nurturing a learning culture at StoryToys through a mix of formal and informal initiatives:

- LinkedIn Learning was introduced, offering employees tailored resources for their personal and professional development.
- Masterclasses from industry experts provided cutting-edge insights.
- Customized Unity workshops supported skill development among our artists and engineers.
- We also launched an internal initiative called "Side Quest Series", an innovative, employee-driven initiative for peer-to-peer knowledge sharing. Sessions have explored diverse topics, from app memory optimisation to the MDA Framework for game design, fostering cross-functional collaboration and continuous learning. On average, 18-25% of employees attend these sessions, with many more accessing the recordings afterward.

To support managers, we introduced the Manager Kitbag program, which combines practical tools, peer pods, and core skill training to empower leaders at all levels.

Continuous learning is a cornerstone of astragon's strategy to empower employees. This year, we successfully introduced:

- An internal Buddy System to support new employees in onboarding into the business and foster collaboration amongst teams.
- As part of astragon's commitment to continuous learning, we successfully implemented the Career Month: Internal Internship Program. This initiative allowed employees to explore different departments, gain insights into colleagues' work, and share knowledge about their own fields. Through a flexible sign-up system, employees offered and participated in short internships or presentations, fostering cross-team collaboration and professional growth. Participants reflected on their experiences, strengthening appreciation for different roles within the Company.

# ESG Report: People

**45%**
leadership roles at astragon held by women

There were also workshops with external coaches as well as internal workshops, which were utilised for both strategic measures and team-building purposes. We encourage internal mobility as part of our commitment to employee growth and satisfaction. By providing opportunities for team members to explore new roles, we foster a supportive environment that promotes career development and long-term engagement.

Team17 prioritises hiring top talent and creating a culture that encourages experimentation, creativity and learning from failure to deliver the best Indie games in the market. Our team is adept at adapting to change, reflecting a resilient team culture that is highly responsive to market needs. We have implemented cross-functional training that empowers employees to work across departments, such as our Hacking Neurodiversity workshop held in partnership with an external specialist, accelerating problem solving and innovation.

**Talent Attraction and Mobility**
Nurturing talent is integral to our strategy within Team17. We offer tailored development programs, from Leadership training through our Manager KitBag to skills-based workshops, enabling employees to continuously expand their expertise and prepare for future roles. Through our internal mobility secondment programs and apprenticeship scheme, we encourage employees to explore new career paths within the company, fostering a dynamic workforce where individual ambitions align with company needs. Over the past year, over 20% of our organisation has taken on new roles or advanced within the company, reflecting dedication to both personal growth and organisational agility. With our group mentorship scheme on the horizon for 2025, our focus on talent development and mobility enhances innovation by leveraging diverse experiences and skill sets across our teams.

Our focus at StoryToys remains on attracting and retaining exceptional talent. In 2024, we increased gender representation, achieving a 46% female-to-male ratio. Through internships, graduate programs, and traineeships, we're building a robust talent pipeline for the future.

Our attrition rate continues to be very low, reflecting our commitment to retaining and supporting our people.

We are committed to supporting individuals impacted by global crises and fostering an inclusive workplace. As part of this commitment, we welcomed two talented Ukrainian professionals into our team, providing them with opportunities to rebuild their careers and contribute meaningfully to our mission. This initiative reflects our dedication to social responsibility and creating a positive impact within our community and beyond.

Enhancing our benefits – the introduction of game console loans and expanded mental wellbeing support – ensure we remain an employer of choice in Ireland.


Team17: Wakefield Office Townhall





**96%**
StoryToys employees would recommend it as a great place to work

**Diversity, Equity and Inclusion ("DEI")**
We have established a cross-group team to magnify the work done in each business on DEI. This energetic group has practical and aspirational aims for 2025.

With diversity at our core in Team17, we believe that a variety of perspectives fuels innovation. Our Leadership team comprises of 50% women, and we maintain an inclusive environment that encourages fresh, indie ideas. This commitment to DEI not only enhances our workplace but resonates with our customer base and our local community groups. We have several local employee-led community groups; Green17 focuses on environmental initiatives, She17 focuses on improving gender diversity in gaming, LGBT17 provides a welcoming space to all identities to promote better representation within the studios.

Our commitment to DEI is also reflected in our published Gender Pay Gap results. We are pleased to share that both our Mean and Median Gender Pays have both reduced significantly (Mean by -7.55% and Median by -13.28%) in 2023. We are also happy to share that this result sees us comfortably below the Office of National Statistics; 2022 mean, 13.9%, and 2023 median of 14.3%. However, the makeup of our workforce means we must continue to work hard to retain and grow the number of women in the team. We are committed to reducing the gap here at Team17:

- Reviewing and analysing pay data to identify any gender disparities in compensation and addressing any unexplained pay gaps.
- Clearly defining and communicating our equal pay practices on compensation – we'll be publishing our new Pay and Reward Policy shortly.
- Create a work environment that values diversity, equity and inclusion to attract and retain a diverse workforce.
- Promote gender diversity in leadership positions to create a more inclusive and equitable workplace culture.
- Offer family-friendly policies that support parents to balance work and family responsibilities.
- Provide resources, training and education that addresses bias and its impact on decision-making relating to compensation and career advancement.

In StoryToys, we're proud of our progress in DEI, particularly the increased representation of women in engineering roles, which now sits at 20% female.

We continue to build a more diverse workforce at astragon, with 45% of leadership roles now held by women. Our overall female representation across the company stands at 43%.

astragon Entertainment also actively participated in the panel "Beyond Stereotypes: Why Diversity Is a Gamechanger" at gamescom.

Members of the StoryToys Team in the Dublin Office

# ESG Report: Environmental

> "During 2024, everplay continued to make important steps to reduce its carbon footprint, improve our disclosure and engage proactively with our employees and stakeholders on key environmental issues."

As a predominantly digital entertainment company, our impact on the environment is inherently low. However, we still recognise the impact our Company and industry can have on the environment. During 2024, the Group made further important steps to reduce its carbon footprint, improve our disclosure and engage with our employees and stakeholders on key environmental issues. In particular, the environmental elements we focused on during the year have been the harmonisation of environmental activities across our three divisions, education and raising awareness, and taking positive actions to address climate change.

**Carbon Reduction**
The return of employees to our offices across the Group resulted in a modest increase in gas-related emissions (Scope 1). However, despite this, our electricity-related emissions (Scope 2) did fall, due to the implementation of schemes to reduce electricity usage within our offices. Within the Group, Team17 successfully achieved ISO 50001 Energy Management System accreditation in May. The emphasis will continue to be reduce the energy consumption across the Group in future years.

Travel activity across the Group increased, as our business grows, and our teams make important connections with our developer partners and platforms. This did result in a small increase to our Scope 3 emissions. However, measured by revenues, the intensity of the Group's overall CO2 emissions fell during the year.

In line with previous years, we have continued to remove carbon to cover our Group Scope 1 emissions.

**Net Zero Planning**
We are pleased to communicate that the Board's ESG Committee has agreed on an approach to achieve net zero, through a combination of Scope 1, 2 and 3 reduction initiatives, and carbon removal programmes. We expect to achieve this goal comfortably ahead of the UK government's 2050 target.

**Taking Positive Actions to Address Climate Change and Support Environmental Good Causes**
The key UN Sustainable Development Goal ("SDG") we align with is 13, Climate Action. The Group also continues to align with SDG 16 Peace, Justice and Strong Institutions and SDG 17 Partnership for the Goals. The aim of the activities outlined below that took place during 2024 was to take positive actions to address climate change through raising awareness, planting trees and achieving energy savings.

Our key UN Sustainable Development Goals

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

**Scope 1, 2 and 3 Emissions**

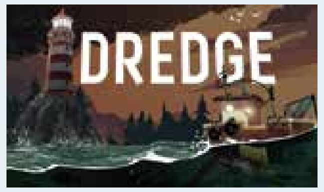
| | CO2e tonnes 2024 | CO2e tonnes 2023 |
|---|---|---|
| Scope 1 | **29** | 23 |
| Scope 2 | **93** | 124 |
| Scope 3 | **982** | 927 |
| **Total** | **1,104** | 1,074 |
| **Energy consumption used to calculate above emissions (kWh)** | **595,726** | 679,618 |
| UK proportion of energy usage reported | **90%** | 80% |
| Average number of employees | **351** | 380 |
| Group revenues (£ million) | **166.6** | 159.1 |
| **Intensity ratios:** | | |
| Emissions per FTE (CO2 e tonnes) | **3.14** | 2.83 |
| Emissions per FTE (kWh) | **1,697** | 1,788 |
| Emissions per £ million revenues (CO2 e tonnes) | **6.63** | 6.75 |
| Emissions per £ million revenues (kWh) | **3,576** | 4,272 |






Staff planting trees at Make it Wild's flagship site at Bank Woods in North Yorkshire.

In April, 70 staff from across the Group volunteered to participate in sustainability training to celebrate Earth Day. everplay had the highest engagement level of all companies taking part in this challenge. Then, in June, to celebrate World Environment Day, 50 staff from across the Group and our developer partners submitted environmental related photos together with a caption as to why World Environmental Day was important. There were some amazing photographs from around the world; the winner was Black Salt Games, creators of the award-winning ***Dredge.***




Black Salt Games, creators of the award-winning ***Dredge*** win our World Environment Day challenge

Periodic meetings were again held throughout the year across all divisions, to discuss a broad range of environmental issues. These often resulted in various opportunities for our employees to make a positive contribution to address climate changes.

In March, astragon held a 'Dirt Removal Day', resulting in five bags of waste removed from near the Dusseldorf office. Employees also collected bottle caps to upcycle to Blockblocks. At Gamescom, astragon's B2C booth was 95% sustainable, which was featured in the Playing for the Planet best practice guide. StoryToys have introduced biodegradable business cards which can be used to plant seeds.

Team17 gave away two free LED light bulbs to all staff to raise awareness of the importance of energy saving. In March, 20 employees volunteered to plant trees for a day with ***Make it Wild***. They listened to a talk on how to make gardens more environmentally friendly and went on a walking tour of the Bank Woods Make it Wild[1] flagship site learning about the importance of addressing biodiversity loss.

Team17 also continues to promote the salary sacrifice of the electric vehicle car scheme, at the end of the year we had 11 members of staff who have used the scheme.

To celebrate the success of the ***Dredge*** and Team17 partnership, Black Salt Games donated NZ$100k to purchase a boat for New Zealand Whale and Dolphin Conservation during the year.

**NZ$100k**
donated to New Zealand Whale and Dolphin Conservation by Black Salt Games

**Priorities for 2025**
The focus for 2025 is one of continuous improvements in sustainability reporting, stakeholder awareness and net zero planning.

**Carbon Reduction**
We will continue to remove carbon to cover the Group Scope 1 emissions. As we continue to make energy reductions in 2025 subsequent years across the whole Group this will lay the foundations for carbon removal of our Scope 2 emissions.

Energy reduction is required by ISO 50001 for Team17, and the focus for 2025 will be electricity reduction at the Wakefield site. During 2025, we will start the preparation for the intended rollout of ISO 50001 to astragon and StoryToys in 2026.

**Taking Positive Actions to Address Climate Change**
The Group will continue to align with SDG 13 Climate Action, SDG 16 Peace, Justice and Strong Institutions and SDG 17 Partnership for the Goals. We will develop further events across the Group to raise awareness of employees, developer partners and supply chain in sustainability matters and climate change.

Team17 will launch a corporate volunteering partnership with OnHand to capture social and environmental activities of staff to support good causes. To celebrate our partnership with OnHand[2] they are planting 180 trees in Eden Reforestation Projects[3]. In addition, the second stage of our tree planting with Make it Wild will see a further 170 trees being planted.

OnHand
**180**
trees planted in Eden Reforestation Projects

Team17 will be working with the Nottingham Trent University Behavioural Sciences Team, Xbox and others to investigate gamers attitudes to adopting energy efficiency measures in game development.

1. www.makeitwild.co.uk
2. www.beonhand.co.uk
3. www.eden-plus.org/why-eden

# Principal Risks & Uncertainties

## Introduction

The Group operates in a competitive and dynamic market environment. The Group has grown substantially since the IPO in 2018 through a combination of organic growth and the addition of strategic and complementary acquisitions. An enlarged senior leadership team actively manages the individual risks of the Group's divisions which are subsequently collated into a combined Group risk register that is reviewed by the Board.

The Board determines the Group's risk appetite by reviewing its current strategy against the inherited risk exposure identified by the senior leadership team. The Group's appetite is that of taking calculated risks which provide a balanced commercial approach without creating material legal exposure to any operating business or the Group itself.

The identified risks are kept up to date with the Group's operations and wider market environment and are appropriately scored with estimations of potential financial impact along with appropriate mitigations.

The Group's risk management practices are supported by the Audit Committee and the external Auditor. The Audit Committee reviews the disclosures in the annual report as well as conducting ongoing reviews of the independence of the auditor in accordance with the QCA Audit Committee Guide.

## Strategic Risks

**Market growth, disruption and competition – no change from 2023**

***Description***

The Group operates in a dynamic industry that benefitted from rapid growth over a number of years but following the COVID pandemic subsequent growth in the sector has not proceeded at the same rates as during or prior to COVID. Market consolidation, higher levels of investment and continued competition between publishers and developers who self-publish has resulted in a highly competitive market space.

***Mitigation***

The diversification of the Group through organic and acquisitive growth has broadened the portfolio in terms of genre, platforms and demographics, providing some mitigation from adverse market conditions. Furthermore, in addition to the in-house development of games and apps, the Group continues to drive a rigorous game scouting process to secure new IP games as well as securing incremental licensed partners driving new apps. The Group implements a comprehensive lifecycle management process to ensure maximum revenue generation from its broadening back catalogue portfolio of games and apps.

The Group continually undertakes reviews of the industry in relation to the relevant market segments to pre-empt and account for further market shifts, but has positioned itself well with a diverse revenue portfolio to mitigate downward market trends.

**Technological change – no change from 2023**

***Description***

The industry continues to see technological advancement, including the launch of new platforms and consoles, and the development of games engines on which key titles continue to be developed. The Group endeavours to stay ahead of the technological advancements in the market place in order to maintain its competitive edge.

***Mitigation***

The Group has a track record of being one of the first to market with new platforms and distribution channels. It continues to adopt a platform agnostic approach to ensure the business has no undue reliance on any one specific platform provider.

The Group continues to invest in professional development and recruitment to ensure its team has the right skills to be at the forefront of technological advancements and is agile and adaptable to any changes, viewing them not as obstacles but as opportunities upon which to capitalise.

**Dependence on key games – no change from 2023**

***Description***

The Group's revenues are supported by its popular back catalogue portfolio which is complimented each year by the launches of new first-party and third-party games. Should the Group fail to competently develop, launch and manage the balance of its portfolio of games, this may adversely affect its financial results.

***Mitigation***

The Group has significantly expanded its portfolio with the three divisions organically and through acquisitions, providing a broader portfolio of first-party and third-party games.

The Group's games scouting approach is also designed to enable it to swiftly identify exciting new IP and act dynamically to continue to grow the portfolio with the introduction of new games for development and future release.

The Group continues to look to develop a broader and stronger back catalogue of games as well as create successful games that can become franchises with sequels, providing wider portfolio protection and longer evergreen franchise revenues. The strong back catalogue can be seen across the group with the Group's top 10 titles including back catalogue games from Team17, StoryToys and astragon. This broader more balanced portfolio approach helps give the Group protection against individual games that may underperform within a financial period.

**Commercial launch pipeline – no change since 2023**

***Description***

The success of our new game and app launches are important to the underlying performance of the business and can be subject to risk factors including delays with developers, increased levels of investment, competition with external game releases, reduced barriers to developers to self-publish, restricted access to the end user or the closure of platforms and/or retailers.

***Mitigation***

The Group understands the importance of maintaining strong and close partnerships with its developers. To this end, the Group plans buffer times to allow for potential project delays. The Group also ensures multiple products are progressing towards launch simultaneously.

On a game-by-game basis, the Group implements a structured process for scheduling release dates, taking into account market conditions as well as competitor release dates. New games are also robustly evaluated through the 'greenlight' process and throughout the development process to minimise delivery risk.

## Operational Risks

**The ability to recruit, develop and retain key team members – decreased since 2023**

***Description***

The Group's ability to deliver against its business plan is contingent 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 has moved to a more outsourced model to manage the changes in dynamic work patterns and resource requirements. This does also have risks associated with securing and managing suitable outsource partners, however the Group's combined purchasing power linked with leading outsource management expertise helps minimise these risks.

***Mitigation***

The Group has implemented a number of procedures to engage dynamically with its employee base and act on constructive feedback to improve our workplace. We undertake regular employee engagement surveys that are now consistently applied across the Group, working groups, and carry out ongoing salary benchmarking exercises to ensure our core salaries remain competitive in addition to our highly competitive benefits packages.

The Group strives to build a reputation of being an attractive employer brand and to ensure our reward and recognition practices remain competitive. The Group also continues to search more widely for talent where skills and experience cannot be sourced within a specific geographical location and processes are in place to facilitate this.

The market for talent remains highly competitive, and the Group must continue to monitor its offering relative to its peers in order to retain talent.

**Financial Systems and Fraud Risk – New**

***Description***

Management identifies that there is an inherent risk of misstatement or fraud to the business. Management monitors the risk of both transactional fraud and financial reporting fraud as well as the likelihood for material misstatement in the financial reporting. Whilst transactional fraud is deemed unlikely to have a material impact on the financial statements there is a risk of wider legal and reputational damage linked to transactional fraud. Misstatements due to the financial reporting fraud or error have a possibility of materially impacting the financial reporting.

***Mitigation***

The risk of fraud (both transactional and financial reporting) and material misstatements are mitigated through the Group's control environment as well as the processes and procedures in place. The Group is currently replacing its existing accounting software with a modern cloud-based solution that is more suitable and robust. The investment in the Group's accounting infrastructure is expected to improve the transparency and efficiency of the controls in place with particular benefits expected to the Group's procure-to-pay ('P2P') process. This investment is expected to decrease the Group's risk of fraud and misstatement once fully implemented across the Group.

# Principal Risks & Uncertainties
continued

**IT cyber security – no change from 2023**
*Description*
The security of the system remains of vital importance to the business and a primary protection to customers and potential reputation damage to the Group in the event of disruption. We depend on the systems being secure and robust to support ongoing business operations. A security breach or major system failure could significantly impact the business and its ability to execute on plans.

*Mitigation*
The Group continues to invest in its technological infrastructure and has cyber security processes in place including upgraded firewalls, antivirus software, third-party security monitoring services alongside improvements to phishing and brand protections around email and domain names. We continue to test our systems and improve our disaster recovery and IT cyber security procedures to ensure limited business/operational interruptions.

## Socio-Economic Risks

**Climate risk: Low likelihood and impact**
*Description*
We have identified potential climate related risks such as drought, heat stress, flooding, tornados, earthquakes, hurricanes, pollution. In assessing whether these pose a risk to our operations, we have considered our office locations and whether these are in climate related risk areas. We have also reviewed our supply chain to see whether our major suppliers are in climate related risk areas. We are also mindful that the gaming public could question emission levels directly relating to the production and playing of video games. This potentially could be a material adverse risk if we cannot respond to how the company and the industry are addressing these emissions.

*Mitigation*
Our key offices are located in the UK (Wakefield, Manchester, Nottingham), Ireland (Dubin) and Germany (Dusseldorf and Hamm), which are not locations where climate change presents a material risk. Some of our developer partners are in climate related risk areas. However, we do not believe this presents a material risk, as chances of catastrophic events are small and the digital nature of our business means relocation is relatively simple. We recognise gaming industry emissions are increasing, but we take many steps possible to reduce our emissions. These steps include:

- We have a strong ESG Committee, and a dedicated ESG Group Team;
- We have already started on our route to net zero by removing carbon each year to cover our scope 1 emissions;
- We engage in planting trees and biodiversity programmes;
- Team17 emissions were reduced following an ISO 50001 audit, which is planned to be rolled out Group wide in 2025;
- We promote electric vehicles and the cycle to work scheme;
- We are working with Nottingham Trent University and Xbox to understand better gamers attitudes to 'green'.





# 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 Group and highlighted areas in this report where these are covered:

| Stakeholder Group | Importance and Engagement | Other References in this Report |
|---|---|---|
| **Our Team** | People are at the core of everything at the Group and we have sought to build a business that recognises and supports this. Since the acquisition of astragon and The Label in 2022 and StoryToys in 2021, we have monitored the integration of the team members into the broader Group structure, while maintaining a strong focus on respecting their individual underlying business and team cultures.<br><br>We have ensured we are able to attract and retain talent through robust salary benchmarking as well as supporting the team through regular events, supportive social groups, and employee-led panels that help guide the Group as it moves into 2025. StoryToys, astragon and the Team17 have each taken part in a consistent Group employee engagement survey, and the results of these and local surveys are fed into reviews to share best practice and implement change accordingly.<br><br>Across the Group, and through our work, we attract a diverse range of highly talented people who are driven to share our mission of creating and publishing games and apps that appeal to all ages. These individuals expect transparency and openness from the Group, and we make sure this is provided through regular events including town hall meetings, email communication and team level meetings. | **ESG Report: People on pages 30-33** |
| **Players/Customers** | Fundamentally, the success of our business depends on demand from players across a wide age range playing our games.<br><br>We have a dedicated community management team which maintains a direct relationship with players through public gaming notice boards, building long-term trust through engagement and delivering the improvements that the community wants most through gamer feedback.<br><br>This team embraces feedback and reports it to the appropriate team to ensure our products continue to evolve dynamically to address any issues our customers may be facing and to ultimately deliver game improvements.<br><br>At StoryToys, children benefit from the apps we create, helping their development and learning through play. Clearly their parents are critical in the relationship with our business, and we have developed a dedicated parent centre in our apps to help parents understand the educational content and to suggest further activities that can be undertaken as an extension of the learning or play.<br><br>We have continued to attend industry leading events, such as Gamescom, where members of the teams from Team17 and astragon represented the Group and have face-to-face interaction with our customers, suppliers, development partners, and peers. | **Group Strategy and Business Model on pages 08-11** |
| **Platform Partners** | Our customer reach continues to expand, encompassing a broad demographic of gamers as well as additional games platforms for console and mobile sales, digital store fronts for PC sales, and established retail and distribution partners for physical product sales.<br><br>We maintain constant dialogue with partners in both the commercial and technical teams to understand business needs, and to communicate our plans with them for future releases and content updates. Our sales and marketing teams engage with their counterparts to share our content line-up in order to maximise their potential and the revenue opportunity for both partners.<br><br>The relationships and understanding of our sales team across all publishing and distribution disciplines are critical to ensuring we can position our first-party IP, third-party products, and distribution of games with the right partners and platforms to maximise awareness and mutual commercial success. | **Group Strategy and Business Model on pages 08-11** |

# Board Engagement with Stakeholders
continued

| Stakeholder Group | Importance and Engagement | Other References in this Report |
|---|---|---|
| **Licensors** | Certain games/apps within the Group portfolio license content from key global brands which forms a core part of their success.<br><br>Within StoryToys and astragon, the teams have developed long-term relationships with key brands and have launched very successful products with these partners. We recognise the importance of building on the trust of these ongoing relationships.<br><br>We maintain regular communication with all core licensing partners spanning all aspects of the business, and we remain responsive to their requirements | **ESG Report: People on pages 30-33** |
| **Investors/Share-holders** | The Group has a quality investor base whose ongoing support is highly valued and key to continuing our growth trajectory and realising the ambitions of the Group.<br><br>Throughout the year, the Group Chief Executive Officer and Group Chief Financial Officer met with shareholders, both following the full year results in April and the half year results in September, as well as proactive engaging outside of the key financial calendar events.<br><br>Assisted by the Group Investor Relations Director, the Group has increased our engagement with potential new investors, travelling to key financial markets outside the UK as well as attending dedicated industry broker conferences.<br><br>The Group continues to deliver on its IR plan and expand its comprehensive IR calendar to provide further touchpoints between the Group and existing shareholders, as well as to broaden our shareholder base.<br><br>The Group recognises the importance of engaging all investors. To that end, we held an open forum via webcast for all investors to receive a comprehensive update directly from the management team on the full-year and half-year results. Presentation material was also posted on the Group website to engage with a wider shareholder base.<br><br>Our Annual General Meeting affords all shareholders the opportunity to hear from the Group directly, to ask questions and participate in the Group's key decisions.<br><br>The Board welcomes the opportunity to engage with all shareholders at these events.<br><br>We review all the feedback from investor interactions and share it with the Board. | **Group Strategy and Business Model on pages 08-11** |
| **Suppliers** | Whilst some of the game development process is supported by our in-house teams, we do work with a number of external specialists to support parts of the games development process to ensure high quality and cost-effective delivery of our published games and to manage development workload requirements throughout the year.<br><br>The value that these external sources have added to the Group and its systems has been significant. We continue to work with select outsourcing partners to maintain this high level of quality and strengthen our relationships.<br><br>At astragon, we work very closely to maintain long standing relationships with dedicated third-party development partners on each of the first-party IP simulation games.<br><br>We also engage with middleware and game engine partners to ensure our games fully utilise available technology – this same approach also applies to platform holders through their technology teams.<br><br>The supplier relationships are typically well-established and long-term, and we review all agreements regularly to ensure they remain healthy and beneficial to the business and also to ensure they are aligned to the Group's business policies. | **Group Strategy and Business Model on pages 08-11** |

| Stakeholder Group | Importance and Engagement | Other References in this Report |
|---|---|---|
| **Third-party Partners** | These relationships form a significant part of the Group, and we have developed long-term relationships with individuals across the world reflecting this. Our game scouting teams maintain an exceptional network of contacts, dedicated to identifying future development and publishing opportunities. Existing development partners are overseen by our developer relations team, with day-to-day interactions led by producers in our external development team and product marketing managers in our publishing unit. This facilitates an open and trusting relationship with a player / product-first mindset designed to bring great gaming experiences to the players of our third-party games.<br><br>We conduct an annual developer survey to understand their experience with the Group and use this to set KPIs for future years and drive continuous improvement across the business. Our senior executives maintain regular dialogue with our third-party partners which reflects the importance of these relationships. Third-party partners are treated in the same way as our own people within the Group; we work together with them to develop games to excite our global audience. | **Group Strategy and Business Model on pages 08-11** |
| **Local Community** | We operate across eight locations in five countries. We endeavour to continue to play an active role in each local community our team live and work in.<br><br>We support local communities through activities and donations. Within Team17, our employee-led Teamster Engagement Committee, "TEC", continues to play an important role in amplifying feedback and suggestions from colleagues to senior management and has an established Charity Committee. This has created greater alignment across all levels on the Group's priorities.<br><br>Across the wider Group, we continue to donate to local and international charities, with StoryToys supporting an Autism charity.<br><br>More details of the support to charities can be found in the ESG Report.<br><br>We are part of the global gaming community, with members of the senior team at astragon holding positions on industry panels in Germany. Team17 is a corporate ambassador for Women in Games, and StoryToys is represented on the immersive Skillnet Steering Committee and also provides advice to colleagues on syllabus design. StoryToys is also represented on the Cultural & Creative Industries Skillnet. | **ESG Report: People on pages 30-33** |

# Board of Directors

**Steve Bell**
Group Chief Executive Officer

Steve was appointed Group Chief Executive Officer in September 2023. Steve joined the Group from Iris Worldwide Holdings Limited ("Iris"), a global integrated marketing agency specialising in brand and digital marketing strategy. Steve amassed extensive digital marketing expertise at Iris, having held numerous senior leadership roles since co-founding Iris in 1999, including the role of Global Group Chief Executive since 2021. Steve managed over 1000 employees in 14 offices around the world, and oversaw Iris' work with some of the biggest, most creatively driven and technologically advanced global brands. He was instrumental in developing and delivering Iris' commercial and Global M&A strategies. Iris was acquired by the Samsung Group in 2015 and Steve was key in the integration of Iris into the Group.

Prior to co-founding Iris, Steve worked for the advertising and retail agency Arc Worldwide, spending over five years working across a number of high-profile integrated accounts.

**Rashid Varachia**
Group Chief Financial Officer and Chief Operating Officer

Rashid joined the Board in October 2024, and is an experienced Chief Financial Officer with significant video games, M&A and capital markets experience. He joined everplay from Jagex, a developer and publisher of role-playing and online living games, including the iconic RuneScape franchise, where he held the role of Chief Financial Officer. During his tenure he helped deliver considerable organic growth and several successful acquisitions. In May 2024, Rashid was instrumental in the sale of Jagex to CVC Capital Partners and Haveli Investments.

Prior to Jagex, Rashid was Chief Financial Officer at Codemasters, the award-winning British video game developer and publisher specialising in high-quality racing games. Rashid joined Codemasters in 2012 as Vice President of Finance, before being appointed Chief Financial Officer in 2015. In 2018 he was an integral part of the team that oversaw Codemasters' £280 million listing on the London Stock Exchange and in 2021, in partnership with Frank Sagnier, led the sale of the business to Electronic Arts Inc. for $1.2 billion.

**Frank Sagnier**
Non-Executive Chair

Frank is a successful entrepreneur, commercial leader, and highly respected executive in the video games industry, with nearly 30 years of experience. He has held executive and non-executive roles across PLCs, private equity, start-ups, and transformational turnarounds, contributing to major companies such as Codemasters, Electronic Arts, Acclaim Entertainment, Double Fusion, and Funcom. Frank has been instrumental in the success of leading franchises including F1, FIFA, The Sims, Dirt Rally, Dirt, Grid, and the acclaimed boxing game Undisputed, helping generate billions in revenue.

Frank is best known for transforming Codemasters, joining in 2014 and leading the company to a $1.2 billion acquisition by Electronic Arts in 2020. He also chaired NDreams, overseeing its $110 million exit to Aonic, and Steel City, where he helped launch a globally successful sports IP. Passionate about developing new IP and nurturing talent, Frank continues to shape transformative businesses and lead growth in the gaming industry.

Frank was appointed Chair of everplay group plc in August 2023.

**Debbie Bestwick MBE**
Non-Executive Director

Debbie is an industry leader and gaming legend with almost 40 years' experience in the games industry and is one of the founding members of Team17 in December, 1990. 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 Group through its 2011 management buy out and transformational turn around. The subsequent sale of a minority stake to LDC in 2016, followed by the Group's IPO on AIM in 2018, now listed at everplay group plc.

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, MCV Person of the Year award in 2015, was voted AIM Entrepreneur of the Year in 2020 and was awarded the highly prestigious Develop Star Award in 2021.

Debbie stepped down in 2023 as Group Chief Executive Officer to focus on time with her children after almost four decades in games. She is a very active supporter for Women in Business and Tech, and her charity Active Respite that supports under-privileged children and lower income families in the UK. Debbie continues to mentor up and coming talent as individuals but also invests and mentors new start-ups in video games.

**Peter Whiting**
Non-Executive Director

Peter was appointed Non-Executive Director in August 2023. Peter is a highly experienced NED, having spent over twelve years in several non-executive roles across a wide range of boards. Beginning his career as an equity research analyst at Panmure Gordon, Peter later moved to UBS where he specialised in the UK Technology sector, before going on to become Chief Operating Officer of UBS European Equity Research. Since leaving UBS in 2011, Peter has served on a variety of boards, and is currently Chair and Audit Committee Chair of Kooth plc, NED and RemCo chair at Celebrus Technologies plc and NED and Audit Committee chair at Aurrigo International plc.

**Penny Judd**
Non-Executive Director

Penny joined the Board in 2018 in advance of the successful IPO on AIM and is Chair of the Audit Committee. Penny has over 30 years' experience in Compliance, Regulation, Corporate Finance and Audit. Penny is currently Chair of FRP Advisory Group PLC, and she is also a Non-Executive Director of TruFin plc and serves as Senior Independent Director and Chair of the Audit Committee. 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.

# Directors' Report

The Directors present their report and the audited financial statements of everplay group plc (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2024.

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

The principal activity of the Group is the development and publishing of independent ("Indie") premium video games for the digital and physical market, development and publishing of educational entertainment apps for children and working simulation games development and publishing.

**Business Review and Future Developments**
A full business review for FY 2024 is detailed in the Group Chief Executive Officer, Group Chief Financial Officer and divisional reporting sections on pages 04 to 17.

Trading for the period from 31 December 2024 to the date of this document has been positive and is consistent with the Board's expectations for the year.

The Group has released 1 game so far this year. In addition, there are at least 9 further new game releases planned during the course of 2025 across the wider businesses, and through its greenlight process the Group continues to review and sign new games to Team17, in addition to maximising the revenue opportunity provided by its substantial and now wider back catalogue.

The Company's track record of ongoing organic growth combined with successful targeted M&A activity underlines its 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 £20.2 million (FY 2023: £3.7 million loss). The Directors have recommended the payment of a final dividend in FY 2024 of £3.9 million (FY 2023: £Nil) or 2.7 pence per share. Subject to shareholder approval at the AGM, the record date for the shares is 6 June 2025 with a payment day of 4 July 2025.

**Post Balance Sheet Events**
There have been no material post balance sheet events since the end of the 2024 financial year.

**Change of name**
The Group announced its rebranding to everplay group plc on 23 January 2025. The name become effective on 31 January 2025. Further detail about the rebranding can be found in the Group Chief Executive Officer review on page 04.

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

**Frank Sagnier**
**Debbie Bestwick MBE**
**Penny Judd**
**Peter Whiting**
**Steve Bell**
**Rashid Varachia** (appointed on 30 October 2024)
**Mark Crawford** (resigned on 30 October 2024)

Full details of the Board members' profiles can be found on pages 42 to 43.

**Directors' Qualifying Third Party Indemnity Insurance**
The Group provides for Directors and Officers' liability insurance in respect of the Group and its Directors which was maintained throughout the financial year ended 31 December 2024 and remains in place at the date of signing the annual report and financial statements.

| Disclosures | |
|---|---|
| Emissions Data | Details of the Group's greenhouse gas emissions, energy consumption and energy efficiency action can be found on page 34 of this report. |
| Charitable Donations | Over the course of FY 2024, the Group has made donations to various charities across the Group totalling £10,140. |
| Political Donations | The Group has not made any this year. |
| Fostering Relationships with key stakeholders & Section172 statement | Details of how the Group fosters and manages relationships with key stakeholders can be found in the s172 statement on pages 39 to 41 of this report. |
| Non-UK Branches | Details of all non-UK branches of the Group can be found in the Notes to the Consolidated Financial Statements on page 88. |

**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 2025 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.

After reviewing forward cash flow forecasts for the period 1 January 2024 to 30 June 2026, 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 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, 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 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 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 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**
The Company's financial risk management objectives and policies can be found in the Principal Risks and Uncertainties report on pages 36 to 39.

**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 2024, 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 everplay group plc:

| Shareholder | No. Ordinary Shares held | % of issued |
|---|---|---|
| Ms Debbie Bestwick MBE (UK) | **27,240,250** | 18.68 |
| Liontrust Asset Mgt (London) | **20,701,651** | 14.20 |
| Octopus Investments (London) | **14,391,297** | 9.87 |
| Gresham House (London) | **8,956.677** | 6.14 |
| Anicom Gestion (Brussels) | **6,200,000** | 4.25 |
| Janus Henderson Investors (London) | **5,743,192** | 3.94 |
| Columbia Threadneedle Investments (London) | **4,706,048** | 3.23 |
| M&G Investments (London) | **4,468,675** | 3.06 |

Source: Orient Capital Shareholder register 31 December 2024

everplay group plc has an Employee Benefit Trust which holds shares in everplay. These shares are used exclusively for the benefit of the employees within the Group.

**Corporate Responsibility in Employment**
The Group now operates eight locations across five countries together 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.

As a growing business, we have invested in our teams 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 ESG Report on pages 30 to 33. We have a diverse team and do not tolerate discrimination of any kind.

Our team members play a fundamental role in shaping 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 30 to 35.

**Research and Development**
The vast majority of the Group's capital investment is to develop first-party and third-party co-developed games that are released in future years. As such investment in development is capitalised in the Development Costs in the balance sheet where applicable under IAS38. In FY 2024 the Group capitalised development costs of £25.0 million (FY2023: £32.2 million), further details on which can be found in Note 3 of the financial statements on page 79.

**Employee Policy**
The Group has a range of employment policies covering such issues as grievance, diversity, harassment and discrimination, and equal opportunities. The Group continues to give full and fair consideration to applications for employment and promotion with selection conducted based on merit against objective criteria that avoids discrimination of any form and taking consideration for diversity and equal opportunity as well as applications specifically made by disabled persons. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Group, including making reasonable adjustments where required. In the event of any colleague becoming disabled during their career within the Group, every effort is made to ensure their continued employment and engagement with the business.

**Employee Involvement**
The Group provides all team members with the relevant information on matters that concern them, holding regular communication updates within each division to allow this information flow and engagement to ensure feedback can be captured to aid decision making on matters involving team members. Details of employee engagement are included in the ESG Report on pages 30 to 33 and also in the Section 172 statement on pages 39 to 41. Feedback relating to the engagement survey results are shared with the Directors and reviewed at Board meetings, often inviting the CEOs of the divisions to discuss the results and planned actions.

100% of the Group's team members either participate in employee share schemes or have share options as a result of the initiative in March 2022, to offer every employed team member across the Group free shares. The Group also looks to use its Employee Benefit Trust ("EBT") to reward and recognise team members across the Group. Details of the EBT can be found on page 78 of this report.

**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.

Signed for and on behalf of the Board by

**Steve Bell**
Group Chief Executive Officer

1 May 2025

# Corporate Governance Report

As Chair of the Board of Directors, I am pleased to introduce this year's Corporate Governance Statement for everplay group plc. Throughout the past year, the Company has placed a strong emphasis on embedding effective governance practices across all aspects of the Group. Aligned with this goal, the Board has maintained a culture of open, transparent dialogue, enabling proactive and informed decision-making.

One of my key responsibilities as Chair is to ensure that these essential governance practices are integrated into both our strategic objectives and the Board's day-to-day activities. In recognition of the importance of maintaining high governance standards, the Board has chosen to follow the principles set out in the 2023 Corporate Governance Code for Small and Mid-Size Quoted Companies, as issued by the QCA (the "QCA Code").

Each Board member acknowledges the significant value that strong governance adds to our business. We believe that following the QCA Code positions us to better serve the interests of our key stakeholders by creating sustainable, long-term value for the Company.

This report outlines our approach to applying the QCA Code's principles and promoting good governance throughout the business, with a focus on relevant policies, initiatives, and the operations of the Board and its Committees.

**Frank Sagnier**
Non-Executive Chair

1 May 2025

**QCA Code**
The Chair's role is to lead the Board of Directors and to be responsible for ensuring that the Company adheres to and applies the standards of corporate governance. The executive team oversees the day-to-day management and are accountable to the rest of the Board. The Board and Committees, in turn, meet regularly to oversee the successful operation of the Company.

The Directors believe that the updated 2023 QCA Code provides the Company with the framework to help build a successful and sustainable business for all of its stakeholders by guiding the Company's culture, values and actions. A summary of how the Group currently complies with the QCA Code is set out below and expanded on further throughout this report.

These disclosures are updated at least annually in the manner recommended by the QCA Code and have been made in accordance with the most recent version of the code.

| Principle | Disclosure |
|---|---|
| **Principle 1:**<br><br>Establish a purpose, strategy and business model which promote long term value for shareholders | **Business Model:**<br>The Group develops and publishes video games and apps across multiple platforms. astragon is a leading games publisher, developer and distributor of sophisticated working simulation games, targeting a broad audience from young enthusiasts to technical experts and casual gamers. In addition to revenue from base game sales, astragon combines free updates with paid DLCs to continuously add fresh value to our content and maintain long-term revenue streams. StoryToys secures global leading partner license agreements for popular kids' brands to create, develop and publish engaging mobile apps and games appealing to children in early childhood. The apps are free to download and access basic content, though parents and caregivers can unlock additional content through a recurring subscription or one-time in-app purchases. Team17 is a focused Indie developer and publisher supporting both first and third-party IP, with a portfolio of 120+ games. In addition to first-party IP, Team17 partners with new and returning independent developers around the globe, offering a range of publishing services from end-to-end support in the game creation process, to marketing and revenue lifecycle management.<br><br>**Purpose:**<br>The Group's vision is to be the best place in the world to make and play games, anytime and anywhere, creating pioneering and captivating experiences that enrich and inspire players around the world of all ages. The Group maximises the revenues generated by these games through its lifecycle management skills to build a long-term portfolio of titles and renowned gaming franchises, and in doing so maximise return on investment for its shareholders.<br><br>**Strategy:**<br>An overview of the Group's business strategy and commentary of progress in the last year against this, including the key challenges faced in its execution and how these were addressed, can be found in the Group Strategic and Business Model section on pages 08 to 11. |
| **Principle 2:**<br><br>Promote a corporate culture that is based on ethical values and behaviours | The Board places significant importance on the promotion of ethical values and good behaviour within the Group and takes ultimate responsibility for ensuring that these are promoted and maintained throughout the organisation and that they guide the Group's business objectives and strategy.<br><br>The central role that sound ethical values and behaviour plays within the Group is enshrined in the Employee Handbook, which promotes this culture through all aspects of the business, from initial recruitment and hiring to career advancement.<br><br>The Board believes in leading by example and has ensured that these values and behaviours act as the foundation for the Group's policies so that the culture can be applied to all aspects of the Group. |

| Principle | Disclosure |
|---|---|
| **Principle 3:**<br><br>Seek to understand and meet shareholder needs and expectations | The Board is committed to an open and ongoing engagement with its shareholders, which has been the case since its AIM admission in May 2018.<br><br>In 2023, the Group hired a Group Investor Relations Director. Alongside being a key member of the ESG Committee, he is responsible for managing all of the Group's relationships with its external stakeholders and acts as the main point of contact for all shareholder communications.<br><br>The Group also communicates with shareholders through the Annual Report and Financial Statements, the interim and full-year results announcements, the Annual General Meeting and the website.<br><br>In addition, the Group Chief Executive Officer and the Group Chief Financial Officer meet regularly with institutional investors and analysts to ensure that its objectives and any business developments are clearly communicated and they are available to respond to any enquiries following Group announcements, together with other Group advisers. The Non-Executive Directors are also available to discuss any matters that shareholders wish to raise and discuss. The Group engages with an external investor relations adviser to act as another point of contact for shareholders, details of which are on the Group's website.<br><br>The needs, expectations and makeup of the Group's shareholder base are regularly discussed at Board meetings and the Group will continue to proactively engage with shareholders throughout the year.<br><br>Further details of the Group's engagement with its shareholders, the topics discussed, and the actions taken in response can be found in the Section 172 Statement on pages 39 to 41.<br><br>Qualitative and quantitative reporting on the Group's ESG matters can also be found on pages 30 to 35. |
| **Principle 4:**<br><br>Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success | The Board recognises that its long-term success will necessitate the maintenance of effective working relationships across a wide range of stakeholders as well as its shareholders; being primarily its employees, customers and the gaming platforms and developers that it partners with as part of the business strategy.<br><br>These key groups, their needs, expectations and how they are mapped across the Group, including the key resources and relationships on which the Group relies are discussed and reviewed by the Board on a regular basis.<br><br>The Group Investor Relations Director acts as the main point of contact for stakeholder engagement. With assistance from the Executive Directors, he maintains an ongoing and collaborative dialogue with such stakeholders and reports all feedback to the Board to assist with the decision-making process and day-to-day running of the business.<br><br>Examples of how the Group has acted on feedback received by its various stakeholder groups include updating the structure of its Committees to ease concerns surrounding independence, updating the skillsets and other appointments of Directors to ensure that the Board has the correct composition and updating the Group's disclosures to be more informative.<br><br>A detailed report on how the Group has taken into account both immediate and wider stakeholders can be found in the Section 172 Statement outlined on pages 39 to 41.<br><br>The Group takes its environmental, social and governance responsibilities very seriously. The Group continually updates working practices in order to make everplay group plc as sustainable as possible. Concurrently, the Board have established Green17 internally, an employee-led group that is passionate about finding ways that the Group and the wider gaming community can become more climate aware and reduce the impact on the planet. The Board recognises the growing importance of ESG matters for all of its stakeholders and to that end, has established a Board level ESG Committee, led by Independent Non-Executive Director, Penny Judd. Furthermore, the Group recognises the need to give back to the communities where it does business.<br><br>Further details on the environmental and social matters affecting these groups, the associated KPIs and the actions taken by the Board to address them can also be found on pages 30 to 35. |

# Corporate Governance Report

Continued

| Principle | Disclosure |
|---|---|
| **Principle 5:**<br><br>Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation | The Board has overall responsibility for the determination of the Group's risk management objectives & policies and has also established an Audit Committee to oversee risk management and the Group's relationship with its Auditor, further details of which are set out in the Corporate Governance report on pages 46 to 51.<br><br>A risk register is created within each division under the leadership of the individual CEOs and then reviewed by the Board on a six-monthly basis looking to identify changes to existing risks, emerging risks and then looking at mitigating factors.<br><br>Specific actions are captured so that progress can be monitored against each material risk across the Group.<br><br>The principal risks and uncertainties, including the Group's risk appetite and its approach to environmental and social risks, are outlined in the Principal Risks & Uncertainties section on pages 36 to 38. |
| **Principle 6:**<br><br>Establish and maintain the board as a well-functioning, balanced team led by the chair | The Board currently comprises six Directors: the Non-Executive Chair, three Non-Executive Directors and two Executive Directors.<br><br>Three of the Non-Executive Directors, Frank Sagnier, Penny Judd, and Peter Whiting are considered by the Board to be independent. The Board meets regularly and there are processes in place to ensure that each Director is at all times provided with such information as is necessary for him or her to discharge their duties.<br><br>Due to the size of her shareholding, Debbie Bestwick is not considered to be independent.<br><br>The Board is also supported by the Committees, details of which can be found on page 51 of the Annual Report.<br><br>The Non-Executive Directors were selected with the objective of increasing the breadth of skills and experience of the Board and bringing independent judgment to the Board. All Non-Executive Directors are expected to attend all Board meetings and the meetings of any Committee that they are a member of. The number of Board and Committee meetings held throughout the year, and the attendance of each Director, is outlined below.<br><br>The Group believes that the make-up of the Board as a whole represents a suitable balance of independence and detailed knowledge of the business so as to ensure that it is able to fulfil its role and responsibilities as effectively as possible.<br><br>All Directors are subject to re-election by shareholders at the Annual General Meeting and any Directors appointed during a financial year must be formally elected at the Annual General Meeting following their appointment.<br><br>Further details of each Director, including their relevant skills and experience can be found on pages 42 to 43. |

| Principle | Disclosure |
|---|---|
| **Principle 7:**<br><br>Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities | The Chair leads the Board and is responsible for its governance structures, performance and effectiveness. The Chair is also responsible for ensuring that the links between the Board and the shareholders are strong and efficient. Meanwhile, the Group Chief Executive Officer and the Group Chief Financial Officer are responsible for the day-to-day management of the business and for implementing the strategic goals agreed by the Board.<br><br>The Board is responsible for the good management of the Group and its principal aim is to enhance the Group's long-term value for the benefit of shareholders. The Board has adopted a Board Charter and Terms of Reference which set out those matters that are reserved for the Board and which include corporate governance, strategy and management, financial reporting and internal controls.<br><br>The Board has also established an Audit Committee, a Remuneration Committee, an ESG Committee and a Nomination Committee, the responsibilities and matters reserved for each are outlined in their respective terms of reference and can be found in the Group's Annual Report and Financial Statements. The skills and experience of each Board member is reviewed by the Nominations Committee on an annual basis.<br><br>From time to time, separate committees may be set up by the Board in order to consider and address specific issues, when and if the need arises. The Terms of Reference and matters reserved for these Committees are reviewed and updated by the Board on a regular basis.<br><br>Details of all external advisors to the Board can be found on page 108 of the Annual Report<br><br>It is envisaged that the governance framework described above will be reviewed on an annual basis to ensure that it remains effective and appropriate for the business going forwards. |
| **Principle 8:**<br><br>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement | The Board considers the evaluation of its own performance to be a key step for improvement. Since the independent evaluation conducted in 2022, the Directors have worked to ensure that all key learnings surrounding the Board's ability to deliver growth, maintain a dynamic framework and build trust have been acted on.<br><br>The Board has since worked with the Nominations Committee to factor these learnings into the process of hiring new Directors and the succession planning for all current Directors.<br><br>Given the recent appointments to the Board, the Directors believe that another independent performance evaluation should be conducted once the new Directors have fully settled into their roles. The results of which will be benchmarked against previous evaluations to ensure consistent improvement.<br><br>Future Board evaluations will be conducted with the aim of assessing and improving the weaker areas highlighted by previous evaluations as well as a general overview of the Board's structures, including:<br>• Reporting structures;<br>• Succession Planning;<br>• Meeting effectiveness;<br>• Independence;<br>• Skills and Experience; and<br>• Risk Management.<br><br>Details of the Board's succession planning processes can be found on page 51. |
| **Principle 9:**<br><br>Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture | The Group believes that effective remuneration is essential for incentivising performance and growth across the business.<br><br>The Remuneration Committee regularly reviews the remuneration policy to ensure that it is aligned with the purpose, strategy and culture of the business, that it incentivises growth and that it rewards employees fairly for their work.<br><br>Details of the Group's remuneration policy can be found on pages 54 to 58. |

# Corporate Governance Report

continued

| Principle | Disclosure |
|---|---|
| **Principle 10:**<br><br>Establish a purpose, strategy and business model which promote long term value for shareholders | The Group places a strong emphasis on the standards of good corporate governance and maintaining an effective engagement with its shareholders and key stakeholders, which it considers to be integral to longer term growth and success.<br><br>Over the previous year the market environment has presented the Group with a number of challenges during the financial year. These are discussed in detail during the Chair and Group Chief Executive Officer reviews on pages 02 to 10.<br><br>The principal methods of communication with shareholders are the Annual Report and Financial Statements, the interim and full-year results announcements, the Annual General Meeting and the website. The website is updated regularly with information regarding the Group's activities and performance and users can register to be alerted of new announcements, reports and events, including Annual General Meetings.<br><br>The Group's reports and presentations and notices of Annual General Meetings will be made available on the website, as will the results of voting at shareholder meetings. |

The website disclosures required by the QCA Code can be found at www.everplaygroupplc.com/aim-rule-26

## The Board

### Matters Reserved for the Board

Matters reserved for the decision of the Board include, but are not limited to:

- 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 Composition

Full biographies of the Directors can be found on pages 42 to 43. At the date of this report, the Board comprises two Executive Directors and four Non-Executive Directors, three of which are independent and one of which is the Non-Executive Chair.

- **Frank Sagnier** – Independent Non-Executive Chair who joined the Board in September 2023
- **Steve Bell** – Group Chief Executive Officer who joined the Board in September 2023
- **Rashid Varachia** – Group Chief Financial Officer and Chief Operating Officer who joined the Board in October 2024
- **Debbie Bestwick MBE** – Non-Executive Director who joined the Board in May 2018
- **Penny Judd** – Independent Non-Executive Director who joined the Board in May 2018
- **Peter Whiting** – Independent Non-Executive Director who joined the Board in August 2023

The Chair and the Group Chief Executive Officer have separate and clearly defined roles. The Chair is responsible for overseeing the Board and the Group Chief Executive Officer is responsible for implementing the stated strategy of the Company and for its operational performance.

In carrying out its governance role, the Board's main task is to drive the performance of the Group. The Board must also ensure that the Group complies with all its contractual, statutory and any other obligations, as well as the requirements of any regulatory body.

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 financial 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 as appropriate.





Almond + Co acts as 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 of the Board then follows up on each action at the next meeting, or before if appropriate.

## Committees

The Board has in place Audit, Nomination, Remuneration and ESG Committees, which each comply with their own stated terms of reference. Detailed reports on the Audit and Remuneration Committees can be found on pages 52 and 54.

### ESG Committee

Penny Judd chairs the ESG Committee. Peter Whiting, Rashid Varachia and James Targett are the other members of the Committee.

ESG Committee meetings are held at least 3 times per year, with additional ad hoc meetings being held as and when required. The ESG Committee oversees and scrutinises the strategies, policies, and performance of the Group and aims to drive the improvement of each of these to meet the Company's high ESG standards. Details of the Committee's actions over the previous year and the Company's disclosures surrounding ESG can be found on pages 30 to 35.

### Nominations Committee

Frank Sagnier chairs the Nomination Committee. Penny Judd, and Peter Whiting are the other members of the Committee.

Nominations Committee meetings are held as required and provide a formal and transparent procedure to the appointments of new Directors to the Board. The Nominations Committee evaluates 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. On an ongoing basis the Board continues to drive succession reviews at a Group and senior management level to ensure that the appropriate planning and development is in place.

## Corporate Culture and Systems

### Culture

The Board recognises the increased focus on Company culture within modern day governance and places significant importance on defining, promoting and maintaining an effective and collaborative culture throughout the organisation. The Group has clearly defined policies and codified values that help shape the Company's culture around the strategy of the business. Any new hires or acquired businesses that join the Group are aligned to these policies to ensure that culture is grown holistically.

Details of these policies and values can be found at the Group's website www.everplaygroupplc.com

### Support

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).

### Election

In line with the updated recommendations of the QCA Code, all of the Company's Directors will now stand for election at each Annual General Meeting.

### Diversity and Inclusion

The Group has a range of employment policies covering such issues as diversity, harassment and discrimination and equal opportunities that are available to everyone in the business. Supervisory Bodies and Management

The Group's senior management team is comprised of the Group CEO, the Group CFO and the CEOs of each division of the Group. The team meets on a monthly basis to discuss and review the overall performance across the Group and share best practice and experiences.

### Internal Control

The Board is ultimately responsible for maintaining and reviewing the Company's risk framework system of internal control, and reviews financial and operational risks within each division to produce a Group risk register that is reviewed by the Board. The Board believes that the risk register process manages risks appropriately in a way which allows the Company to achieve its business objectives. These systems are reviewed every six months. Further details on the Company's approach to risk management can be found on pages 36 to 38.

## Annual General Meeting

The Company holds an Annual General Meeting ("AGM") each year to allow shareholders to vote on resolutions to proposed by the Company's Directors. This year's AGM is currently planned to be held at 11.00 am on 3 June 2025. The Notice of AGM, setting out the resolutions proposed, is contained in a separate document and will be available on the Company's website at www.everplaygroupplc.com.

**Richard Almond**
Company Secretary

1 May 2025

**Board and Committee Attendance**

| | | Board | | Committees | | | | |
|---|---|---|---|---|---|---|---|---|
| Director | Position | Max Possible Attendance | Meetings Attended | Nomination | Audit & Risk | ESG | Remuneration | Independence |
| **Frank Sagnier** | Independent Non-Executive Chair | 7 | 7 | 1 | 3 | 1 | 3 | Y |
| **Steve Bell** | Group Chief Executive Officer | 7 | 7 | 1 | N/A | N/A | N/A | N |
| **Rashid Varachia*** | Group Chief Financial Officer | 2 | 2 | N/A | N/A | 1 | N/A | N |
| **Mark Crawford*** | Group Chief Financial Officer | 5 | 5 | N/A | N/A | 1 | N/A | N |
| **Debbie Bestwick MBE** | Non-Executive Director | 7 | 7 | N/A | 1 | N/A | 1 | N |
| **Penny Judd** | Independent Non-Executive Director | 7 | 7 | 1 | 3 | 2 | 3 | Y |
| **Peter Whiting** | Independent Non-Executive Director | 7 | 7 | 1 | 3 | 1 | 3 | Y |

*Mark Crawford left the Board in October 2024
*Rashid Varachia joined the Board in October 2024

# Audit Committee Report

## Introduction

As the Chair of the Audit Committee, I am pleased to present the report for the year ended 31 December 2024. 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 include Frank Sagnier and Peter Whiting. The Committee has a wealth of knowledge from both within the gaming sector alongside other wider industry sectors and its members also sit on various boards for other public companies, details of which can be seen in the Board profiles on pages 42 to 43.

The Committee met three times 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 to which the auditors PricewaterhouseCoopers LLP ("PwC") were invited. Outside the formal audit review meetings, various other discussions were held throughout the year to review accounting policies, the finance system and for general updates with the Chief Financial Officer.

### 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.
- The Audit Committee meets with the Chief Financial Officer and key members of the finance team and formally reviews the effectiveness of the audit process and the appointment or reappointment of the Auditor. The Company is not bound to have any formal process for auditor tendering although does have regard to the requirement for larger listed companies to put their audit out to tender every ten years. As outlined in the Audit Committee report published in 2022, a formal market review was undertaken for the audit services for the Group and PwC were retained with a new lead partner following their normal rotation policy. The Audit Committee intends to continue to review the requirement to tender the audit services in the future. There are no current contractual restrictions that affect the Company's choice of auditor.
- 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.

Areas of focus for FY 2024 were:

- License revenue recognition. This is a key audit matter given the level of complexity and judgement involved in recognising revenue and how key terms and conditions in the Group's revenue contracts may impact the timing of revenue recognition.
- Impairment of development costs. While the Group's capitalised development costs fell in FY 2024, costs over the past few years have been on a rising trend, partly attributed to increased investment in larger titles. Heavy competition in the market and variability in the success of new titles launched has resulted in impairment triggers across a number of games, where the recoverable amount is less than the capitalised costs.
- Impairment of Goodwill arising on the acquisition of The Label. The performance of The Label post-acquisition has not met the expectations set at the time of the Acquisition. As a result of the revised forecasts, the recoverable amount of The Label CGU is less than the carrying value of the CGU, which has resulted in an impairment.

### Internal Controls and Risk Assessment

Alongside the audit activities, the Committee oversees the risk processes and reporting within the Group, reviewing that the risk register is compiled with inputs from each division across the Group to understand the key areas of risk, and reviews that the outputs from the risk register are appropriately captured and monitored. A summary of the output is shown in the Principal Risk and Uncertainties report on pages 36 to 38.

The Committee's other responsibilities also include the oversight of a delegated authority system for approving Company spending and contracts. The appropriateness of the authority levels was reviewed and approved by the Audit Committee in the period. The ongoing review of the delegation of authority system helps to ensure the levels of delegation are adequate and costs are appropriately controlled across the Group.

Given the Group's current size and scale there is currently no internal audit function, however this remains under review as the Group continues to grow.

### Finance System Upgrade

This year marked a significant milestone in our digital transformation journey with the successful implementation of an up-to-date cloud-based finance solution across our financial operations. This has significantly enhanced processing and reporting efficiencies, reducing manual data entry, improving accuracy, and enabling real-time financial visibility across the group. Additionally, we successfully launched an improved end-to-end Purchase-to-Pay ("P2P") process, streamlining procurement, strengthening supplier management, and improving financial control and visibility. These efficiencies are helping us not only optimise day-to-day operations but also position us for scalable, data-driven financial management, supporting faster decision-making and continued growth.

Looking ahead to 2025, we will continue expanding our system rollout across the Group. This next phase will further standardise financial processes, enhance operational visibility, and drive greater consistency across the Group. In parallel, we will continue to deliver additional modules, strengthen financial controls, and implement further efficiencies, ensuring we maximize the full potential of the new system to support our long-term strategic objectives.

### Going Concern

The Audit Committee recognises the ongoing challenging external market combined with recent internal strategic planning sessions and improved costs controls within the UK and wider business divisions which impact the Group's 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.

The Audit Committee is satisfied that no non-audit work was undertaken by the external auditors.

**Penny Judd**
Chair of the Audit Committee

1 May 2025

# Remuneration Committee Report

Unaudited

## 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 2024. 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 in the year to 31 December 2024; and 4. the proposed implementation of the policy for the upcoming year.

This report will be submitted to an advisory shareholder vote at our 2025 AGM.

## 1. Director's Remuneration Policy

The Committee is focused on setting a remuneration policy that takes 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.

everplay group plc promotes a culture based on sound ethical values, and rewards behaviours that support such values.

### Non-Executive Director 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. All such fees are paid in cash. The Chair fee is decided by the Remuneration Committee – the Non-Executive Directors' fees are decided by the Board.

During 2024 the Board decided to introduce a new Non-Executive Director Share Option Plan. This decision was made by the Board members not participating in the Plan.

The Plan will ensure that the Company can attract and retain a strong calibre of Board members, including from overseas and with relevant experience in the technology and wider gaming space. The balance between a cash fee and regular share option grants will incentivise NEDs in a manner that aligns with the long-term interests of the Group's stakeholders by providing an element of remuneration if there has been a sustained increase in the Company's value.

Under the Plan and the policy all NEDs will receive annual grants of share options (the "Options") over the Group's ordinary shares with an aggregate value equal to their annual base fee, with grants made in two tranches, each equal to 50% of their base fee. The Options will have an exercise price equal to the market price of an everplay share at the time of grant. There are no performance conditions and the Options will vest on the third anniversary of grant. The Plan will be administered by those members of the Board who do not participate in the Plan.

The Board has taken advice on the structure of the policy and following careful consideration, is satisfied that the relatively modest grant levels (in relation to the base fee), regular grant pattern and long term vesting will ensure that the NEDs remain independent from the Executive Directors and will continue to have strong alignment with the long term interests of all shareholders. Consultations with several of the Group's larger shareholders have already taken place, and further discussions are planned ahead of the AGM. Should the advisory resolution to approve the Directors' Remuneration Report not be supported by a majority of shareholders at the 2025 AGM, the relevant Board members who administer the Plan may determine that all Options granted under the Plan prior to the 2025 AGM will lapse and that the Plan will not be operated going forwards.

The Plan includes Malus and Clawback provisions in the following circumstances:

- action or conduct of an Option Holder at any time which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct, or the commission by the Option Holder at any time of any other act (or the omission to take any act) which would entitle (or, where the Option Holder's appointment has terminated prior to the date on which the Board becomes aware of such act or omission, would have entitled) the Company to terminate the Option Holder's appointment summarily under the terms of their appointment;
- discovery of a material misstatement resulting in an adjustment in the audited consolidated financial statements of the Company or the audited financial statements of any Group Member for a period that was wholly or partly before the latest Vesting Date applicable to the Option;
- corporate failure of the Company;
- such other similar circumstances as the Board reasonably considers it appropriate that malus or clawback should be operated in respect of an Option.

### Executive Director Remuneration

A straightforward Executive remuneration structure is maintained by balancing base salary, pension and benefits (which include car allowance and private medical insurance) with a performance-related bonus and Long Term Incentive Plan ("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 1st April each year. In last year's Remuneration Report it was outlined that Steve Bell's (CEO) salary would be reviewed in October 2024. A review has been completed and there is an increase in salary for Steve from 1 January 2025 as referred to in 4. below. Steve joined in September 2023, so this is a review after sixteen months. His next review will be 1 April 2026.

#### Pension & Benefits:

Executive Directors receive a pension contribution of up to 8% of salary matching individual contributions, in line with other UK employees. 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. The majority of the outcome is based on the Group's adjusted EBITDA performance with the balance determined by one or more individual strategic objectives. The maximum earning opportunity remains at 120% and 100% of salary for the CEO and CFO/COO respectively, with 70% of the maximum awarded for on-target performance, and a further 30% of the maximum if the Company achieves its stretch performance targets (and typically a straight-line outcome between these two points). In addition, the payment for threshold performance is now 50% of the maximum bonus, having previously been set at 30%. These percentages have changed from 2024 following a review of senior management remuneration across the Group given the end of acquisition related incentive arrangements (not relating to the Executive Directors) at the end of 2024, and the desire to ensure consistency of approach between the Executive Directors and other members of the senior management team. The Committee is satisfied that all bonus targets remain challenging in the context of the budget and anticipated levels of Group performance. Provisions exist to defer 30% and 20% of the awarded bonus for the CEO and CFO/COO respectively into shares with a two-year holding period and malus and clawback provisions for that period.





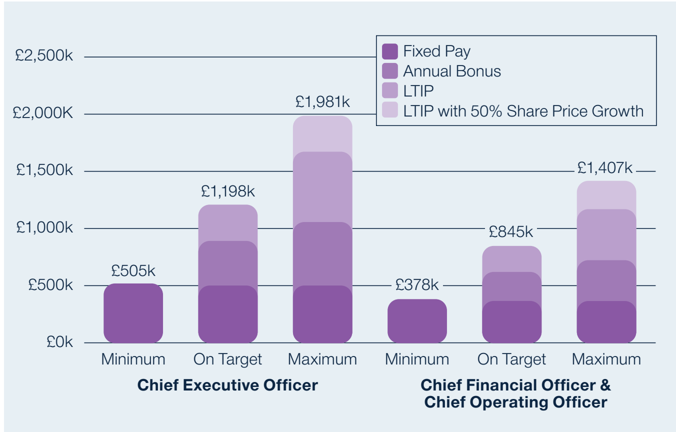
### Long Term Incentive Plan ("LTIP")

The Company makes annual awards to Executive participants under the LTIP. Awards are released subject to continued employment and the 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 financial statements and also for other defined reasons. From 2024 a two-year holding period following the vesting date has been introduced.

### Remuneration Scenarios for Executive Directors

The remuneration opportunity provided to the CEO and CFO/COO under the Remuneration Policy at different levels of performance for the financial year is illustrated below:




| | |
|---|---|
| **Minimum Performance:** | Comprising the minimum remuneration receivable (i.e. fixed pay only made up of base salary, pension allowances and an estimate of benefits for the 2025 financial year). |
| **On Target Performance:** | Comprising fixed pay, with the annual bonus achieving 70% of the maximum opportunity and LTIP achieving 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 (120% and 100% of salary respectively for the CEO and CFO/COO) and 100% vesting of LTIP awards (135% of salary for the CFO/COO). The maximum performance scenario also illustrates the potential pay-out under the LTIP assuming a 50% share price appreciation over the three-year performance period. |

### 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 monitors the overall approach to reward including 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. As noted above the Board has consulted with major shareholders in relation to the new Non-Executive Director Share Option Plan.

### 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 from which it is recruited; 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 enter 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. The term is subject to annual reappointment by shareholders at the AGM.

#### Executive Directors:

The Executive Directors have a service contract requiring six 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 current members of the Committee are as follows:

1. Peter Whiting (Chair)
2. Frank Sagnier
3. Penny Judd

Other members who served during the year were:

- Debbie Bestwick (from 1 January 2024 to 10 June 2024)

The committee met 3 times over the year as outlined on page 51. The primary role of the Committee is to review and set the remuneration of the Executive Directors and Chair, to govern the share schemes operated by the Group and to review the divisional and Group senior management remuneration.

Key responsibilities include:

1. Setting and monitoring the remuneration of the Executive Directors and Chair;
2. Monitoring the remuneration of the divisional and group Senior Management Team which includes salary, annual performance-related bonus and any LTIP arrangements;
3. Monitoring of the Group's overall annual performance-related bonus payments and annual salary review; and
4. Approval of all share award plans and subsequent issue of share awards to team members.

# Remuneration Committee Report

Unaudited continued

### Key Activities During the Year

In addition to the business-as-usual activities the Committee undertook the following activities:

- Reviewed the remuneration policy ahead of FY24 implementation and approved the changes as described in last year's report
- Determined the leaving arrangements for our previous CFO, Mark Crawford and the arrangements for our new CFO and COO, Rashid Varachia

### External Advisers:

The Remuneration Committee has received independent advice from Korn Ferry.

## 3. Annual Statement

### Directors' Remuneration for the Year Ended 31 December 2024

The following table sets out the total remuneration for Executive and Non-Executive Directors for 2024, showing 2023 remuneration for comparison:

| All figures shown in £'000 | | Salary and fees | Consultancy[4] | Benefits[1] | Pension | Annual Bonus | LTIP[2] | Compensation for loss of office[3] | Total Remuneration | Total Fixed Pay | Total Variable Pay |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Executive Directors | | | | | | | | | | | |
| **Steve Bell** | **2024** | **440** | **–** | **11** | **40** | **207** | **–** | **–** | **698** | **491** | **207** |
| | 2023 | 144 | – | 3 | 10 | – | – | – | 157 | 157 | – |
| **Rashid Varachia** | **2024** | **59** | **–** | **2** | **4** | **25** | **–** | **–** | **90** | **65** | **25** |
| | 2023 | – | – | – | – | – | – | – | – | – | – |
| **Mark Crawford** | **2024** | **273** | **–** | **20** | **2** | **106** | **56** | **186** | **643** | **481** | **162** |
| | 2023 | 309 | – | 11 | 25 | – | – | – | 345 | 345 | – |
| **Debbie Bestwick MBE** | **2024** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| | 2023 | 437 | – | 69 | 22 | – | – | – | 528 | 528 | – |
| Non-Executive Directors | | | | | | | | | | | |
| **Frank Sagnier** | 2024 | 116 | – | – | – | – | – | – | 116 | 116 | – |
| | 2023 | 36 | – | – | – | – | – | – | 36 | 36 | – |
| **Debbie Bestwick** | 2024 | 52 | 209 | – | – | – | – | – | 261 | 261 | – |
| | 2023 | – | – | – | – | – | – | – | – | – | – |
| **Penny Judd** | 2024 | 64 | – | – | – | – | – | – | 64 | 64 | – |
| | 2023 | 62 | – | – | – | – | – | – | 62 | 62 | – |
| **Peter Whiting** | 2024 | 64 | – | – | – | – | – | – | 64 | 64 | – |
| | 2023 | 26 | – | – | – | – | – | – | 26 | 26 | – |
| **Christopher Bell** | 2024 | – | – | – | – | – | – | – | – | – | – |
| | 2023 | 112 | – | – | – | – | – | – | 112 | 112 | – |
| **Jennifer Lawrence** | 2024 | – | – | – | – | – | – | – | – | – | – |
| | 2023 | 31 | – | – | – | – | – | – | 31 | 31 | – |
| **Martin Hellawell** | 2024 | – | – | – | – | – | – | – | – | – | – |
| | 2023 | 37 | – | – | – | – | – | – | 37 | 37 | – |

1. Benefits represents the taxable value of benefits paid. Taxable benefits provided to Executive Directors include: private health cover; car allowance; accrued holiday not taken but paid in lieu in 2023 for Debbie Bestwick and in 2024 for Mark Crawford.
2. The LTIP figure represents the value of the partial vesting of the award made in 2024 based on the share price on the date of vesting (31 October 2024).
3. The Compensation for Loss of Office figure for Mark Crawford includes 6 months' notice pay.
4. As part of the transition arrangements to a new CEO, Debbie Bestwick provided consulting services on specific topics, including product related advice, as decided by the Chair and CEO during 2024. These services ended on 31 December 2024.

### Basis for Annual Bonus Payments

Targets for the year were based on the Company's adjusted EBITDA performance (80% of the total opportunity) and personal strategic objectives (20% of the total opportunity). The maximum annual bonus opportunity was 120% of salary for the CEO, 100% of salary for the CFO and CFO/COO (pro-rated), with 50% of the maximum awarded for on-target performance.

Steve Bell is to receive a bonus of £206,844 representing a payment of 39.81% of salary for financial performance and 7.2% of salary for strategic personal objectives. 30% of this bonus (£62,053) is deferred into shares that are to be held for a two-year period, with the remaining 70% (£144,791) paid in cash.

Rashid Varachia is to receive a bonus of £24,932 which is the equivalent of 33.17% of his prorated salary for financial performance and 10% of his prorated salary for strategic personal objectives. This bonus will be paid in cash.



Mark Crawford received a bonus of £106,080 as he stepped down from the role. This followed the parameters of the annual bonus plan with performance assessed by the Committee in October 2024. The adjusted EBITDA element was paid out at 30% of the maximum payment for the threshold level of performance, recognising the full year outcome was naturally uncertain at that time. The strategic personal objectives element was paid out at 50% of the maximum payment.

### 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:

| | Date of Grant | Awards held on 1 January 2024 | Awards made during year | Awards lapsed / forfeited during year | Exercised during year | **Awards held on 31 December 2024** | Awards vested during year | End of performance period | Exercise Period |
|---|---|---|---|---|---|---|---|---|---|
| Director | | | | | | | | | |
| **Debbie Bestwick MBE[2]** | 8 July 2021 | 150,943 | – | 150,943 | – | **–** | – | 31–Dec–23 | 10 years from grant |
| **Debbie Bestwick MBE[3]** | 30 June 2022 | 159,000 | – | – | – | **159,000** | – | 31–Dec–24 | 10 years from grant |
| **Debbie Bestwick MBE** | 18 July 2023 | 200,133 | – | – | – | **200,133** | – | 31–Dec–25 | 10 years from grant |
| **Mark Crawford** | 10 Sept 2020 | 20,057 | – | – | 20,057 | **–** | – | 31–Dec–22 | 10 years from grant |
| **Mark Crawford** | 8 July 2021 | 25,157 | – | 25,157 | – | **–** | – | 31–Dec–23 | 10 years from grant |
| **Mark Crawford** | 30 June 2022 | 75,000 | – | 75,000 | – | **–** | – | 31–Dec–24 | 10 years from grant |
| **Mark Crawford** | 18 July 2023 | 94,402 | – | 94,402 | – | **–** | – | 31–Dec–25 | 10 years from grant |
| **Mark Crawford[1]** | 9 July 2024 | – | 109,432 | 84,432 | 25,000 | **–** | 25,000 | 31–Dec–26 | 10 years from grant |
| **Steve Bell** | 9 July 2024 | – | 208,342 | – | – | **208,342** | – | 31-Dec-26 | 10 years from grant |
| **Total** | – | **724,692** | **317,774** | **429,934** | **45,057** | **567,475** | **25,000** | | |

1. As Mark Crawford stepped down from the role of CFO the Committee reviewed the outstanding share awards made to him (2022, 2023 and 2024). They considered the performance to date against the respective performance conditions and the length of time Mark was employed during the respective performance periods. As a result, and including consideration of the performance for FY24, 25,000 awards vested on 31 October 2024. He exercised these together with 20,057 awards which were granted on 10 September 2020 and had already vested. The remaining 253,834 awards have lapsed.
2. As disclosed in 2023 the 2021 awards lapsed on 8 July 2024.
3. The performance conditions for the 2022 award have not been achieved and so the award will lapse on 30 June 2025.

### 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 and CFO/COO, accumulated over a period of 3-5 years through personal investment and retained vested annual bonus and LTIP shares.

The table below summarises the Directors' current shareholdings, LTIP and option grants, including shares subject to a deferral or holding period and performance conditions, and the shareholding expressed as a percentage of salary.

| | Beneficially owned at 31 December 2023 | **Beneficially owned at 31 December 2024** | Interest in LTIP awards (subject to performance conditions)[1] | Interest in NED Option Plan awards (not subject to performance conditions) | Shareholding at 31 December 2024 as a % of base salary |
|---|---|---|---|---|---|
| Executive directors | | | | | |
| **Steve Bell** | 54,050 | **54,050** | 208,342 | – | 27% |
| **Mark Crawford** | 34,565 | **–** | – | – | N/A |
| **Rachid Varachia** | N/A | **–** | – | – | 0% |
| Non–Executive Directors | | | | | |
| **Frank Sagnier** | 108,000 | **108,000** | – | 26,218 | |
| **Penny Judd** | 77,717 | **77,717** | – | 11,810 | |
| **Peter Whiting** | 20,900 | **20,900** | – | 11,810 | |
| **Debbie Bestwick MBE** | 30,266,945 | **27,240,250** | 359,133 | 11,810 | |

1. The interest in LTIP awards (subject to performance conditions) for Debbie Bestwick results from her period as an Executive Director.

# Remuneration Committee Report

Unaudited continued

### 4. Implementation of Policy in 2025

There are changes to the Directors' Remuneration Policy in 2025 following the introduction of the Non-Executive Share Option Plan as explained in section 1 above.

On 31 October 2024 Mark Crawford stepped down as CFO and left the Group. Rashid Varachia was appointed as Group CFO & COO on 30 October 2024.

Steve Bell's basic salary was reviewed and will increase by 4% from 1 January 2025 from £440,000 to £457,600 and will next be reviewed in April 2026. This review covered the sixteen-month period since joining in September 2023 and represents an annualised increase of 3%. Rashid Varachia's base salary of £340,000 was established based on market data while recognising that the role of CFO & COO is broader than that of CFO alone.

**Annual bonus**

As noted above the maximum earning opportunity is 120% and 100% of salary for the CEO and CFO/COO respectively, with 70% of the maximum awarded for on-target performance, and a further 30% of the maximum if the Company achieves its stretch performance targets (and typically a straight-line outcome between these two points).

Performance measures will be based 80% on a sliding scale range of adjusted EBITDA targets and 20% on individual objectives.

30% and 20% of the awarded bonus will be deferred for the CEO and CFO/COO respectively into shares with a two-year holding period.

**LTIP**

The award level for 2025 will be equivalent to 135% of base salary for both the Group CEO and CFO/COO (based on the share price at the date of grant). The grant for the CFO/COO includes an increase in the year of joining to reflect a gap between the date of joining in October 2024 and the expected first grant following publication of the 2024 Annual Results. The usual award level is 110% of base salary.
Awards are subject to continued employment and based on two performance measures.

- 50% on a stretching range of adjusted EPS growth measured over the three years to 31 December 2027. 25% of the award vests for a threshold level of performance with 100% of the award vesting at the top end of the performance range. This performance range reflects the continued strategy of driving profit growth at levels ahead of the wider market.
- 50% on relative Total Shareholder Return compared to the constituents of the AIM100 index measured over the three years to 31 December 2027. 25% of the award vests for performance at the median level of the index constituents, with 100% of the award vesting at upper quartile performance and a straight-line interpolation between these two points.

**Non-Executive Director Remuneration**

Following a review by the Board and as detailed above, it was decided to introduce a Non-Executive Director Share Option Plan.

The first grant was made on 14 November 2024. Grants are anticipated to be made following the release of the 2024 Annual Results and the 2025 Interim Results respectively. Each grant will equal 50 per cent. of the annual base fee.

In addition, the annual base fees payable to the Non-Executive Directors have been increased by 2.5% effective 1 April 2025.

| | Fee at 31 December 2024 | **Fee at 31 December 2025** | % increase |
|---|---|---|---|
| Non-Executive Director | | | |
| **Chair** | 116,760 | **119,679** | 2.5% |
| **Non-Executive Director base fee** | 52,595 | **53,910** | 2.5% |
| **Senior Independent Director** | 11,676 | **11,968** | 2.5% |
| **Committee Chair fee** | 11,676 | **11,968** | 2.5% |

Signed for and on behalf of the Board by

**Peter Whiting**
Chair of the Remuneration Committee

1 May 2025





# Independent Auditors' Report to the Members of everplay group plc (formerly Team17 Group plc)

Report on the Audit of the Financial Statements

### Opinion

In our opinion:

- everplay group plc (formerly 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 2024 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 as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 2024 (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2024; the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Our audit approach

**Overview**

Audit scope

- We identified Team 17 Digital Limited and astragon Entertainment GmbH as requiring a full scope audit based on their significance due to size relative to the group as a whole. We also performed a full scope audit of Team17 Group plc (the company).
- The audits of Team 17 Digital Limited and everplay group plc were undertaken by the group audit team. The group audit team also performed the audit over the consolidation and financial statement disclosures.
- The audit of astragon Entertainment GmbH was performed by a local component auditor, PwC Germany, based in Düsseldorf, Germany. The group audit team issued formal instructions, held a number of meetings and performed a review of their working papers.
- One non-significant component was also subject to audit procedures performed by the group engagement team. StoryToys Limited required procedures over revenue, prepayments, trade receivables, accruals and deferred income, due to their contribution to the overall financial statement line items in the consolidated financial statements.
- As a result of this scoping, we obtained coverage over 99% of group revenue, 74% of group profit before tax (adjusted for impairment) and 94% of group net assets (being total assets less total liabilities).

Key audit matters

- Licence revenue recognition (group)
- Impairment of capitalised development costs (group)
- Impairment of investments (parent)

Materiality

- Overall group materiality: £1,703,000 (2023: £1,500,000) based on 5% of profit before tax adjusted for the impact of impairments.
- Overall company materiality: £1,532,000 (2023: £1,350,000) based on 1% of total assets.
- Performance materiality: £1,277,250 (2023: £1,125,000) (group) and £1,149,000 (2023: £1,012,500) (company).

# Independent Auditors' Report to the Members of everplay group plc (formerly Team17 Group plc)

Report on the Audit of the Financial Statements continued

### 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.

### 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 goodwill relating to the acquisition of The Label Inc., which was a key audit matter last year, is no longer included because of the full impairment recognised in the year. Otherwise, the key audit matters below are consistent with last year.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Licence revenue recognition (group)**<br>The group's accounting policy on licence revenue recognition is shown in note 2 of the Notes to the Consolidated Financial Statements and the significant accounting judgements in respect of revenue are shown in note 3. We considered licence revenue recognition as a key audit matter given the level of complexity and judgement involved in recognising revenue and how key terms and conditions in the group's revenue contracts may impact the timing of revenue recognition. Under IFRS 15, Revenue from Contracts with Customers, judgement is required in determining whether revenue is recognised when, or as, the entity satisfies a performance obligation, and in allocating the consideration where multiple performance obligations exist. Management assesses each licence contract at inception to determine the appropriate basis to recognise revenue under IFRS 15. Contracts are also assessed to determine revenue recognition, including to identify whether contracts provide the customer with a 'right to use' or 'right to access' intellectual property, and whether they contain multiple performance obligations. These determinations can involve management exercising significant judgement, which can have a material impact on revenue. Revenues are recognised as the performance obligations are satisfied. | We obtained and reviewed licence contracts on a sample basis, targeting the larger balances and sampling to high assurance over the remaining contracts. For sampled items, we reviewed the contractual obligations to ensure that revenue has been recognised appropriately under IFRS 15. We challenged management on estimates impacting the cut-off assertion, considering the specific licence terms to verify the timing of revenue recognition. This included determination of: whether contracts provide a licence 'to use', or a licence 'to access' the IP; and the appropriateness of the allocation of consideration between performance obligations, focusing particularly on contracts where performance obligations span multiple financial years. Based on the procedures performed, we concluded that licence revenue recognition is free from material misstatement. |
| **Impairment of capitalised development costs (group)**<br>The group's accounting policy on development costs is shown in note 2 of the Notes to the Consolidated Financial Statements and the key sources of estimation uncertainty related to impairment of intangible assets are shown in note 3. The related disclosures for capitalised development costs are included in note 11. There has been an increase in the value of capitalised development costs attributed to increased investment in larger titles. Heavy competition in the market and variability in the success of new titles launched has resulted in impairment triggers across a number of games. In order to estimate the recoverable amount, management are required to make estimates over future revenues of the titles; this is particularly judgemental where titles are not yet released and do not relate to a legacy title, as this means that there is less observable information to support the assessment. We considered the estimates over future revenues for titles as a key audit matter given the estimation and uncertainty involved in these forecasts. | We obtained a detailed understanding of management's forecasting and due diligence process and understood the relevant controls in place over cash flow forecasting by title. We obtained management's impairment analysis on all games which we assessed to identify which games were at a higher risk of impairment due to lower headroom between their recoverable amount and carrying value. For such titles, we obtained and reviewed management's impairment assessment supporting the recoverable amount. We reviewed and challenged management forecasts, as well as performing a sensitivity analysis on the forecast revenue. Where impairment was identified, we evaluated management's assessment that the recoverable amount based on the value in use exceeded the fair value less cost to sell, concluding that the value in use method derived a higher recoverable amount. Based on the procedures performed, we concluded that the post-impairment value of the development costs balance is free from material misstatement. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Impairment of investments (parent)**<br>The company's accounting policy on investments is shown in note 2 of the Notes to the Company Financial Statements and the key sources of estimation uncertainty related to the recoverability of investments are shown in note 3. The company's investments balance is disclosed in note 6. Investments are assessed for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments are estimated in order to determine the extent of the impairment loss, if any. Given the magnitude of the investments balance, we have considered the risk of impairment of these assets as a key audit matter, specifically management's determination of whether or not there are triggers which would require a full impairment assessment to be performed, and where applicable, the key estimates included in management's recoverability assessment. | We considered whether managements process to identify impairment indicators was appropriate, including assessing year on year movements in market capitalisation and comparing performance versus budget. Based on the procedures performed, we concluded that there were no impairment indicators identified and the valuation of the company's investment balance is free from material misstatement. |

### 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's accounting process is structured around a central group finance function located across Wakefield and Nottingham, which maintains accounting records and controls for the majority of the group. The group also has a local finance function in Dusseldorf, Germany responsible for the accounting records for astragon Entertainment GmbH and Independent Arts Software GmbH and a local finance function in Dublin, Ireland responsible for the accounting records for StoryToys Limited. Both of the local finance functions report into the central group finance function.

In establishing the overall group audit strategy and plan we determined whether, for each component within the group, we required an audit of its complete financial information ('full scope audit'), or whether specific audit procedures to address a certain risk characteristic or financial statement line item would be sufficient. This was determined by considering the significance of each component's contribution to profit before tax adjusted for the impact of impairments, as well as considering the level of coverage obtained for each individual financial statement line item.

We identified three components being everplay group plc (formerly Team17 Group Plc) (the company), Team 17 Digital Limited and astragon Entertainment GmbH, which were subject to a full scope audit. Of these, everplay group plc and Team 17 Digital Limited were audited by the group audit team. astragon Entertainment GmbH was audited by PwC Germany.

The group audit team directed and supervised the execution of the audit procedures performed by the PwC component auditor. We issued formal written instructions to the local component audit team setting out the work to be performed by them and maintained regular communication throughout the audit cycle. These interactions included participating in planning and clearance meetings, holding regular video and conference calls, as well as reviewing work papers and assessing matters reported.

In addition, audit procedures were performed by the group engagement team over a non-significant component. StoryToys Limited required procedures over revenue, prepayments, trade receivables and accruals and deferred income, due to their contribution to the overall financial statement line items in the consolidated financial statements. In addition work was performed by the group audit team over the consolidation, including consolidation entries relating to elimination of intercompany balances and investments, equity, goodwill and procedures over the financial statement disclosures.

In total, the audit work performed provided coverage over 100% of group revenue, 81% of group loss before tax (adjusted for impairment) and 88% of group net assets. At the group level, we also carried out other risk assessment procedures on the components not covered by the procedures described above.

# Independent Auditors' Report to the Members of everplay group plc (formerly Team17 Group plc)

Report on the Audit of the Financial Statements continued

**The impact of climate risk on our audit**
As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

**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** | £1,703,000 (2023: £1,500,000). | £1,532,000 (2023: £1,350,000). |
| **How we determined it** | 5% of profit before tax adjusted for the impact of impairments. | 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 such, we consider profit or loss before tax to be the appropriate benchmark. Profitability in the current year has been impacted by impairments recognised. We believe that profit before tax adjusted for the impact of impairments is an appropriate benchmark to use in assessing materiality. | The company is a non-trading holding company. The entity's assets primarily relate to the investments in the subsidiary trading companies and thus reflect the company's purpose. Materiality has been capped at an allocation of group materiality. |

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 £100,000 and £1,617,000. 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% (2023: 75%) of overall materiality, amounting to £1,277,250 (2023: £1,125,000) for the group financial statements and £1,149,000 (2023: £1,012,500) 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 at the upper end 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 £85,150 (group audit) (2023: £75,000) and £85,150 (company audit) (2023: £75,000) 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 2026 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, including comparing performance against budget, in particular relating to revenue and expenses.
- 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 over the forecast period.

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 2024 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.

# Independent Auditors' Report to the Members of everplay group plc (formerly Team17 Group plc)

Report on the Audit of the Financial Statements continued

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 through posting of inappropriate journal entries and bias in significant accounting estimates and judgements. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- 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;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations which impact financial performance; and
- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

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.

**Rebecca Gissing (Senior Statutory Auditor)**
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

1 May 2025





# Consolidated Statement of Profit or Loss

For the Year Ended 31 December 2024

| | Note | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|---|
| **Revenue** | 5 | **166,624** | 159,125 |
| Cost of sales | | **(97,250)** | (101,620) |
| **Gross profit** | | **69,374** | 57,505 |
| Other income | | **140** | 176 |
| Administrative expenses | | **(45,567)** | (57,639) |
| **Operating profit** | 6 | **23,947** | 42 |
| Finance income | 8 | **1,695** | 344 |
| Finance costs | 8 | **(507)** | (1,261) |
| Share of net profit/(loss) of associates accounted for using the equity method | 13 | **188** | (205) |
| **Profit/(Loss) before tax** | | **25,323** | (1,080) |
| Taxation | 9 | **(5,133)** | (2,665) |
| **Profit/(Loss) for the year** | | **20,190** | (3,745) |
| **Earnings per share** | | | |
| **– Basic (pence)** | 10 | **14.0** | (2.6) |
| **– Diluted (pence)** | 10 | **14.0** | (2.6) |

All amounts relate to continuing operations.

The notes on pages 70 to 99 are an integral part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income
## For the Year Ended 31 December 2024

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| **Profit/(Loss) for the year** | **20,190** | (3,745) |
| **Other comprehensive (expense):** | | |
| ***Items that may be reclassified to profit or loss:*** | | |
| Exchange (loss) on translation of foreign operations | **(5,149)** | (3,209) |
| Total other comprehensive income | **(5,149)** | (3,209) |
| **Total comprehensive income/(expense) for the year** | **15,041** | (6,954) |





# Consolidated Statement of Financial Position
## As at 31 December 2024

Company Registration Number: 11205116

| | Note | As at 31 December 2024 £'000 | As at 31 December 2023 £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Goodwill | 11 | **82,314** | 86,244 |
| Other intangible assets | 11 | **114,668** | 123,748 |
| Investments accounted for using the equity method | 13 | **969** | 867 |
| Property, plant and equipment | 14 | **1,080** | 1,440 |
| Right-of-use assets | 15 | **2,499** | 3,172 |
| Deferred tax assets | 22 | **624** | – |
| **Total non-current assets** | | **202,154** | 215,471 |
| **Current assets** | | | |
| Inventories | 16 | **1,082** | 960 |
| Trade and other receivables | 17 | **44,534** | 38,408 |
| Cash and cash equivalents | 18 | **62,877** | 42,824 |
| **Total current assets** | | **108,493** | 82,192 |
| **Total assets** | | **310,647** | 297,663 |
| **Equity and liabilities** | | | |
| **Equity attributable to owners of the parent** | | | |
| Share capital | 19 | **1,458** | 1,458 |
| Share premium | | **137,572** | 137,572 |
| Retained earnings | | **118,450** | 97,514 |
| Other reserves | 19 | **5,086** | 10,235 |
| **Total equity** | | **262,566** | 246,779 |
| **Non-current liabilities** | | | |
| Lease liabilities | 20 | **2,227** | 2,889 |
| Provisions | | **127** | 113 |
| Deferred tax liabilities | 22 | **6,281** | 8,386 |
| **Total non-current liabilities** | | **8,635** | 11,388 |
| **Current liabilities** | | | |
| Trade and other payables | 23 | **37,040** | 35,422 |
| Current tax liabilities | | **1,714** | 3,391 |
| Lease liabilities | 20 | **692** | 683 |
| **Total current liabilities** | | **39,446** | 39,496 |
| **Total liabilities** | | **48,081** | 50,884 |
| **Total equity and liabilities** | | **310,647** | 297,663 |

The financial statements on pages 65 to 99 were approved by the board of directors and authorised for issue on 1 May 2025 and were signed on its behalf by:

**Rashid Varachia**
Group Chief Financial Officer and Chief Operating Officer

# Consolidated Statement of Changes in Equity
## For the Year Ended 31 December 2024

Equity attributable to shareholders of the Group

| | Note | Share capital £'000 | Share premium account £'000 | Retained earnings £'000 | Other reserves £'000 | **Total Equity £'000** |
|---|---|---|---|---|---|---|
| **At 1 January 2023** | | 1,456 | 136,775 | 100,785 | 13,444 | **252,460** |
| ***Comprehensive expense*** | | | | | | |
| Loss for the year | | – | – | (3,745) | – | **(3,745)** |
| Other comprehensive expense for the year | | – | – | – | (3,209) | **(3,209)** |
| **Total comprehensive loss** | | – | – | (3,745) | (3,209) | **(6,954)** |
| ***Transactions with owners*** | | | | | | |
| Issue of shares | 19 | 2 | 797 | – | – | **799** |
| Share based compensation | 24 | – | – | 474 | – | **474** |
| **Total transactions with owners** | | 2 | 797 | 474 | – | **1,273** |
| **At 31 December 2023** | | 1,458 | 137,572 | 97,514 | 10,235 | **246,779** |
| *Comprehensive income/(expense)* | | | | | | |
| Profit for the year | | – | – | 20,190 | – | **20,190** |
| Other comprehensive expense for the year | | – | – | – | (5,149) | **(5,149)** |
| **Total comprehensive income** | | – | – | 20,190 | (5,149) | **15,041** |
| *Transactions with owners* | | | | | | |
| Share based compensation | 24 | – | – | 1,008 | – | **1,008** |
| Purchase of own shares | | – | – | (262) | – | **(262)** |
| **Total transactions with owners** | | – | – | 746 | – | **746** |
| **At 31 December 2024** | | 1,458 | 137,572 | 118,450 | 5,086 | **262,566** |





# Consolidated Statement of Cash Flows
## For the Year Ended 31 December 2024

| | Note | **Year ended 31 December 2024 £'000** | Year ended 31 December 2023 £'000 |
|---|---|---|---|
| **Cash generated from operations** | 25 | **58,511** | 50,721 |
| Payments for contingent consideration on business acquisitions | | **–** | (4,189) |
| Income taxes paid | | **(7,238)** | (5,148) |
| **Net cash inflow from operating activities** | | **51,273** | 41,384 |
| **Cash flows from investing activities** | | | |
| Payment for acquisition of Independent Arts Software GmbH, net of cash acquired | | **–** | (1,792) |
| Payments for contingent consideration on business acquisitions | | **–** | (6,886) |
| Payments for IP | | **(7,000)** | (7,500) |
| Payments for other intangibles | | **–** | (900) |
| Payments for property, plant and equipment | 14,15 | **(323)** | (477) |
| Payment for capitalised development costs | 11 | **(24,962)** | (32,184) |
| Proceeds from sale of property, plant and equipment | | **–** | 35 |
| Proceeds from sale of intangible assets | | **400** | – |
| Dividends from associates | 13 | **213** | – |
| Interest received | 8 | **1,528** | 299 |
| **Net cash outflow from investing activities** | | **(30,144)** | (49,405) |
| **Cash flows from financing activities** | | | |
| Interest paid | 8 | **(188)** | (89) |
| Principal elements of lease payments | | **(583)** | (546) |
| **Net cash outflow from financing activities** | | **(771)** | (635) |
| **Net increase/(decrease) in cash and cash equivalents** | | **20,358** | (8,656) |
| Cash and cash equivalents at beginning of year | | **42,824** | 50,828 |
| Effect of exchange rates on cash and cash equivalents | | **(305)** | 652 |
| **Cash and cash equivalents at end of year** | 18 | **62,877** | 42,824 |

# Notes to the Consolidated Financial Statements
## For the Year Ended 31 December 2024

### 1. General information

The principal activity of everplay group plc (formally 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 and development of educational entertainment apps for children and a leading working simulation games developer and publisher. The Company is a public company limited by shares and incorporated and domiciled in England (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. Material accounting policy information

**Basis of preparation**
These consolidated financial statements have been prepared and approved by the Directors in accordance with UK adopted international accounting standards (UK IFRS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. Accounting policies have been applied consistently, other than where new policies have been adopted.

The consolidated financial information has been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities measured at fair value through profit or loss, 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**
The following accounting standards or IFRIC interpretations are effective for the year ended 31 December 2024:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective 1 January 2024)
- Non-current Liabilities with Covenants – Amendments to IAS 1 (effective 1 January 2024)
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (effective 1 January 2024)
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7 (effective 1 January 2024)

None of these are expected to have a material impact on the Group's financial statements or the accounting policies are already consistent with the new requirements.

**Going concern**
Management has produced a Group forecast covering the period 1 January 2024 to 30 June 2026 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 for a period of at least 12 months from the signing of these consolidated financial statements and that the Group expects to have sufficient cash reserves to enable the Group to meet its obligations as they fall due over this period.

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 consolidated 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.

Where the Company does not have control but has significant influence over the entity, the entity is considered to be an associate. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss after the date of acquisition. Significant influence is defined as the power to participate in decision making without the power to control.

The Group's share of the associate's post-acquisition profits or losses are recognised in the Consolidated Statement of Profit or Loss, and its share of post-acquisition movements in reserves is recognised in the Consolidated Statement of Comprehensive Income. Where the Group's interest has been reduced to £Nil, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in associates.

For any investments that the Company does not have control or significant influence of then the value of the investments are initially recognised at initial cost. Subsequently these are recognised at cost less impairment.

everplay group plc (formally Team17 Group plc) has provided a guarantee under section 479C of the Companies Act 2006 to the Company listed below for the year ending 31 December 2024. This company is exempt from the requirements of this Act relating to the audit of financial statements under section 479A of the Companies Act 2006:

- Yippee Entertainment Limited (registration number: 07522716)

**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 Consolidated Statement of Comprehensive Income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually using a discounted cash flow method applied to business forecasts. If this review demonstrates that impairment has occurred, this is expensed to the Consolidated Statement of Profit or Loss. 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;

The following types of intangibles have been recognised:

- Brands
- Acquired games and apps
- Customer and developer relationships

**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**
All internally generated 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 as an expense in the period when they are incurred.

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.

Costs consist of internal salary costs, advances payable to external developers under development agreements and other external payments. Costs are recognised as an intangible asset throughout the development up until its release. Where development costs incurred do not meet the recognition criteria set out above, expenditure is recognised as an expense in the period in which it is incurred.

Development costs are disposed of at the date that the Group's rights to distribute the games are sold or forfeited.

# Notes to the Consolidated Financial Statements
## For the Year Ended 31 December 2024
continued

### 2. Material accounting policy information continued

**Publishing rights**
Publishing rights represent payments to secure the rights to publish a game title for a fixed term. A publishing right intangible asset will be recognised only on titles that meet the following criteria:

- the asset 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.
- the title is already released in the market with a demonstrable revenue stream.
- additional development work is not expected on the title.

The cost of such intangible assets is the purchase price of the publishing rights. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

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

- Brands – 10 to 15 years straight line
- Development costs – over the period of expected benefit (as discussed below)
- Acquired apps – 7 to 10 years straight line
- Customer and developer relationships – 10 years straight line
- Publishing rights – over the period of expected benefit (as discussed below)
- Other intangibles – 2 years straight line

**Amortisation on development costs**
Amortisation of development costs commences upon launch 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 Consolidated Statement of Profit or Loss in cost of sales for development costs. There are 3 different categories of development costs which have a different amortisation profile to reflect the future economic benefits of the games. These are as follows:

Indie Games are video games launched across PC and other major consoles with the main benefit driven by the initial purchase of the game by the consumer and a relatively short economic life due to the volume of new game releases available to consumers. These games have an amortisation period of 2 years split as follows:

- Month 1 – 30% of original cost
- Months 2 to 12 – 40% of original cost over period (Cumulative 70% at end of Month 12)
- Months 13 to 24 – 30% of original cost over period (Cumulative 100% at end of Month 24)

Edutainment apps are developed for younger audiences based on very successful IP's. Due to the subscription-based nature of the IP's the benefits are received over a longer period as the consumers utilise the apps over several years. The amortisation method is as follows recognising that content later on in the base app's lifecycle will have a shorter life:

- Base App/Platform – 3 to 5 years straight line
- Edutainment content – 1 to 3 years straight line

Simulation games are video games such as ***Bus Simulator*** that emulate performing everyday jobs. These titles tend to have sequels and the amortisation profile of the assets are spread over 3 years in line with the expected release of a sequel. The policy is:

- Year 1 – 50% straight line
- Year 2 – 25% straight line
- Year 3 – 25% straight line

**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 Consolidated Statement of Profit or Loss in administrative expenses for brand assets. Amortisation is calculated over the estimated useful life of the brands which ranges from 10 to 15 years straight-line.

**Amortisation on acquired games and apps**
The useful economic life for these assets are 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 Consolidated Statement of Profit or Loss in administrative expenses for brand assets as it is not considered to directly drive revenues. Amortisation is calculated over the estimated useful life of the games and apps which ranges from 7 to 10 years straight-line.

**Amortisation on acquired customer and developer relationships**
Customer relationships are acquired as part of business combinations and represent the relationships that the acquired business has built up over time. The useful economic life of the 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 Consolidated Statement of Profit or Loss in administrative expenses for acquired customer and developer relationships as these are not considered to directly drive revenues. Amortisation is calculated over the estimated useful life of the asset which is estimated to be 10 years straight-line.

**Amortisation on publishing rights**
The useful economic life of publishing rights is assessed at the point of acquisition based on the contractual length of the acquisition and forecasted benefits. This is then reassessed each year for any changes to this life. Amortisation commences at the point of acquisition and is recognised in the Consolidated Statement of Profit or Loss in cost of sales. Amortisation is calculated over the estimated useful life of the publishing rights and amortisation is calculated using the sum of digits method.

**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 Consolidated Statement of Profit or Loss 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 Consolidated Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**Trade and other receivables**
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. Trade and other receivables are measured at amortised cost less provision for expected credit losses.

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, downloadable content ("DLC") and early access versions of games. The Group designs, produces and sells video games based on its first and third-party intellectual property to both end consumers and digital and physical distributors.

# Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024
continued

## 2. Material accounting policy information continued

**Digital Revenue**
The majority of the Group's revenue is in the form of royalties received from third party digital distributors who have a license to sell the Group's own and third-party games to consumers or sales to physical distributors at a fixed price. Revenue is recognised at the point at which the content is sold to the distributor or to the consumer and the performance obligation is satisfied. For sales through the Apple and Google app stores, the Group considers these platforms to be acting as an agent and therefore recognises revenue gross with platform fees being included separately in cost of sales. For all other customers the Group considers the distribution platforms to be the end consumer and therefore revenue is recognised net of platform fees. Revenue is received from customers net of returns from end-users and is recognised as such.

**Subscription Revenue**
The Group receives subscription revenue for annual or monthly access subscriptions. The Group has a performance obligation with the subscriber to provide access to the game or application available over the period of subscription and the customer reasonably expects that updates that significantly affect the IP will be issued. As such the performance obligation is met over the course of the contract and the revenue is recognised as a right of access contract in line with the length of the subscription. The customer is considered the platform who supplies the game to the end consumer and a platform for the game to run on and therefore revenue is recognised net of platform fees.

**Licence Revenue**
The Group 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. The third-party platform is considered to be the Group's customer as they control the distribution of the game to the consumer during the agreed period. These contracts are determined as right to use contracts in accordance with IFRS 15 and the fixed fee is recognised on the date the content is delivered to and accepted by the third party. 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 at the later of, the initial contract term has completed, termination clause has expired, and all performance obligations have been met.

**Physical Revenue**
Physical revenue is generated from the sale of physical products. Revenue is recognised when the performance of the obligation is satisfied, which is normally when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expected to be entitled in exchange for those goods. Revenue is based on the invoiced sale price of goods.

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability at the point of revenue recognition.

A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

The Group provides retrospective volume rebates to certain customers once the value of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts receivable from the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one value threshold.

Revenue is recognised net of rebates and early settlement discounts. Rebates and early settlement discounts are estimated based upon experience over an appropriate period and the relevant agreements with customers.

**Principal / Agent considerations**
We offer certain software products via third-party digital providers. For sales of our software products via third-party digital storefronts, we determine whether or not we are acting as the principal in the sale to the end user, which we consider in determining if revenue should be reported based on the gross transaction price to the end user or based on the transaction price net of fees retained by the third-party digital storefront. An entity is the principal if it controls a good or service before it is transferred to the customer. Key indicators that we use in evaluating these sales transactions include, but are not limited to, the following:

- the underlying contract terms and conditions between the various parties to the transaction;
- which party is primarily responsible for fulfilling the promise to provide the specified good or service; and
- which party has discretion in establishing the price for the specified good or service.

For sales arrangements via Apple and Google app stores, we have determined that we are the principal to the end user and thus report revenue on a gross basis and mobile platform fees charges from these digital storefronts are expensed as incurred and reported within cost of sales.

**Royalties**
Revenue from the distribution of third-party games generate an onward royalty to licensors of intellectual property rights included within the Group's products, these royalties are recognised as a cost of sale in line with the timing of associated revenues.

**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. The incremental borrowing rate is used as the interest rate implicit in the lease is not readily available. The incremental borrowing rate is decided on through discussion with our bankers and comparison to other businesses in the industry. Interest on the lease liability is calculated on a monthly basis and recognised in the Consolidated Statement of Profit or Loss.

The right-of-use assets created are depreciated over the length of the lease and the depreciation is included in the Consolidated Statement of Profit or Loss. 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.

**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 Profit or Loss 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 games 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 consolidated 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 Profit or Loss, 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 based compensation**
The Company has awarded share options to various employees and Directors. The fair value of these awards are calculated based on the conditions attached to the awards as shown below:

| | | Exercise Price | |
|---|---|---|---|
| | | Nil Cost | Fixed Price |
| **Targets** | **No performance measures** | Award price at grant date | Black scholes valuation |
| | **Profit based targets** | Award price at grant date | N/a |
| | **Share price based target** | Monte carlo simulation | N/a |

For share based compensation containing an ongoing service requirement the fair value of these options are recognised as an expense in the Consolidated Statement of Profit or Loss over the vesting period of the options with a corresponding credit included within retained earnings. For share based compensation with no ongoing service requirement the fair value of these options are recognised as an expense at the point of issue. Employers' national insurance due on the share options are included over time within the Consolidated Statement of Profit or Loss 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.

# Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024
continued

## 2. Material accounting policy information continued

**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 Consolidated Statement of Profit or Loss. 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 |

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 Consolidated Statement of Profit or Loss in the year the item is derecognised.

**Inventories**
Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

**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 Consolidated Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset.

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 and cash and cash equivalents. 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.

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

Other financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Cash and cash equivalents
Cash and short-term deposits in the Consolidated 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 considered restricted cash.

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

Interest is recognised upon receipt from the appropriate bank or financial institution.

**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 historic loss rates, 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 Consolidated Statement of Profit or Loss.

**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, tax payables, contingent consideration, lease liabilities and previously included loans and other borrowings.

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 Consolidated Statement of Profit or Loss 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 Consolidated Statement of Profit or Loss.

After initial recognition, contingent consideration is subsequently measured at fair value through profit and loss. Liabilities are remeasured to fair value at each balance sheet date and any movement in the value is recorded in the Consolidated Statement of Profit or Loss.

**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 Consolidated Statement of Profit or Loss.

**Offsetting of financial instruments**
Financial assets and financial liabilities are offset with the net amount reported in the Consolidated 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.

# Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024
continued

## 2. Material accounting policy information continued

**Operating segments**
Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group CEO and CFO. For reporting purposes, operating segments are aggregated into reporting segments where operating segments:

- have similar economic conditions and characteristics;
- the nature of products, services, production processes, type and class of customer, distribution methods and regulatory environments are the same;
- where the aggregation of operating segments provides information that enables users to evaluate the nature and financial effects of the business activities in which the Group engages and the economic environments in which it operates.

**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 trading activities such as the settlement of trading transactions and from the remeasurement of trading monetary items denominated in foreign currency at year-end exchange rates are recognised in administrative expenses in the Consolidated Statement of Profit or Loss. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss in finance costs.

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 2024 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 Group in preparing the consolidated financial statements for the year ended 31 December 2024:

- Amendments to IAS 21 to clarify the accounting when there is a lack of exchangeability (effective 1 January 2025)
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28
- Amendments to IAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The application of the standards and interpretations not yet applied is not expected to have a material impact on the Group's financial performance or position or give rise to additional disclosures in the consolidated 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 (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 and a review for indicators of impairment is completed by product at each period-end date. The net book values of the development cost intangible assets at 31 December 2024 are £40,637,000 (FY 2023: £35,072,000).

**Revenue Recognition (Judgement)**
In applying IFRS 15, the Group is required to make a judgement on whether certain revenue contracts provide either a right to use or right to access the IP. The Group considers that its revenue contracts to date provide a mix of right to use and right to access the asset and all new contracts are reviewed against the criteria to ensure the correct treatment is applied. Where contracts are determined to provide a right to use, revenue is recognised at the point where the performance obligation is satisfied. Where a contract provides a right to access revenue is recognised over the contract term.

In determining the revenue recognition treatment, the Group also needs to assess whether the Company is acting as an agent or a principal in each contract when providing goods or services to a customer. Each contract has been reviewed against the indicators set out in the "Principal / Agent consideration" section included in the accounting policies. Where the Group acts as an agent, revenue is recognised net of selling costs and when the Group is a principal it recognises revenue gross of selling costs. The Group is considered the agent for all digital sales, except those through the Apple and Google app stores where the Group is considered the principal.

In licence revenue contracts there is judgement required in determining the value and allocation of consideration across the elements of the contract.

**Impairment of intangible assets (Estimate)**
Every year impairment tests are undertaken for all assets with an indefinite life and any assets with a finite life where indicators of impairment have been identified. As part of the impairment assessment, a value in use calculation is used in determining the level of impairment. These value in use calculations are estimated based on cashflow forecasts. These cashflow models are most sensitive to a change in the estimated of cash inflows and details of these and other sensitivities can be found in note 11.

## 4. Segmental analysis

The Group has three different operating segments within the business which are as follows:

- Games Label – Developing and publishing video games for the digital and physical market
- Simulation – Developing and publishing simulation games for the digital and physical market
- Edutainment – Developing educational entertainment apps for children

The chief operating decision maker ("CODM") of the Group is considered to be the Group CEO and CFO, the group executive directors. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM determines the operating segments based on these reports and on the internal reporting structure.

The CODM considered the aggregation criteria set out within IFRS 8 "Operating Segments" where two or more operating segments can be combined for reporting purposes so long as aggregation provides financial statement users with information to evaluate the business and the environment in which it operates.

After assessing this criteria, the CODM deems it appropriate for all three operating segments to be aggregated and reported as a single segment. Each segment develops and publishes games and apps using own and third-party IP through similar distribution methods with similar margins in the same regulatory environments. Therefore all figures reported in the annual report are reported as a single aggregated reporting segment.

# Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024
continued

## 4. Segmental analysis continued

Non-current assets are located in the following locations:

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 '000 |
|---|---|---|
| UK | **95,755** | 101,690 |
| EU | **106,399** | 108,792 |
| Rest of World | **–** | 4,989 |
| | **202,154** | 215,471 |

## 5. Revenue

All revenue was generated by the sale of goods. Whilst the CODM considers there to be only one reportable segment, the Company's portfolio of games is split between internal IP (those based on IP owned by the Group) and third-party IP incurring royalties. Therefore, to aid the readers understanding of our results, the split of revenue from these two categories is shown below:

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| First-Party IP | **61,487** | 55,854 |
| Third-Party IP | **105,137** | 103,271 |
| | **166,624** | 159,125 |

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.

All committed revenue contracts in progress at the 31 December 2024 are expected to be completed and recognised in revenue within one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. All brought forward accrued income and deferred income has been recognised or released during the year. The timing of revenue recognition is shown below:

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| Over time | **5,863** | 7,488 |
| At a point in time | **160,761** | 151,637 |
| | **166,624** | 159,125 |

The following customers each contributed over 10% of the total revenue in 2024 and 2023:

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| Steam | **44,746** | 45,066 |
| Microsoft | **17,035** | 17,679 |
| Sony | **31,904** | 28,952 |
| Nintendo | **18,496** | 17,344 |
| Apple | **18,812** | 19,980 |
| Customers contributing <10% | **35,631** | 30,104 |
| | **166,624** | 159,125 |

## 6. Operating Profit

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| **The following items are charged/(credited) in arriving at operating profit:** | | |
| ***Cost of sales*** | | |
| Amortisation of development costs (note 11) | **13,482** | 12,674 |
| Impairment of development costs (note 11) | **4,742** | 11,121 |
| Redundancy costs (note 7) | **–** | 1,010 |
| ***Administrative expenses*** | | |
| Amortisation of intangible assets (note 11) | **11,874** | 13,759 |
| Impairment of goodwill (note 11) | **991** | 20,879 |
| Impairment of intangible assets (note 11) | **3,572** | – |
| Depreciation of property, plant and equipment (note 14) | **596** | 692 |
| Depreciation of right-of-use assets (note 15) | **676** | 563 |
| Net gain on disposal of intangible assets (note 11) | **43** | – |
| Net loss on disposal of property, plant and equipment (note 14) | **(7)** | – |
| Redundancy costs (note 7) | **–** | 199 |
| Acquisition fees | **–** | 44 |
| Fair value adjustment on contingent consideration (note 21) | **–** | (5,086) |
| Finance costs | | |
| Loss on foreign exchange | **264** | 1,513 |
| **Auditors' remuneration:** | | |
| Fees payable to the Company's auditors for the audit of everplay group Plc | **236** | 180 |
| Additional fees in respect of prior year audit | **98** | 53 |
| Fees payable to the Company's auditors for the audit of Company's subsidiaries | **307** | 232 |

During the year £Nil (FY 2023: £Nil) was paid to the Company's auditors for non-audit fees.

## 7. Staff numbers and costs

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

| | Year ended 31 December 2024 No. | Year ended 31 December 2023 No. |
|---|---|---|
| Development | **205** | 205 |
| Commercial and Support | **140** | 169 |
| Non Exec Directors | **4** | 4 |
| Exec Directors | **2** | 2 |
| | **351** | 380 |

The aggregate payroll costs of these persons were as follows:

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| Wages and salaries | **21,823** | 18,003 |
| Social security costs | **2,550** | 2,158 |
| Other pension costs | **885** | 1,092 |
| Share based compensation | **1,008** | 474 |
| Redundancy costs | **–** | 1,209 |
| | **26,266** | 22,936 |

Redundancy costs relate to the restructuring review undertaken within Team 17 Digital Limited in FY 2023 which reviewed resource requirements within the studio and commercial teams linked to the strategic review to refocus on the historic indie games business model and increased utilisation of an outsourced studio resource and resulted in reductions in headcount within the Games Label.

# Notes to the Consolidated Financial Statements
## For the Year Ended 31 December 2024
continued

### 7. Staff numbers and costs continued

**Directors' Remuneration**
The following tables sets out the payroll costs for the Directors of everplay group Plc:

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| Aggregate emoluments | **1,667** | 1,276 |
| Social security costs | **229** | 139 |
| Company contributions to money purchase scheme | **45** | 57 |
| Compensation for loss of office | **186** | – |
| Share based compensation | **395** | (323) |
| | **2,522** | 1,149 |

Retirement benefits are accruing to 2 directors (FY 2023: 3) under money purchase schemes.

Included within Directors remuneration are transactions with Non-Exec Directors for work performed on a consultancy basis. During the year, the total value of such services incurred in the year was £209,000 (2023: Nil). The Group has £107,000 owing to Non-Exec Directors included within accruals as at 31 December 2024 (2023: Nil).

The various elements of remuneration received by each Director were as follows:

| 2024 Directors' remuneration | Compensation for Loss of Office £'000 | Aggregate emoluments £'000 | Company contributions to money purchase scheme £'000 | Total £'000 |
|---|---|---|---|---|
| Debbie Bestwick MBE | – | 247 | – | **247** |
| Steve Bell | – | 705 | 40 | **745** |
| Mark Crawford | 186 | 380 | 2 | **568** |
| Rashid Varachia | – | 91 | 3 | **94** |
| Penny Judd | – | 64 | – | **64** |
| Peter Whiting | – | 64 | – | **64** |
| Frank Sagnier | – | 116 | – | **116** |
| | 186 | 1,667 | 45 | **1,898** |

| 2023 Directors' remuneration | Aggregate emoluments £'000 | Company contributions to money purchase scheme £'000 | Total £'000 |
|---|---|---|---|
| Debbie Bestwick MBE | 506 | 22 | **528** |
| Steve Bell | 147 | 10 | **157** |
| Mark Crawford | 320 | 25 | **345** |
| Christopher Bell | 112 | – | **112** |
| Penny Judd | 62 | – | **62** |
| Jennifer Lawrence | 31 | – | **31** |
| Martin Hellawell | 37 | – | **37** |
| Peter Whiting | 26 | – | **26** |
| Frank Sagnier | 36 | – | **36** |
| | 1,277 | 57 | **1,334** |

Aggregate emoluments includes both cash and non-cash benefits. Details of share options for the directors can be found in note 24.

### 8. Finance income and costs

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| **Finance income** | | |
| Bank interest receivable | **1,528** | 344 |
| Other interest receivable | **167** | – |
| | **1,695** | 344 |
| **Finance costs** | | |
| Interest payable on lease liabilities | **188** | 187 |
| Other interest payable | **–** | 32 |
| Interest on contingent consideration | **56** | 1,126 |
| Non-trading foreign exchange cost | **263** | (84) |
| | **507** | 1,261 |

### 9. Taxation

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| **Current tax:** | | |
| Current year tax | **8,769** | 6,756 |
| Video Games Tax Relief | **(115)** | (1,067) |
| **Adjustments in respect of prior periods:** | | |
| Video Games Tax Relief | **–** | (589) |
| Other | **(1,103)** | 564 |
| **Deferred tax:** | | |
| Origination and reversal of temporary differences | **(2,418)** | (2,999) |
| **Total tax charge** | **5,133** | 2,665 |

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| **Reconciliation of total tax charge:** | | |
| Profit before tax | **25,323** | (1,080) |
| Taxation using the UK Corporation Tax rate of 25% (2023: 23.5%) | **6,331** | (254) |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | **529** | 3,964 |
| Video Games Tax Relief | **(115)** | (1,067) |
| Adjustment in respect of prior periods | **(1,103)** | (25) |
| Change in tax rate | **–** | (192) |
| Difference in overseas tax rates | **(509)** | 239 |
| **Total tax charge** | **5,133** | 2,665 |

Deferred taxes at the balance sheet date have been measured using the enacted local tax rates of between 12.5% and 32.5% (2023: 12.5% and 32.5%).

# Notes to the Consolidated Financial Statements
## For the Year Ended 31 December 2024
continued

### 10. Earnings per share

The calculation of the basic earnings per share is based on the Profit/(loss) attributable to the shareholders of everplay 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 year.

| | **Year ended 31 December 2024** | Year ended 31 December 2023 |
|---|---|---|
| Profit/(loss)attributable to shareholders £'000 | **20,190** | (3,745) |
| Weighted average number of shares | **143,924,037** | 143,809,466 |
| Weighted average diluted number of shares | **144,250,472** | 144,005,551 |
| Basic earnings/(loss) per share (pence) | **14.0** | (2.6) |
| Diluted earnings/(loss) per share (pence) | **14.0** | (2.6) |

### 11. Intangible Assets

| | Development costs £'000 | Brands £'000 | Acquired apps £'000 | Customer and developer relationships £'000 | Publishing rights £'000 | Goodwill £'000 | Other intangibles £'000 | **Total £'000** |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| At 1 January 2023 | 55,492 | 80,683 | 29,354 | 5,280 | – | 113,424 | 124 | 284,357 |
| Additions | 32,184 | – | – | – | – | – | 900 | 33,084 |
| Adjustments | – | – | 8,269 | – | – | (5,561) | – | 2,708 |
| Amounts arising on acquisitions | – | – | – | – | – | 2,103 | – | 2,103 |
| Translation on foreign operations | (195) | (66) | (405) | (261) | – | (2,843) | (4) | (3,774) |
| Disposals | (3,401) | – | – | – | – | – | – | (3,401) |
| At 31 December 2023 | 84,080 | 80,617 | 37,218 | 5,019 | – | 107,123 | 1,020 | 315,077 |
| Additions | 24,962 | – | – | – | 2,000 | – | – | 26,962 |
| Translation on foreign operations | (1,097) | (133) | (1,730) | 85 | – | (2,586) | (48) | (5,509) |
| Disposals | (1,678) | – | – | – | – | – | – | (1,678) |
| **At 31 December 2024** | **106,267** | **80,484** | **35,488** | **5,104** | **2,000** | **104,537** | **972** | **334,852** |
| **Accumulated Amortisation** | | | | | | | | |
| At 1 January 2023 | 28,662 | 16,873 | 4,144 | 528 | – | – | 41 | 50,248 |
| Charge for the year | 12,674 | 6,118 | 6,365 | 512 | – | – | 764 | 26,433 |
| Impairment | 11,121 | – | – | – | – | 20,879 | – | 32,000 |
| Translation on foreign operations | (48) | (6) | (100) | (37) | – | – | (4) | (195) |
| Disposals | (3,401) | – | – | – | – | – | – | (3,401) |
| At 31 December 2023 | 49,008 | 22,985 | 10,409 | 1,003 | – | 20,879 | 801 | 105,085 |
| Charge for the year | 13,482 | 6,112 | 4,916 | 500 | 256 | – | 90 | 25,356 |
| Net impairment | 4,742 | – | – | 3,572 | – | 991 | – | 9,305 |
| Translation on foreign operations | (281) | (26) | (588) | 29 | – | 353 | (42) | (555) |
| Disposals | (1,321) | – | – | – | – | – | – | (1,321) |
| **At 31 December 2024** | **65,630** | **29,071** | **14,737** | **5,104** | **256** | **22,223** | **849** | **137,870** |
| **Net carrying amount** | | | | | | | | |
| **At 31 December 2024** | **40,637** | **51,413** | **20,751** | **–** | **1,744** | **82,314** | **123** | **196,982** |
| At 31 December 2023 | 35,072 | 57,632 | 26,809 | 4,016 | – | 86,244 | 219 | 209,992 |

**Adjustments**

During the previous year the valuation of brands related to the acquisition of astragon Entertainment GmBH was reassessed and an adjustment was identified in the valuation model after the permitted IFRS 3 measurement period for determining fair value. This reassessment increased the valuation of the acquired apps asset by £8,269,000, whilst decreasing the value of Goodwill by £5,561,000 and increasing the related deferred tax liability by £2,708,000. These reclassification adjustments have been made in the prior year accordingly.

**Development costs**

The Group capitalises the costs of developing new games for release to the market. The balance consists of internal salary costs, advances payable to external developers under development agreements and other external payments. Amortisation is calculated over the assets' useful life of between 2 to 5 years. The assets are tested for impairment biannually or more frequently if there are indicators of impairment.

#### Indicators of impairment

The recoverable amount of development cost assets at 31 December 2024 are determined from the value in use. In arriving at a value in use, management has used a 2 to 3 year cashflow forecast in line with the expected useful life of the assets. These cashflows are not discounted due to the short-term nature of the assets. Through this process, impairment of £4,742,000 (2023: £11,121,000) was recognised on development cost assets. This impairment is due to the titles not meeting their full market potential in a congested marketplace. Impairment is stated net of £1,120,000 (2023: (£Nil) reversal of impairments.

#### Key assumptions used for value-in use calculations

Management considers the projected future cash inflows to be the key assumption in calculating the value in use of each asset. Budgeting is done on a game by game basis, with game revenues varying based on management's best estimates.

#### Impact of possible changes in key assumptions

In assessing the carrying value of development costs, management performed sensitivity analysis on each of the key assumptions. In assessing the sensitivity of projected future cash inflows the effects of a decrease in revenue of 10% over the remaining useful life were modelled for all development cost assets with an indicator of impairment and this would cause an additional impairment of £263,000 (2023: £604,000).

**Brands**

These reflect the value of brands acquired either through direct purchases of IP recognised under IAS 38 "Intangible Assets" or brands recognised under IFRS 3 "Business Combinations". Amortisation on brands are calculated on a straight line basis over the assets estimated useful life of between 10 and 15 years.

| | |
|---|---|
| *Brands* | 10 to 15 years straight line |

**Acquired games and 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 games and apps* | 7 to 10 years straight-line |

#### Indicators of impairment

The financial performance of games and apps were assessed against the forecasts produced at the point of acquisition for indicators of impairment. Where an impairment trigger was identified due to under performance, a 10 year cash flow forecast was produced to measure the value in use. No impairment was identified through this process.

#### Key assumptions used for value-in use calculations

Management considers the pre-tax discount rate to be a key assumption in the calculation of value in use and the rate used in the model is 15.7%. We reviewed sensitivities to this and any increase of the discount rate to over 36.1% (2023: 18.4%) would reduce the headroom in the value in use model over the carrying value to £Nil.

Projected future cash inflows (revenue) from unreleased titles are also considered to be a key assumption. Budgeting is done on a game by game basis, with game revenues varying based on management's best estimates. A reduction of 42% (2023: 3%) to future unreleased sequel revenue in the model would reduce the headroom over the carrying value to £Nil.

#### Customer and developer relationships

This is the fair value of relationships held with customers and developers acquired through business combinations. Group capitalises the costs of developing new games for release to the market. Amortisation is calculated over the assets estimated useful life of 10 years. The assets are tested for impairment annually or more frequently if there are indicators of impairment.

| | |
|---|---|
| *Customer and developer relationships* | 10 years straight-line |

**Goodwill**

The Group tests for impairment annually, or more frequently if there are indicators that goodwill might be impaired. There are 4 CGUs in the Group which are as follows:

- Team 17 Digital (Indie games)
- StoryToys (Edutainment)
- astragon (Simulation)
- Team17 USA (Mobile licence)

# Notes to the Consolidated Financial Statements
## For the Year Ended 31 December 2024
continued

### 11. Intangible Assets continued

The carrying value of Goodwill allocated to those CGU's is split as follows:

| | Team 17 Digital £'000 | StoryToys (Edutainment) £'000 | astragon (Simulation) £'000 | Team17 (USA) £'000 | **Total £'000** |
|---|---|---|---|---|---|
| At 1 January 2023 | 22,379 | 20,124 | 47,929 | 22,992 | **113,424** |
| Adjustments | – | – | (5,561) | – | **(5,561)** |
| Acquisitions | – | – | 2,103 | – | **2,103** |
| Foreign exchange | – | (450) | (1,254) | (1,139) | **(2,843)** |
| Impairment | – | – | – | (20,879) | **(20,879)** |
| At 31 December 2023 | 22,379 | 19,674 | 43,217 | 974 | **86,244** |
| Foreign exchange | – | (916) | (2,040) | 17 | **(2,939)** |
| Impairment | – | – | – | (991) | **(991)** |
| At 31 December 2024 | 22,379 | 18,758 | 41,177 | – | **82,314** |

The recoverable amount of each of the CGUs at 31 December 2024 is determined from the value in use which is higher than the fair value less costs of disposal. In arriving at a value in use management has used a discounted 5-year bottom up forecast before applying a long-term growth assumption. The discount rates and terminal growth used in the impairment assessment of each CGU is as follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| CGU | **Pre-Tax Discount Rate Used** | **Terminal Growth Rate Used** | Pre-Tax Discount Rate Used | Terminal Growth Rate Used |
| Team 17 Digital | **14.1%** | **2.0%** | 12.9% | 2.0% |
| StoryToys (Edutainment) | **21.3%** | **2.0%** | 21.2% | 2.0% |
| astragon (Simulation) | **15.7%** | **2.0%** | 17.5% | 2.0% |
| Team17 USA | **22.3%** | **2.0%** | 29.5% | 2.5% |

**Key assumptions used for value-in use calculations**

When reviewing for impairment of goodwill in CGU's, management prepare cash flow forecasts to estimate the value in use. Management consider the following to be the key assumptions in the cash flow:

- Pre-Tax discount rate
- Terminal growth rate

During the year the pre-tax discount rate has been adjusted to take into account the Group's size risk premium which is based on the market cap for the Group. Projected future cash inflows (revenue) are also considered to be a key assumption. Budgeting is done on a game by game basis, with game revenues varying based on management's best estimates.

**Impact of possible changes in key assumptions**

In assessing the carrying value of Goodwill management performed sensitivity analysis on each of the key assumptions. The result of the sensitivity tests on each CGU are detailed below. In assessing the sensitivity of projected future cash inflows the sensitivity test was split between new release revenue and back catalogue revenue. New release revenue is deemed to be inherently riskier in nature and as such a higher level of sensitivity was applied to new release cash inflows than to back catalogue cash inflows.

The recoverable amount of each CGU would equal its carrying amount if the key assumptions were to change, and all other assumptions were kept constant, as follows:

| | **2024** | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| CGU | **Reduction in New Release Revenue** | **Reduction in Back Catalogue Revenue** | **Increase in Discount Rate** | **Decrease of Terminal Growth Rate** | Reduction in New Release Revenue | Reduction in Back Catalogue Revenue | Increase in Discount Rate | Decrease of Terminal Growth Rate |
| Team 17 Digital | **>100%*** | **45%** | **22.9%** | **N/A+** | >100%* | 36% | 14.4% | 143% |
| StoryToys (Edutainment) | **47%** | **22%** | **10.2%** | **47.8%** | 24% | 23% | 4.6% | 10.4% |
| astragon (Simulation) | **12%** | **39%** | **2.9%** | **5.0%** | 9% | 32% | 1.9% | 3.3% |
| Team17 (USA) | **See impairment section on page 87** | | | | | | | |

*In the case of a 100% reduction in new release revenue the recoverable amount of the CGU would still exceed its carrying value.
+ The recoverable amount of the CGU is supported by the 5-year plan period. As such no change in terminal growth rate assumption will cause impairment.

**Impairment of Team17 (USA)**

The impairment review of Team17 (USA) identified impairment of £991,000 to Goodwill (2023: £20,879,000) and a further impairment of £3,572,000 to Customer and Developer Relationship intangible assets (2023: £nil). Team17 (USA) is focussed on developing games for the mobile subscription market. Due to an increasingly competitive landscape and key employees leaving the CGU and the current pipeline the remaining carrying value of Goodwill and Intangible assets associated with the purchase were impaired to nil value. As no further impairment of these assets is possible no associated sensitivity analysis has been performed.

**Other intangibles**

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

| | |
|---|---|
| *Capitalised software* | 2 years straight-line |

### 12. Business combinations

**Acquisition of Independent Arts Software GmbH (FY 2023)**

In the prior year on 27 April 2023 astragon Entertainment GmbH acquired 100% of the share capital of Independent Arts Software GmbH for a maximum payment of £3.1 million (€3.5m) subject to the seller and Company meeting certain requirements. The initial payment for the acquisition was £1.8 million (€2.0m) in cash. A further payment of up to £1.3 million (€1.5 million) is payable in cash based on the seller meeting certain requirements following completion of the acquisition. There was no minimum due on the contingent payment. The results of the business have been included in the Consolidated Statement of Profit or Loss from the date of acquisition. In the period from 1 January 2023 to the date of acquisition, the results of the business were wholly immaterial and therefore not disclosed.

Independent Arts Software GmbH is a talented video game developer based in Germany. The acquisition increases astragon's development capabilities in the simulation space. The total consideration was made up of £1,792,000 of initial consideration and £964,000 of contingent consideration. Details of the movement in contingent consideration can be found in note 21.

Contingent consideration consists of the payments to the sellers included at fair value and payable based on them and the Company meeting certain requirements.

Contingent consideration requirements – Management have assessed the likelihood of these requirements being met. At acquisition, management assessed the fair value of the contingent consideration using a risk weighted model. This will be reassessed at each reporting date and the movement in the fair value of the consideration amount recognised in the Consolidated Statement of Profit or Loss.

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 |
|---|---|---|---|
| Property, plant and equipment | 29 | – | 29 |
| Right of use asset | – | 135 | 135 |
| Trade and other receivables | 783 | – | 783 |
| Trade and other payables | (207) | 40 | (167) |
| Lease liabilities | – | (127) | (127) |
| **Net identifiable assets acquired** | **605** | **48** | **653** |
| Add: Goodwill | | | 2,103 |
| **Total Consideration** | | | **2,756** |

The goodwill is attributable to Independent Arts Software's talented development team. It has been allocated to the Simulation segment of the business led by astragon Entertainment GmbH which is the development and publishing of simulation games for the digital and physical market. None of the goodwill is expected to be deductible for tax purposes.

# Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024
continued

## 13. Investments

Details of the subsidiaries in which the Group holds 100% of the share capital are as follows and there has been no movement during the current or previous year in the proportion of rights held except as disclosed below:

| Name of company | Registered address | Principal place of business | Proportion of voting rights and shares held | Activity |
|---|---|---|---|---|
| **Team 17 Digital Limited** | 3 Red Hall Avenue, Wakefield, WF1 2UL | UK | 100% | Development and publishing of video games |
| **Mouldy Toof Studios Limited*** | 3 Red Hall Avenue, Wakefield, WF1 2UL | UK | 100% | Dormant |
| **Yippee Entertainment Limited** | 3 Red Hall Avenue, Wakefield, WF1 2UL | UK | 100% | Dormant |
| **Touch Press Inc.** | 1013 Centre Road, Suite 403-B, Wilmington, Delaware, 19805, USA | USA | 100% | Intermediate holding company |
| **StoryToys Limited** | Exchequer Chambers, 23 Exchequer Street, Dublin 2, Ireland | Ireland | 100% | Development of edutainment apps |
| **Team17 (USA) Inc** | 1013 Centre Road, Suite 403S, Wilmington, Delaware 19805, USA | USA | 100% | Development and publishing of video games for the mobile market |
| **The Label Inc** | PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands | USA | 100% | Development and publishing of video games for the mobile market |
| **astragon Entertainment GmbH** | Am Wehrhahn 33, 40211, Duesseldorf, Germany | Germany | 100% | Development and publishing of simulation video games |
| **Independent Arts Software GmbH** | Münsterstraße 5, 59065 Hamm, Germany | Germany | 100% | Development of simulation video games |
| **StoryToys Canada Limited** (incorporated 15 June 2023) | Brookfield Place, 181 Bay Street, Suite 1800, Toronto, Canada | Canada | 100% | Provider of development and commercial support for edutainment apps |

*On 20 January 2025 Mouldy Toof Limited was renamed everplay group limited. On 31 January 2025 the company was renamed back to Mouldy Toof Limited.

The Group has the following investments in associates and there has been no movement in the current or prior year. The investments are held through astragon Entertainment GmbH. All investments in associates are measured using the equity method holding the investment at cost plus share of profits/(losses).

| Name of company | Registered address | Principal place of business | Proportion of voting rights and shares held | Activity |
|---|---|---|---|---|
| **Weltenbauer Software Entwicklung GmbH** | Frankfurter Str 5, 65189 Wiesbaden | Germany | 25.2% ordinary shares | Development of simulation video games |
| **Rincon Design GmbH** | Gilbachstrasse 29a, 50672 Cologne | Germany | 20% ordinary shares | Digital design work |
| **GQA Games Quality GmbH1** | Dr.-Hans-Lebach-Str. 2, 15537 Erkner | Germany | 50% ordinary shares | Quality assurance services for video games |
| **GQA Games Quality Ukraine[1]** | Sichovikh Striltsiv Street, 21, office 501 04053, Kiev city | Ukraine | 50% ordinary shares | Quality assurance services for video games |

1. GQA Games Quality GmbH owns 100% of the share capital of GQA Games Quality Ukraine. Both companies are not considered under control of everplay group plc (formally Team17 Group Plc) as the remaining 50% of the share options are owned by the CEO of the business and the Group has no additional voting rights.

The value of investments in associates held under the equity method are as follows:

| | Total £'000 |
|---|---|
| At 1 January 2023 | **1,045** |
| Translation on foreign operations | **27** |
| Share of loss from associates | **(205)** |
| At 31 December 2023 | **867** |
| Translation on foreign operations | **13** |
| Dividends paid | **(213)** |
| Share of profit from associates | **188** |
| Movement in provision for unrealised profits | **114** |
| At 31 December 2024 | **969** |

## 14. Property, plant and equipment

| | Leasehold improvements £'000 | Plant and equipment £'000 | Fixtures and fittings £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2023 | 928 | 1,956 | 297 | **3,181** |
| On acquisition | – | 29 | – | **29** |
| Additions | 3 | 468 | 6 | **477** |
| Disposals | – | (610) | (20) | **(630)** |
| Currency translation | – | (13) | – | **(13)** |
| At 31 December 2023 | 931 | 1,830 | 283 | **3,044** |
| Additions | – | 257 | 2 | **259** |
| Disposals | (62) | (10) | (29) | **(101)** |
| Currency translation | – | (38) | (1) | **(39)** |
| **At 31 December 2024** | **869** | **2,039** | **255** | **3,163** |
| **Accumulated depreciation** | | | | |
| At 1 January 2023 | 272 | 1,050 | 167 | **1,489** |
| Charge for the year | 73 | 577 | 42 | **692** |
| Disposals | – | (25) | 9 | **(16)** |
| Currency translation | – | (541) | (20) | **(561)** |
| At 31 December 2023 | 345 | 1,061 | 198 | **1,604** |
| Charge for the year | 64 | 494 | 38 | **596** |
| Disposals | (62) | (4) | (28) | **(94)** |
| Currency translation | – | (21) | (2) | **(23)** |
| **At 31 December 2024** | **347** | **1,530** | **206** | **2,083** |
| **Net book value** | | | | |
| **At 31 December 2024** | **522** | **509** | **49** | **1,080** |
| At 31 December 2023 | 586 | 769 | 85 | **1,440** |

# Notes to the Consolidated Financial Statements
## For the Year Ended 31 December 2024
continued

### 15. Right-of-use assets

| | Buildings £'000 | Plant and machinery £'000 | Total £'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2023 | 3,769 | – | **3,769** |
| On acquisition | 135 | – | **135** |
| Additions | 446 | 413 | **859** |
| Disposals | (103) | – | **(103)** |
| Currency translation | (101) | – | **(101)** |
| At 31 December 2023 | 4,146 | 413 | **4,559** |
| Additions | 64 | – | **64** |
| Currency translation | (105) | – | **(105)** |
| **At 31 December 2024** | **4,105** | **413** | **4,518** |
| **Accumulated depreciation** | | | |
| At 1 January 2023 | 984 | – | **984** |
| Charge for the year | 476 | 87 | **563** |
| Disposals | (103) | – | **(103)** |
| Currency translation | (57) | – | **(57)** |
| At 31 December 2023 | 1,300 | 87 | **1,387** |
| Charge for the year | 550 | 126 | **676** |
| Currency translation | (44) | – | **(44)** |
| **At 31 December 2024** | **1,806** | **213** | **2,019** |
| **Net carrying amount** | | | |
| **At 31 December 2024** | **2,299** | **200** | **2,499** |
| At 31 December 2023 | 2,846 | 326 | **3,172** |

### 16. Inventories

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Finished goods | **1,082** | 960 |
| | **1,082** | 960 |

The balance represents the value of physically produced video games controlled by the company. During the year £11,268,000 (FY 2023: £7,135,000) was recognised through cost of sales. Inventories are stated after provision for impairment of £104,000 (FY 2023: £128,000).

### 17. Trade and other receivables

| Amounts falling due within one year: | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Trade receivables | **20,954** | 11,915 |
| Accrued income | **14,367** | 16,612 |
| Corporation tax receivable | **–** | 1,660 |
| Other taxes receivable | **475** | 2,185 |
| Other receivables | **1,414** | 1,697 |
| Prepayments | **4,905** | 4,141 |
| Costs of fulfilling contracts | **2,419** | 198 |
| | **44,534** | 38,408 |

Since most of its customers are considered to have low default risk and the historical default rate and frequency of loss are low, the expected credit loss allowance for trade receivables is £nil as at 31 December 2023 and 31 December 2024.

Costs of fulfilling contracts are costs that relate to partially satisfied performance obligations on revenue contracts recognised in time. Costs of fulfilling contracts are recognised in line with the criteria set out in the revenue recognition (judgement) section of note 3 – Key sources of estimation, uncertainty and significant accounting judgements.

### 18. Cash and cash equivalents

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Cash at bank and in hand | **60,178** | 39,923 |
| Restricted cash | **2,699** | 2,901 |
| | **62,877** | 42,824 |

Included within the restricted cash balance above is £2,699,000 (FY 2023: £2,901,000) held by the Team17 Employment Benefit Trust. 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 considered restricted cash.

### 19. Equity attributable to owners of the parent

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| **Authorised, allotted, called up and fully paid** | | |
| 145,848,677 (2023: 145,803,620) ordinary shares of 1p each | **1,458** | 1,458 |
| | **1,458** | 1,458 |

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

On 15 November 2024 the Company issued 45,057 shares to satisfy the exercising of share options held by Mark Crawford upon the resignation from the role of Group Chief Financial Officer.

In the prior year on 13 April 2023 the Company issued 210,349 to the sellers of the Label Inc for a total value of £799,000. Of this balance £487,000 related to contingent consideration on the acquisition of the business and the remaining £312,000 was deemed remuneration under IFRS 3 "Business Combinations".

**Shares held by subsidiaries**
At 31 December 2024, and included in these consolidated financial statements, the Team17 Employment Benefit Trust holds 1,766,043 (2023: 1,850,658) shares in everplay group plc with a nominal value of £17,660 (FY 2023: £18,507).

**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. During the year premiums of £nil (FY 2023: £797,000) have been recognised as part of share issues to the sellers of The Label inc. An adjustment was made during the prior year to reclass £4,649,000 from the merger reserve to Share premium to reflect the substance of the transaction from the issue of shares to satisfy acquisition consideration of The Label Inc.

**Retained earnings**
Includes all current and previous retained profits and losses.

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| **Other reserves** | | |
| Merger reserve | **(153,822)** | (153,822) |
| Capital contribution reserve | **3,616** | 3,616 |
| Merger relief reserve | **154,245** | 154,245 |
| Currency translation reserve | **(388)** | 4,761 |
| Other | **1,435** | 1,435 |
| | **5,086** | 10,235 |

**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 everplay group plc (at the time 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 consolidated 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. A reclassification was made during the prior year transferring £4,649,000 from the merger reserve to Share premium to better reflect the substance of the transaction.

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

# Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024
continued

## 19. Equity attributable to owners of the parent continued

**Merger relief reserve**
The premiums on the shares issued as part of historic share for share exchanges have been included in the merger relief reserve.

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

**Other**
This includes the gain on the sale of shares in the Company from sales of shares held in treasury.

## 20. Lease liabilities

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| Amounts falling due within one year | **692** | 683 |
| Amounts falling due in over one year | **2,227** | 2,889 |
| | **2,919** | 3,572 |

The following reconciles the lease liability movements:

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| At 1 January | **3,572** | 2,989 |
| Acquisitions | **–** | 127 |
| Additions | **–** | 938 |
| Interest | **188** | 187 |
| Payments | **(771)** | (635) |
| Movements in foreign exchange | **(70)** | (34) |
| At 31 December | **2,919** | 3,572 |

## 21. Contingent consideration

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| Amounts falling due in under one year | **–** | 4,944 |

Included within trade and other payables is £nil (FY 2023: £4,944,000) of contingent consideration as disclosed in note 23. Contingent consideration is broken down as follows:

| | Business acquisitions £'000 | IP Purchase £'000 | **Total £'000** |
|---|---|---|---|
| At 1 January 2023 | 13,026 | 14,308 | **27,334** |
| On acquisition | 964 | – | **964** |
| Fair value adjustment | (2,614) | (2,472) | **(5,086)** |
| Interest | 518 | 608 | **1,126** |
| Foreign exchange | (332) | – | **(332)** |
| Payment – Cash (classified as investing activities in the statement of cash flows) | (6,886) | (7,500) | **(14,386)** |
| Payment – Cash (classified as operating activities in the statement of cash flows) | (4,189) | – | **(4,189)** |
| Payment – Shares | (487) | – | **(487)** |
| At 31 December 2023 | – | 4,944 | **4,944** |
| Interest | – | 56 | **56** |
| Payment – Cash (classified as investing activities in the statement of cash flows) | – | (5,000) | **(5,000)** |
| At 31 December 2024 | – | – | **–** |

The maximum value of outstanding contingent consideration at the year end was £nil (FY 2023: £16,700,000). The value of the earnout was determined based on the performance criteria included in the underlying contract.

## 22. Deferred taxation

Recognised deferred tax asset:

| | Tax losses £'000 | Other short-term timing differences £'000 | **Total £'000** |
|---|---|---|---|
| At 1 January 2023 | 297 | 1,498 | **1,795** |
| Foreign exchange | 150 | – | **150** |
| Deferred tax recognised in profit or loss | (447) | 2,530 | **2,083** |
| At 31 December 2023 | – | 4,028 | **4,028** |
| Deferred tax recognised in profit or loss | – | (718) | **(718)** |
| At 31 December 2024 | – | 3,310 | **3,310** |

Recognised deferred tax liabilities:

| | Accelerated depreciation for tax purposes £'000 | Arising on intangible assets £'000 | Other short term timing differences £'000 | **Total £'000** |
|---|---|---|---|---|
| At 1 January 2023 | 399 | 10,320 | 245 | **10,964** |
| On acquisition | – | 2,708 | – | **2,708** |
| Foreign exchange | – | 50 | – | **50** |
| Deferred tax recognised in profit or loss | 292 | (1,364) | (236) | **(1,308)** |
| At 31 December 2023 | 691 | 11,714 | 9 | **12,414** |
| Foreign exchange | 21 | (323) | (9) | **(311)** |
| Deferred tax recognised in profit or loss | (329) | (2,807) | – | **(3,136)** |
| At 31 December 2024 | 383 | 8,584 | – | **8,967** |

The overall deferred tax position is a liability of £5,657,000 (FY 2023: liability of £8,386,000).

During the prior year the valuation of brands related to the acquisition of astragon Entertainment GmbH was reassessed. This adjustment increased the valuation of the acquired games and apps asset by £8,269,000 as discussed in note 11. The impact on deferred tax liabilities was an increase of £2,708,000.

## 23. Trade and other payables

Amounts falling due within one year:

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| Trade payables | **5,124** | 6,530 |
| Other payables | **404** | 1,387 |
| Contingent consideration | **–** | 4,944 |
| Taxation and social security | **796** | 787 |
| Accruals and deferred income | **30,716** | 21,774 |
| | **37,040** | 35,422 |

The carrying amount of trade and other payables is considered to be the same as the fair value due to the short term nature.

# Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024
continued

## 24. Share based compensation

The following share schemes have been awarded but not yet vested at 31 December 2024:

| Share scheme name | Award date | Vesting date | Maximum number of share options outstanding | Exercise price per share option |
|---|---|---|---|---|
| **Executive LTIPs** | See note | See note | 1,097,014 | £Nil |
| **Non-Executive LTIPs** | 14 November 2024 | 14 November 2027 | 61,648 | £2.23 |
| **Free shares (Multiple awards)** | See note | See note | 54,657 | £Nil |
| **Share Incentive Plan (See note below)** | Monthly award | 3 years from award date | 40,252 | £Nil |
| **Nil cost options (Multiple awards)** | See note | See note | 169,267 | £Nil |
| **Other LTIPs** | See note | See note | 12,535 | £Nil |
| **Senior management LTIPs** | 29 June 2022 | 28 June 2025 | 24,489 | £Nil |

The maximum number of outstanding share options at 31 December 2024 was 1,459,862 (2023: 1,357,620). Of these share options 276,711 (2023: 433,021) will be settled from shares already held by the Team17 Employment Benefit Trust. All share options have both an award and exercise price of £Nil with the exception of Non-Executive LTIPS. There are no dividends expected to be paid during the option vesting period.

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 Consolidated Statement of Profit or Loss and included within retained earnings in the Consolidated Statement of Financial Position. In addition, social security costs are being accrued in the balance sheet at the rate applicable to the recipient multiplied by the balance sheet share price multiplied by the number of shares expected to vest. This is recognised over the vesting period within either cost of sales or administrative expenses and accruals in the Consolidated Statement of Financial Position.

Included within the consolidated financial statements is the following:

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| **Consolidated Statement of Comprehensive Income** | | |
| Share options charge | **1,008** | 474 |
| Employers national insurance | **(1)** | (57) |
| | **1,007** | 417 |
| **Consolidated Statement of Financial Position** | | |
| Accruals (cumulative employers national insurance balance) | **112** | 113 |
| Retained Earnings (cumulative balance) | **4,411** | 3,671 |

At the date of award, in order to calculate the fair value of share options the likelihood of the options vesting is estimated. This percentage based estimate is made up of:

- Assessment of meeting results based performance targets (where applicable)
- Assessment of the likelihood for remaining employed throughout the vesting period

The combination of these make up the estimate of options vesting percentage as shown in the following tables.

### 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 at each reporting date to reflect the Group's position against the targets.

| | 2021 | 2022 | 2023 | 2023 | 2024 |
|---|---|---|---|---|---|
| Award date | 8 July 2021 | 29 June 2022 | 18 July 2023 | 18 July 2023 | 9 July 2024 |
| Vesting date | 7 July 2024 | 28 June 2025 | 17 July 2026 | 17 July 2026 | 8 July 2027 |
| Underlying share price (£) | 7.95 | 3.95 | 3.225 | 3.225 | 2.85 |
| Estimate of options vesting | 0% | 0% | 100% | 100% | 100% |
| Risk free rate | 0.83% | 0.83% | 4% | 4% | 4% |
| Fair value at vesting date (£'000) | 1,400 | 1,238 | 1,703 | 230 | 1,852 |
| Performance targets | Group's EPS Compound annual growth targets | Group's adjusted EPS compound annual growth targets | Group's adjusted EPS compound annual growth targets | Team 17 Digital's adjusted EBITDA compound annual growth targets | Group's adjusted EPS compound annual growth targets and total shareholder return against the AIM 100 index |
| Performance period | FY21 to FY23 | FY22 to FY24 | FY23 to FY25 | FY23 to FY25 | FY24 to FY26 |
| Maximum number of options outstanding | – | 159,000 | 333,656 | 63,896 | 540,462 |

### Non-Executive LTIP shares

During the year there was a single issue of options to the non-executive directors of everplay group plc. These share options are subject to an exercise price equal to average share price for the 3 days prior to award. There are no criteria for these share options to vest and the share options will vest even if employment ceases. Due to this the full charge for the share options are recognised at the date of issue.

The fair value of these share options is calculated using the black scholes method multiplied by the number of share options issued. The expense is apportioned over the vesting period. These share options will be settled through a new issue of shares.

| | |
|---|---|
| Award date | 14 November 2024 |
| Vesting date | 14 November 2027 |
| Underlying share price (£) | 2.23 |
| Exercise price (£) | 2.23 |
| Fair Value price (£) | 1.05 |
| Estimate of options vesting | 100% |
| Fair value at vesting date (£'000) | 65 |
| Maximum number of options outstanding | 61,648 |

### Free shares

There have been two separate issues of free share options to all staff employed by Team 17 Digital Limited. 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 multiplied by the number of share options issued. The expense is apportioned over the vesting period. These share options will be settled from shares already held by the Team17 Employment Benefit Trust.

| | | |
|---|---|---|
| Award date | 4 April 2019 | 29 April 2022 |
| Vesting date | 3 April 2022 | 28 April 2025 |
| Underlying share price (£) | 2.825 | 4.35 |
| Estimate of options vesting | 52% | 69% |
| Fair value at vesting date (£'000) | 186 | 157 |
| Maximum number of options outstanding | 29,904 | 24,753 |

# Notes to the Consolidated Financial Statements
## For the Year Ended 31 December 2024
continued

## 24. Share based compensation continued

**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 multiplied by the estimate of options vesting. All SIP option schemes use an estimate of 69% for the estimate of options vesting. The expense is apportioned over the vesting period. These share options will be settled from shares already held by the Team17 Employment Benefit Trust.

**Nil cost options**
During the current and previous years there have been multiple awards provided to employees of the Group. These have been issued at different points over the years as shown in the table below. 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. All of these options have both an award and exercise price of £Nil.

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.

| Award date | Vesting date | Underlying share price (£) | Estimate of options vesting | Fair value at vesting date (£'000) | Maximum number of share options outstanding |
|---|---|---|---|---|---|
| 8 April 2019 | 8 April 2022 | 2.665 | 80% | 76 | 2,835 |
| 18 December 2019 | 18 December 2022 | 3.425 | 100% | 60 | 17,392 |
| 22 April 2020 | 21 April 2023 | 5.52 | 80% | 22 | 3,208 |
| 6 May 2020 | 5 May 2023 | 5.20 | 80% | 77 | 3,701 |
| 1 May 2021 | 30 April 2024 | 7.05 | 80% | 277 | 21,943 |
| 27 April 2022 | 26 April 2025 | 4.60 | 80% | 55 | 4,282 |
| 29 July 2022 | 28 July 2025 | 4.40 | 69% | 16 | 4,176 |
| 31 October 2022 | 30 October 2025 | 4.125 | 69% | 21 | 5,182 |
| 30 August 2022 | 29 August 2025 | 4.05 | 78% | 47 | 12,939 |
| 27 January 2023 | 26 January 2026 | 4.80 | 69% | 22 | 5,275 |
| 28 April 2023 | 27 April 2026 | 3.62 | 69% | 17 | 6,062 |
| 18 July 2023 | 17 July 2026 | 3.225 | 69% | 27 | 12,133 |
| 31 July 2023 | 30 July 2026 | 3.16 | 79% | 10 | 1,939 |
| 31 October 2023 | 30 October 2026 | 2.65 | 72% | 53 | 23,751 |
| 31 January 2024 | 30 January 2027 | 1.85 | 84% | 3 | 1,620 |
| 30 April 2024 | 30 April 2027 | 2.35 | 69% | 7 | 4,260 |
| 31 July 2024 | 30 July 2027 | 2.74 | 70% | 1 | 364 |
| 31 October 2024 | 30 October 2027 | 2.70 | 68% | 11 | 5,936 |
| 9 July 2024 | 8 July 2027 | 2.85 | 68% | 63 | 32,269 |
| **Total** | | | | | **169,267** |

**Senior management LTIPs**
A further LTIP scheme was awarded during the year with no results based performance criteria. One third of the options vest on each anniversary of the award date so long as the recipient remains employed however these options may not be exercised until 3 years from the date of award.

| | |
|---|---|
| Award date | 29 June 2022 |
| Earliest exercise date | 28 June 2025 |
| Underlying share price (£) | 3.95 |
| Estimate of options vesting | 80% |
| Fair value at vesting date (£'000) | 157 |
| Maximum number of options outstanding | 24,489 |

**Other LTIPs**
During the year, options were issued under the LTIP scheme. Unlike the LTIPs discussed above these had no performance related targets to satisfy and instead vest over the length of the award so long as the recipient remains employed. The options also have a vesting period of less than 3 years.

| | | |
|---|---|---|
| Award date | 23 November 2021 | 23 November 2021 |
| Vesting date | 22 November 2022 | 17 November 2023 |
| Underlying share price (£) | 6.40 | 6.40 |
| Estimate of options vesting | 52% | 69% |
| Fair value at vesting date (£'000) | 59 | 21 |
| Maximum number of options outstanding | 9,265 | 3,270 |

During the year both schemes were modified to remove the requirement to remain employed. The vesting period of the options remains the same. All outstanding shares on Other LTIP schemes have vested but have not yet been exercised.

## 25. Cash generated from operations

| | **Year ended 31 December 2024 £'000** | Year ended 31 December 2023 £'000 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit/(Loss) before tax | **25,323** | (1,080) |
| **Adjustments for:** | | |
| Amortisation of intangible assets | **25,356** | 26,433 |
| Impairment of intangible fixed assets | **9,305** | 32,000 |
| Depreciation of property, plant and equipment | **596** | 692 |
| Depreciation of right-of-use assets | **676** | 563 |
| Gain on disposal of intangible assets | **(43)** | – |
| Loss on disposal of tangible assets | **(7)** | 34 |
| Fair value movement in contingent consideration | **–** | (5,086) |
| Share based compensation | **741** | (474) |
| Share of (profit)/loss of associates | **(307)** | 205 |
| Finance income | **(1,696)** | (344) |
| Financial expenses | **243** | 1,261 |
| **Operating cash flow before changes in working capital** | **60,187** | 54,204 |
| (Increase) in trade and other receivables | **(9,116)** | (394) |
| Increase/(decrease) in provisions | **14** | (27) |
| Increase/(decrease) in trade and other payables | **7,597** | (3,301) |
| (Increase)/decrease in inventory | **(171)** | 239 |
| **Cash generated from operations** | **58,511** | 50,721 |

# Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2024
continued

## 26. Commitments and contingencies

The Group had no contracted capital commitments or contingencies at 31 December 2024 (31 December 2023: £Nil).

## 27. Financial instruments

| At 31 December 2024 | Note | Financial assets at amortised cost £'000 | Financial liabilities at amortised cost £'000 | Financial liabilities at fair value through profit and loss £'000 | Carrying value £'000 | Fair value £'000 |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Trade and other receivables | 17 | **44,534** | **–** | **–** | **44,534** | **44,534** |
| Cash and cash equivalents | 18 | **62,877** | **–** | **–** | **62,877** | **62,877** |
| **Financial liabilities** | | | | | | |
| Trade and other payables | 23 | **–** | **(37,040)** | **–** | **(37,040)** | **(37,040)** |
| Lease liabilities in under one year | 20 | **–** | **(692)** | **–** | **(692)** | **(692)** |
| Lease liabilities in two to five years | 20 | **–** | **(2,076)** | **–** | **(2,076)** | **(2,076)** |
| Lease liabilities in over five years | 20 | **–** | **(151)** | **–** | **(151)** | **(151)** |
| | | **107,411** | **(39,959)** | **–** | **67,452** | **67,452** |

| At 31 December 2023 | Note | Financial assets at amortised cost £'000 | Financial liabilities at amortised cost £'000 | Financial liabilities at fair value through profit and loss £'000 | Carrying value £'000 | Fair value £'000 |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Trade and other receivables | 17 | 32,172 | – | – | 32,172 | 32,172 |
| Cash and cash equivalents | 18 | 42,824 | – | – | 42,824 | 42,824 |
| **Financial liabilities** | | | | | | |
| Trade and other payables | 19 | – | (20,993) | (4,944) | (25,937) | (25,937) |
| Lease liabilities in under one year | 21 | – | (683) | – | (683) | (683) |
| Lease liabilities in two to five years | 21 | – | (2,159) | – | (2,159) | (2,159) |
| Lease liabilities in over five years | 21 | – | (730) | – | (730) | (730) |
| | | 74,996 | (24,565) | (4,944) | 45,487 | 45,487 |

Trade and other receivables shown above comprises trade receivables, accrued income and other receivables as disclosed in note 17 and are all current in nature. Trade and other payables comprises trade payables, other payables and accruals as disclosed in note 23 and are all current in nature.

Management have assessed that for cash and cash equivalents, trade and other receivables and trade and other payables their fair values approximate to their carrying amounts largely due to the short-term maturities of these instruments. They are included in the table above for completeness.

The fair value of contingent consideration has been calculated using discounted cash flows. These are considered as level 3 financial instruments (inputs for the assets or liabilities are not based on observable market data). There are no reasonable changes that could lead to a change in the valuation.

**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.. 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 lease liabilities, 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. The Group's customers are considered to have low default risk, and the historical default rate and frequency of loss are both low. Therefore, the lifetime expected credit loss allowance for trade and other receivables is nominal at 31 December 2024. However, certain customers comprise in excess of 10% of the revenue earned by the Group (see note 5). 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
The majority of bank balances are held on short term / no notice terms to minimise liquidity risk. Included within trade and other payables within one year is £nil (FY 2023: £4,944,000) of contingent consideration due within one year.

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

Lease liabilities
Included within lease liabilities is £692,000 (FY 2023: £881,000) of lease liabilities due within one year, £2,076,000 (FY 2023: £2,583,000) within two to five years and £151,000 (FY 2023: £822,000) due in over five years.

## 28. 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 2024 were £92,000 (31 December 2023: £87,000).

## 29. Related parties

**Ultimate controlling party**
At 31 December 2024 there was not considered to be a single ultimate controlling party of everplay group plc (formally Team17 Group Plc).

**Transactions with related parties**
There were no transactions with related parties during the year ended 31 December 2024 and there are no loan notes outstanding with related parties at the 31 December 2024.

**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.

## 30. Dividends not recognised at the end of the reporting period

Since the year end the directors have recommended the payment of a final dividend of 2.7 pence per fully paid ordinary share (2024: Nil). The aggregate amount of the proposed dividend expected to be paid on 4 July 2025. The dividend not recognised as a liability at year end, is £3,893,000 (2023: Nil).

# Company Statement of Financial Position
## As at 31 December 2024

Company Registration Number: 11205116

| | Note | **As at 31 December 2024 £'000** | As at 31 December 2023 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | 6 | **252,162** | 251,585 |
| Deferred tax asset | | **376** | 276 |
| | | **252,538** | 251,861 |
| **Current assets** | | | |
| Trade and other receivables | 7 | **15,106** | 36,821 |
| Cash at bank and in hand | | **24,963** | 5,797 |
| | | **40,069** | 42,618 |
| **Creditors: amounts falling due within one year** | | | |
| Trade and other payables | 8 | **4,004** | 3,663 |
| **Net current assets** | | **36,065** | 38,955 |
| **Net assets** | | **288,603** | 290,816 |
| **Capital and reserves** | | | |
| Called up share capital | 9 | **1,458** | 1,458 |
| Share premium account | 9 | **137,572** | 137,572 |
| Merger relief reserve | 9 | **154,245** | 154,245 |
| Profit and loss account | 9 | **(4,672)** | (2,459) |
| **Total equity** | | **288,603** | 290,816 |

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 in these separate financial statements. The loss (FY 2023: profit) for the year dealt with in the financial statements of the Company was £3,218,000 (FY 2023: £2,188,000).

The financial statements on pages 100 to 107 were approved by the board of directors and authorised for issue on 1 May 2025 and were signed on its behalf by:

**Rashid Varachia**
Group Chief Financial Officer and Chief Operating Officer

# Company Statement of Changes in Equity
## For the year ended 31 December 2024

Equity attributable to shareholders of the company

| | Note | Called up share capital £'000 | Share premium account £'000 | Merger relief reserve £'000 | Profit and loss account £'000 | **Total Equity £'000** |
|---|---|---|---|---|---|---|
| **At 1 January 2023** | | 1,456 | 136,775 | 154,245 | (5,121) | **287,355** |
| ***Comprehensive income*** | | | | | | |
| Profit and total comprehensive income for the financial year | | – | – | – | 2,188 | **2,188** |
| ***Transactions with owners*** | | | | | | |
| Issue of shares | 9 | 2 | 797 | – | – | **799** |
| Share based compensation | 10 | – | – | – | 474 | **474** |
| **Total transactions with owners** | | 2 | 797 | – | 474 | **1,273** |
| **At 31 December 2023** | | 1,458 | 137,572 | 154,245 | (2,459) | **290,816** |
| ***Comprehensive loss*** | | | | | | |
| Loss and total comprehensive loss for the financial year | | – | – | – | (3,218) | **(3,218)** |
| ***Transactions with owners*** | | | | | | |
| Share based compensation | | – | – | – | 1,005 | **–** |
| **Total transactions with owners** | | – | – | – | 1,005 | **1,005** |
| **At 31 December 2024** | | 1,458 | 137,572 | 154,245 | (4,672) | **288,603** |

# Notes to the Company Financial Statements
## For the Year Ended 31 December 2024

### 1. General information
everplay group plc (formally Team17 Group Plc) (the "Company") is a public limited company, limited by shares and incorporated and domiciled in England (United Kingdom). 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. Material accounting policies
**Basis of preparation**
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: Disclosure"
- 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 requirements of B64(d), (e), (g), (h), (j)-(m), (n)(ii), (o)(ii), (p), (q)(ii), B66 and B67 of IFRS 3 "Business Combinations"
- The requirements of 45(b) and 46-52 of IFRS 2 "Share-based payments"

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 a Company forecast covering the period 1 January 2024 to 30 June 2026 that has also been sensitised to reflect a severe but plausible downside scenario, which has been reviewed by the Directors. This demonstrates the Company is forecast to generate profits and cash for a period of at least 12 months from the signing of these financial statements and that the Company expects to have sufficient cash reserves to enable the Company to meet its obligations as they fall due over this period.

As such, the Directors are satisfied that the Company 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.

**Share based compensation**
The Company has awarded share options to various employees and Directors. The fair value of these awards are calculated based on the conditions attached to the awards as shown below:

| | | Exercise Price | |
|---|---|---|---|
| | | Nil Cost | Fixed Price |
| **Targets** | **No performance measures** | Award price at grant date | Black scholes valuation |
| | **Profit based targets** | Award price at grant date | N/a |
| | **Share price based target** | Monte carlo simulation | N/a |

For share based compensation containing an ongoing service requirement the fair value of these options are recognised as an expense in the Consolidated Statement of Profit or Loss over the vesting period of the options with a corresponding credit included within retained earnings. For share based compensation with no ongoing service requirement the fair value of these options are recognised as an expense at the point of issue. Employers' national insurance due on the share options are included over time within the Consolidated Statement of Profit or Loss 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.

**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 assets 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.

**Other income**
Other income represents income from group management charges recognised at the point the performance obligation is satisfied.

**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.

# Notes to the Company Financial Statements
## For the Year Ended 31 December 2024
continued

### 2. Material accounting policies continued

**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 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.

**Measurement of acquisition consideration (Estimate)**

Contingent consideration is due on several acquisitions of subsidiaries and IP 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 any earnouts based on future accounting periods, management have reviewed a risk weighted forecast for the periods. 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. This was not considered to be a significant estimate in the year ending 31 December 2024 due to the decrease in the value of business acquisitions during the year.

**Recoverability of investment (Estimate)**

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.

This calculation of value in use requires estimates to be made relating to the timing and amount of future cash flows expected and other key assumptions such as the discount rate and long term growth rate.

Further details of the key estimates are discussed in note 6 to the company financial statements.

### 4. 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 financial statements.

### 5. Staff numbers and costs

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

| | **Year ended 31 December 2024 No.** | Year ended 31 December 2023 No. |
|---|---|---|
| Support | **7** | 5 |
| Executive directors | **2** | 2 |
| Non-executive directors | **4** | 4 |
| | **13** | 11 |

The aggregate payroll costs of these persons were as follows:

| | **Year ended 31 December 2024 £'000** | Year ended 31 December 2023 £'000 |
|---|---|---|
| Wages and salaries | **2,672** | 1,717 |
| Social security costs | **337** | 145 |
| Other pension costs | **86** | 101 |
| Share based compensation | **429** | (320) |
| | **3,524** | 1,643 |

The details on directors remuneration can be found in note 7 to the consolidated financial statements.

### 6. Investments

| **Cost** | £'000 |
|---|---|
| At 1 January 2023 | 250,803 |
| Additions | 782 |
| At 31 December 2023 | 251,585 |
| Additions | 577 |
| **At 31 December 2024** | **252,162** |
| **Net book value** | |
| **At 31 December 2024** | **252,162** |
| At 31 December 2023 | 251,585 |

Included in the additions balance is £577,000 (FY 2023: £782,000) representing the value of share options issued to employees of everplay group plc's subsidiaries.

# Notes to the Company Financial Statements
For the Year Ended 31 December 2024
continued

## 6. Investments continued

**Impact of possible changes in key assumptions**
In assessing the carrying value of Goodwill management performed sensitivity analysis on each of the key assumptions. There were no reasonable changes to key assumptions that led to an impairment in any of the investment values.

Details of the subsidiaries in which the Company directly holds 100% of the share capital are as follows and there has been no movement during the current or previous year in the proportion of rights held except as disclosed below:

| Name of company | Registered address | Principal place of business | Proportion of voting rights and shares held | Activity |
|---|---|---|---|---|
| **astragon Entertainment GmbH** | Am Wehrhahn 33, 40211, Duesseldorf, Germany | Germany | 100% | Development and publishing of simulation video games |
| **Touch Press Inc.** | 1013 Centre Road, Suite 403-B, Wilmington, Delaware, 19805, USA | USA | 100% | Intermediate holding company |
| **Team 17 Digital Limited** | 3 Red Hall Avenue, Wakefield, WF1 2UL | UK | 100% | Development and publishing of video games |

The list of indirect subsidiaries and associates held by the Company is included in note 13 to the consolidated financial statements.

## 7. Trade and other receivables

| Amounts falling due within one year | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| Amounts owed by group undertakings | **13,982** | 36,112 |
| Other receivables | **667** | 168 |
| Prepayments | **457** | 541 |
| | **15,106** | 36,821 |

Amounts owed by group undertakings are interest free and repayable on demand.

## 8. Trade and other payables

| Amounts falling due within one year | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| Trade payables | **253** | 191 |
| Amounts owed to group undertakings | **2,424** | 2,383 |
| Other payables | **181** | 188 |
| Taxation and social security | **81** | 89 |
| Accruals and deferred income | **1,065** | 812 |
| | **4,004** | 3,663 |

Amounts owed to group undertakings are interest free and repayable on demand.

## 9. Capital and reserves

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| Authorised, allotted, called up and fully paid<br>145,848,67 (2023: 145,803,620) ordinary shares of 1p each | **1,458** | 1,458 |
| | **1,458** | 1,458 |

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

In the prior year on 13 April 2023 the Company issued 210,349 to the sellers of the Label Inc. These shares were valued at £4.01 per share.

**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.

## 10. Share based compensation

See note 24 in the consolidated everplay group plc consolidated financial statements for further information on the share based compensation charge in the year.

## 11. 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 2024 were £17,000 (2023: £13,000).

## 12. Dividends not recognised at the end of the reporting period

Since the year end the directors have recommended the payment of a final dividend of 2.7 pence per fully paid ordinary share (2024: Nil). The aggregate amount of the proposed dividend expected to be paid on 4 July 2025. The dividend not recognised as a liability at year end, is £3,893,000 (2023: Nil).

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