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Everplay Group plc
24 March 2026

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everplay group plc
("everplay" or the "Group")

Unaudited Final Results for the year ended 31 December 2025

everplay, a leading global independent ("indie") developer and publisher of premium video games, working simulation games and children's edutainment apps is pleased to announce its unaudited final results for the year ended 31 December 2025 ("FY 2025").

- **Double-digit profit growth and strong margin expansion supported by growth in new release revenues and successful platform partnerships**
- **Continued progress against strategic priorities, including new first-party IP releases, and acquisitions of IP and back catalogue publishing rights**
- **New release line up and strengthened organisation to support FY 2026 outlook and beyond**

FY 2025 financial highlights

	Unaudited twelve months ended 31 December 2025	**Audited twelve months ended** 31 December 2024	change
Revenue	£166.0m	£166.6m	(0)%
Gross Profit	£76.3m	£69.4m	10%
Gross Profit Margin	46.0%	41.6%	4.4pts
Adjusted EBITDA[1]	£48.5m	£43.5m	11%
Adjusted EBITDA margin	29.2%	26.1%	3.1pts
Profit Before Tax	£36.6m	£25.3m	44%
Adjusted Profit Before Tax	£48.5m	£43.4m	12%
Adjusted EPS[1]	25.7p	24.1p	7%
Operating Cash Conversion[2]	89%	97%	(8)pts
Cash and cash equivalents	£51.9m	£62.9m	(17)%

- Revenue flat year on prior year following decision to exit astragon's low margin physical distribution, contributing to a significant increase in gross margin. Excluding physical distribution, Group revenue increased by 5%
- Strong performance from new releases, with revenues up 80%
- While the back catalogue performance did not match the exceptionally high levels of FY2024, it delivered double-digit revenue growth on FY 2023, and accounted for 75% of total revenues
- Year-end cash balance of £51.9m, reflecting solid underlying cash generation, offset by acquisition-related spend and higher development costs
- The Board has declared a final ordinary dividend of 1.9 pence per share which, including the 1.0 pence interim dividend, takes the total dividend for FY2025 to 2.9 pence per share (FY 2024: 2.7 pence)

FY 2025 operational highlights

- 11 new titles released across multiple platforms and genres, most notably ***Date Everything!***, ***SWORN***, ***Firefighting Simulator: Ignite*** and ***LEGO® Bluey™***
- New partnerships entered with Netflix Games, Apple Arcade, Amazon Game Night and Nintendo Switch 2
- Acquisition of minority stake in Super Media Group, initiating a strategic partnership with first-person shooter specialists Bulkhead
- Acquisition of the rights and assets of the ***Hammerwatch*** franchise and several IPs from Bearded Brothers
- Secured the long-term publishing rights to seven previously published titles, including ***Operation: Tango***, ***Heavenly Bodies*** and ***Spiritfall***
- Mikkel Weider appointed as Group Chief Executive Officer, formally joining the Board in January 2026

Divisional highlights

- **Team17** total sales increased 8%, with 20 million units sold, reaching a record £106 million
    - Six new games drove a 700%-plus increase in new release revenues, further strengthening the portfolio
    - ***Date Everything!*** launched successfully with over 750k players added since launch
    - 16 DLCs were released during the year, along with nine existing games on new platforms
- **astragon** revenue declined 33% in part following the decision to exit low-margin direct physical game distribution. Excluding physical distribution revenues, astragon revenue decreased by 18%
    - Two new titles were released during the year (***Firefighting Simulator: Ignite,*** and new first-party IP brand ***Seafarer: The Ship Sim***), along with two existing titles on new platforms and 11 paid DLCs. Although new releases and the back catalogue performed below expectations, by aligning investment in new content, operations and talent around astragon's most popular and scalable franchises, a considerably improved performance is expected for FY 2026
    - Acquisition of new simulation IP: ***Storage Hunter Simulator***
- **StoryToys** produced an outstanding year, with total revenues up 25% to £30.4 million, supported by one new app launch and 740 app updates
    - ***LEGO® Bluey*** passed one million downloads in its first month and became the number one Kids iPad app for a while in 117 countries
    - StoryToys hit 376k active subscribers, with peak monthly active users of 12.9m, reaching 286 million lifetime downloads
    - Major new Netflix Games partnership, including release of ***LEGO® DUPLO® World® Netflix*** and ***Barbie Color Creations Netflix,*** along with three launches on Apple Arcade Greats

Outlook

- The Group has made a good start to FY 2026 and has an exciting pipeline of at least 15 new games and apps expected to launch during the year. The line-up includes at least five first-party IPs, including the much-anticipated ***Hell Let Loose: Vietnam*** (currently with over half a million Wishlists on Steam alone) and ***Golf With Your Friends 2***, as well as major new launches from astragon's established IP portfolio. The line-up also features a varied and high-quality slate of third-party titles, including ***Wardogs***, in collaboration with first-person shooter specialists Bulkhead
- The Board is confident that the Group is well-positioned to deliver another year of profitable growth in FY 2026, as well as continued growth over the medium to long term, and expects the Group to achieve FY 2026 results in line with current market expectations[3]. The phasing of costs in H1 associated with larger releases due towards the end of H1 and into H2 is expected to result in a H2 weighting of aEBITDA delivery

Mikkel Weider, Group Chief Executive Officer of everplay, commented:

"My first three months at everplay have been hugely exciting and reinforced my confidence in the Group's long-term potential. FY 2025 again showed the benefit of the Group's portfolio strategy. The teams have worked exceptionally hard to deliver an impressive double-digit profit growth, and I thank them all for their dedicated commitment.

"FY 2026 has one of the busiest and highest quality new release line-ups in several years, packed with first-party IP and exciting third-party titles such as Wardogs. Combined with the new partnerships and acquisitions made in the previous year, I am confident that we are on track for a strong FY 2026."

[1] Adjusted EBITDA reflects the EBITDA of the Group, without the impact of acquisition-related costs which vary year on year based on acquisition activity. In addition, it includes the impact of amortisation and impairment of development costs, publishing rights and IP licences, as this reflects the primary costs incurred by the Group in generating revenue. Full disclosures on earnings adjustments can be found in the Alternative Performance Measures section of the Group Financial Review

[2] 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")

[3] Company-compiled consensus shows FY26 revenues of £173.6 million and adjusted EBITDA of £50.5 million.

Analyst and institutional investor webcast

A webcast for analysts and institutional investors will be held on Tuesday, 24 March 2026 at 8.30 a.m. GMT. To register for this event please contact Vigo Consulting on everplay@vigoconsulting.com.

Retail investor webcast

A webcast for retail investors will be held on Friday, 27 March 2026 at 1.00 p.m. GMT. The presentation will be hosted on the Investor Meet Company platform. Questions can be submitted at any time during the live presentation. Investors can sign up via the following link:
https://www.investormeetcompany.com/everplay-group-plc/register-investor

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About everplay group plc

everplay group plc (formerly Team17 Group plc) is an award-winning and leading global indie games label developer and publisher of premium video games and apps, comprising three distinct divisions: Team17, astragon and StoryToys. Team17 is a games developer, publisher and creative partner for indie developers around the world, known for iconic IP such as Hell Let Loose, Worms and Overcooked!. astragon is a leading games publisher, developer and distributor of sophisticated working simulation games, including Construction Simulator and Police Simulator, 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, bringing the world's most popular characters, worlds and stories to life for children under the age of eight, with apps including Disney Colouring World and LEGO® Bluey™.

Visit www.everplaygroupplc.com for more information or follow us on LinkedIn: everplay group plc

Strategic and operating review

Twelve months ago, the Group set out a clear commitment: to return everplay to its roots, delivering a diverse portfolio of quality games against a disciplined strategy centred on our indie heritage. Against this, 2025 was a year of strong operational, strategic and financial progress.

The Group's strategy remains founded on four core principles:

- building long-term first-party IP roadmaps;
- continuing to partner with third-party developers to discover and nurture innovative new games;
- disciplined cost control; and
- driving both organic and inorganic growth

The result of this clear strategic focus has been a significant improvement in the performance of new releases this year, along with the most exciting and high-quality new release pipeline since the IPO, reaffirming everplay's commitment to excellence.

The successful launches of new titles from across our three divisions in 2025 has been a particular highlight, including ***Date Everything!***, ***LEGO® Bluey*** and ***Firefighting Simulator: Ignite***, which not only broaden the Group's portfolio, but also reinforce its long-standing reputation for delivering original, engaging games. This success has reignited the passion across the Group's teams and united each different label under the recently created everplay umbrella brand. The Group's back catalogue continues to perform well, with our teams developing new content to increase gamers' delight and long-term engagement.

For FY 2025, the Group generated revenues of £166.0 million (FY 2024: £166.6 million), gross profit of £76.3 million (FY 2024: £69.4 million) and adjusted EBITDA of £48.5 million (FY 2024: £43.5 million). The year closed with a strong balance sheet, including £51.9 million of cash and cash equivalents (31 December 2024: £62.9 million) having acquired the **Hammerwatch** franchise, five IPs from Bearded Brothers, taken a minority stake in Super Media Group (initiating a strategic partnership with Bulkhead to develop first-person shooter games), and acquired publishing rights to seven titles, securing additional back-catalogue revenues. Together these fulfilled a key strategic priority to continually mitigate the unpredictability of future new games.

The Group's financial progress also reflects a strategic focus on higher-margin, more sustainable activities, and the exit from low-margin physical packaged goods distribution within astragon. The Group has signed multiple partnership agreements with a number of gaming platforms, including Netflix and Amazon, enabling us to reach more consumers globally.

2025 was a pivotal year for strengthening the skillset of the organisation. This ongoing focus has been supported by key senior hires who bring outstanding capability and deep games industry experience. In November 2025, Mikkel Weider was appointed as Group Chief Executive Officer, joining formally in January 2026. Mikkel is a highly accomplished gaming executive with a proven track record in delivering both organic and acquisitive growth. In November 2025, Harley Homewood returned to Team17 as General Manager. With over 25 years of leadership across sales, marketing, and publishing, Harley has already played a key role in driving investment in the portfolio, leading the acquisition of the ***Hammerwatch*** IP along with the publishing rights of previously released titles.

Alongside this, Andrew McDonald was appointed as Group General Counsel and Lowri Eastgate as Group People and Culture Director. Both Andrew and Lowri have strong gaming backgrounds, having previously worked at Jagex. everplay now has exceptional gaming experience across both the senior leadership team and Board of Directors, providing the foundations to further accelerate growth with a unified vision and culture.

The indie games market continues to thrive, with record levels of new titles released in 2025. The global gaming market was estimated at US$197 billion in 2025 and is estimated to grow a further 16% by 2028[1]. Against this backdrop, the Group's combination of new releases and a resilient back catalogue remains a powerful differentiator. In 2025, the back catalogue contributed 75% of Group revenue, significantly de-risking our exposure to an increasingly crowded marketplace. This strong financial base ensures the Group's success is not solely dependent on its latest releases.

Divisional review

Team17

Team17 delivered a strong operational and financial performance in FY 2025, selling over 20 million units, with total sales up 8% to £106 million. The team launched six new games, along with nine existing games on new platforms, supporting a seven-fold increase in new release revenues versus 2024. ***Date Everything!*** was the breakout performer, adding over 750k players since launch. Other notable successes included ***SWORN***, ***Nice Day for Fishing*** and ***Goblin Cleanup***. The improvement in quality of new releases was evidenced by an average Steam positive review score of 87%, compared to 61% for new releases in 2024. Revenues were supported by growth in both first- and third-party IP, with first-party IP contributing to 30% of total revenues. While back catalogue revenue did not match the exceptionally high levels of 2024, it delivered over 20% growth compared to 2023, with key contributors including ***Hell Let Loose***, the ***Overcooked!*** franchise and ***Dredge***. 16 DLCs were also released during the year as the Group actively managed the back catalogue.

The quality and breadth of Team17's IP enabled expansion to new platforms and devices in 2025, tapping into new audiences and demographics. ***Worms Across The Worlds*** launched on Apple Arcade, an exclusive version of ***Overcooked! 2*** launched on Nintendo's Switch 2, while new partnerships with both Netflix and Amazon Game Night will see several games available on these platforms in 2026. The back catalogue was bolstered by the acquisition of the Hammerwatch franchise, along with the publishing rights for seven previously launched titles. In August, the development of ***Hell Let Loose: Vietnam***, the exciting next instalment of the best-selling franchise, was announced at Gamescom. The launch video generated around 17 million views and was the seventh most-wishlisted game of the convention. In December the Group announced that Team17 will partner with Bulkhead, via everplay's minority stake in Super Media Group, to publish ***Wardogs*** - a high-quality, Unreal Engine 5 All Out Warfare multiplayer FPS - planned for Early Access release on PC in 2026.

2026 is gearing up to be a very exciting year, with at least ten new games scheduled for launch, and with larger titles weighted to H2, including first-party titles ***Hell Let Loose: Vietnam*** and ***Golf With Your Friends 2***. As well as games on Amazon Game Night, 2026 will also see the first Team17 games features on Netflix Games. The performance of the division will also benefit from the creation of more focused and agile publishing subunits, each doubling down on core strengths to better serve their audiences, improving go-to-market execution and game performance.

astragon

2025 was a more challenging year for astragon, with revenues down 33% to £29.5 million. During the year, the Group took the strategic decision to exit astragon's direct physical game distribution business. This activity added complexity to astragon's operations, generated only low-margin revenue and introduced an additional exposure to the success of external titles. Excluding this, astragon's underlying revenue decline narrowed to 18%. This was a disappointing performance, with both new releases and the back catalogue underperforming expectations. However, by aligning investment in new content, operations and talent around astragon's most popular and scalable franchises, a considerably improved performance is expected for FY 2026.

The quality of astragon's first-party IP portfolio, which now accounts for 83% of astragon sales (FY 2024: 70%), was strengthened by two new releases, taking the number of first-party IPs to seven. In September, astragon released the award-winning ***Firefighting Simulator: Ignite*** - the latest instalment of the hugely popular franchise - and October saw the early access release of a brand-new IP: ***Seafarer: The Ship Sim***. In addition, astragon continued to support its live games, delivering major expansions, season passes, and regular content updates to sustain engagement and revenue across the catalogue. This included 11 paid DLCs, the release of ***Railroads Online*** and ***Police Simulator: Patrol Officers*** on new platforms and various platform agreements on PlayStation Plus and Xbox Game Pass.

2026 is set to be an eventful year, supported by more new IPs, franchise evolution and long-term brand building. A brand new IP, ***Ranger's Path: National Park Simulator*** was released in Early Access in March, with players embarking on a park ranger journey. The next instalment of the popular ***Bus Simulator*** franchise will follow later in the year, set in the Mediterranean and featuring the Solaris brand for the first time, along with other major new launches from astragon's established IP portfolio yet to be announced.

StoryToys

StoryToys had another outstanding year, with total revenues up 25% to £30.4 million and peak monthly active users of 12.9 million during the year. Lifetime downloads reached 286 million, while further growth in active subscriber numbers (to over 376,000) continues to increase revenue visibility. In total, StoryToys released 740 app updates in FY 2025, an increase of 40% on the prior year, across 13 apps and seven platforms, including the introduction of Star Wars as a license in ***Disney Coloring World***.

A highlight of the year was the launch of the brand-new app ***LEGO® Bluey*** in August, bringing together the globally iconic Bluey brand with StoryToys' first LEGO® app with system bricks, appealing to a broader children's audience. The launch was highly successful, exceeding one million downloads in its first month and becoming the number one Kids iPad app in 117 countries, as well as the number one iPad app overall in 24 countries, including the US and UK. 2025 also saw the development of a strategic partnership with Netflix Games, featuring ***LEGO® DUPLO® World® Netflix*** and ***Barbie™ Color Creations Netflix***.

FY 2026 has got off to a strong start, with lifetime downloads surpassing the 300 million mark during the first quarter. Plenty of exciting new content is planned, including new apps and a new label, focusing on older kids and families.

Group Financial review

Performance Overview

Despite a softer performance from astragon, the Group's revenue performance again showed the benefit of everplay's portfolio strategy. The Group delivered mid-single digit underlying revenue growth, driven by a marked improvement in the performance of new releases in addition to new license agreements with platforms including Netflix Games and Amazon Game Night. Improved gross margins, lower impairments and ongoing tight cost

controls all contributed to a significant improvement in adjusted EBITDA margin. This, along with the higher underlying revenues, contributed to a 44% rise in earnings, with profits before tax of £36.6 million (FY 2024: £25.3 million).

Revenue

Group revenues were flat on prior year levels at £166.0 million (FY 2024: £166.6 million). Excluding revenues from astragon's physical distribution business which the Group exited during the year, revenues increased 5%. Team17 contributed £106.4 million, up 8% on the prior year (FY 2024: £98.6 million), whilst StoryToys had another outstanding year, with revenues up 25% to £30.4 million (FY 2024: £24.3 million). astragon faced a more challenging year, with revenues down 33% to £29.5 million (FY 2024: £43.8 million). Excluding the physical distribution business, astragon's revenues fell by 18%.

The Group enjoyed a good level of success with its new releases, with revenues up 80% compared to the previous year at £41.1 million (FY 2024: £22.9 million). The stand-out success of the year was Team17's ***Date Everything!***, with strong performances also from ***SWORN*** and ***Nice Day for Fishing***, as well as ***LEGO® Bluey™*** from StoryToys. The commercial success of these titles was reflected in their reviews, which averaged 84% positive on Steam.

The Group's dependable back catalogue enjoyed another solid year, accounting for 75% of Group revenues, in line with its average contribution over the last five years. While revenues did decline 13% to £124.9 million versus the prior year (FY 2024: £143.8 million), this was on the back of the exceptionally strong 27% growth in FY 2024. Compared to FY 2023, the back catalogue delivered double-digit growth. Strong performers included the ***Overcooked!*** franchise, ***Hell Let Loose***, ***Dredge***, ***Construction Simulator*** and ***LEGO® DUPLO® World***. The success of new releases during FY 2025 will continue to support the back catalogue in the coming years.

Overall, first-party IP revenues declined 9% to £56.1 million (FY 2024: £61.5 million) reflecting a softer performance at astragon. Performance at Team17 was firmer, up 2%, supported by ***Hell Let Loose*** and ***Golf With Your Friends***, both of which remain in the Group's top 10 selling titles. First-party IP revenues accounted for 34% of revenues, modestly lower than the 37% in FY 2024, though this is expected to rise in FY 2026 due to the new release pipeline. Third-party game revenues grew 4% to £109.9 million (FY 2024: £105.1 million), led by the ***Overcooked!*** franchise, ***Date Everything!***, ***Dredge*** and ***LEGO® DUPLO® World***.

Gross Profit

Gross profit in the year rose 9.9% to £76.3 million (FY 2024: £69.4 million). Gross margin increased sharply by 4.4% to 46.0% (FY 2024: 41.6%), predominantly due to the exit from astragon's physical distribution business and no material title impairments, along with lower royalty payments, partially offset by higher expensed development costs.

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. An immaterial net title impairment credit was taken for the year, compared to a £4.7 million charge in FY 2024.

Royalty payments were lower year on year, accounting for 28.6% of sales (FY 2024: 29.9%), due to a more favourable sales mix at Team17 and a higher weighting of StoryToys revenues, which carry lower royalty levels.

Capitalised development costs in the year increased to £33.2 million (FY 2024: £25.0 million) of which £17.7 million (FY 2024: £12.1 million) related to Team17, £11.7 million (FY 2024: £9.6 million) to astragon and £3.8 million (FY 2024: £3.0 million) to StoryToys. The increase reflects a significant increase in investment in first-party IP titles, in line with the Group's core strategy to increase the weighting of first-party IP revenues. After the release of two first-party IP titles in FY 2025 (***Firefighting Simulator: Ignite*** and ***Seafarer: The Ship Sim***), 10 further projects remain under development. As a result of the capitalisation and development cost amortisation charges, capitalised development costs on the balance sheet at the end of the Period stood at £61.4 million (FY 2024: £40.6 million).

Development cost amortisation charges were £14.2 million for the year (FY 2024: £13.5 million). Expensed development costs increased modestly during the year, driven by the launch of titles onto new platforms within subscription services.

Administrative Expenses

Total administrative expenses in the year decreased 9% to £41.6 million (FY 2024: £45.6 million). The decrease was primarily due to the £4.6 million impairment of goodwill and customer and developer relations relating to the US business (The Label Inc.) taken in FY 2024. Acquisition-related adjustments, costs and amortisation fell modestly to £12.1 million (FY 2024: £13.9 million).

Staff costs within administrative expenses decreased 11% in the year, predominantly reflecting lower payments from the earn-out programme. Depreciation and amortisation were flat at £13.0 million (FY 2024: £12.9 million). Marketing costs were also broadly flat. Other costs in aggregate saw modest increases as a percentage of sales compared with the prior year. Total headcount for the Group at 31 December 2025 was 397 (31 December 2024: 344), due in large part to new hires at StoryToys to support new apps and platform partnerships.

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	
	FY25 £'000	FY24 £'000	FY25 £'000	FY24 £'000
(Loss)/Profit before Tax	**36,588**	**25,323**	**36,588**	**25,323**
Development cost amortisation eliminated through FV adjustments	(805)	(1,469)	(805)	(1,469)
Goodwill and acquired intangible[1] impairment		4,563		4,563
Share based compensation	473	1,008	473	1,008
Restructuring costs	112	n/a	112	n/a
Acquisition related costs & adjustments				
Amortisation of acquired intangible[1] assets	11,697	11,529	11,697	11,529
Acquisition-related costs	404	2,334	404	2,334
Earn out fair value		84		84
Interest & FX on contingent consideration		7		7
Adjusted profit before tax	**48,469**	**43,379**	**48,469**	**43,379**
Finance income and costs net of acquisition related costs and adjustments	(1,241)	(1,196)	n/a	n/a
Depreciation and gain/loss on disposal of tangible assets and software	1,112	1,276	n/a	n/a
Amortisation of other intangible assets	136	90	n/a	n/a
Adjusted EBITDA	**48,475**	**43,549**		
Taxation (net of impacts on adjustments)			(11,419)	(8,747)
Adjusted profit after tax			**37,050**	**34,632**
Adjusted basic EPS (p)			**25.7**	**24.1**

[1]Acquired intangibles are defined as those that arise directly from M&A activity and include the asset classes Brands, Acquired Apps and Customer and Developer Relationships

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, it includes the impact of amortisation and impairment of development costs, publishing rights and IP licenses, as this reflects the primary costs incurred by the Group in generating revenue. Restructuring costs are 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 £0.5 million (FY 2024: £1.0 million) relate to options that were granted to the Executive and Non-Executive Directors, the senior leadership team and other members of the team under a variety of schemes which will be satisfied by shares held in the Employee Benefit Trust ("EBT").

Acquisition-related adjustments created a net cost in the period of £0.4 million (FY 2024: £2.4 million), relating to one-off costs directly associated with the acquisitions made during the year, primarily the acquisition of the ***Hammerwatch*** IP and minority stake in Super Media Group. Finance costs relating to contingent consideration were nil (FY 2024: £0.1 million).

Adjusted EBITDA

Adjusted EBITDA, adjusting for the items outlined in the APM table above, increased 11.3% to £48.5 million, reflecting the solid underlying revenue growth and underlying margin improvements.

Profit Before Tax

Profit before tax for the year was £36.6 million, compared to £25.3 million in the prior year. Net finance income was £1.2 million, in line with the prior year (FY 2024: £1.2 million), reflecting more active cash management despite a lower year-end cash position. Adjusted profit before tax, adjusting for the items outlined in the APMs table above, increased 11.8% to £48.5 million (FY 2024: £43.4 million). The tax charge for the year was £9.3 million (FY 2024: £5.1 million). The effective tax rate for the year was 25.5% (FY 2024: 20.3%).

Earnings Per Share ("EPS")

Basic EPS rose 35% to 18.9 pence (FY 2024: 14.0 pence), reflecting higher pre-tax profits offset by a higher tax charge. Basic adjusted EPS, reflecting the APM adjustments noted above and calculated using the adjusted profit after tax increased 7% to 25.7 pence (FY 2024: 24.1 pence).

Statement of Financial Position

The Group remains firmly cash generative with an operating cash conversion of 89% (FY 2024: 97%), and a net inflow of cash from operations of £43.8 million (FY 2024: £52.7 million). The reduction compared to the previous year relates to higher cash tax payments and movements in net working capital. These gave rise to a £7.9 million outflow in the period (FY 2024: £1.6 million), made up primarily of a £0.8 million increase in trade and other receivables (FY 2024: £8.4 million), together with a decrease in trade and other payables balance of £7.7 million (FY 2024: £7.0 million increase). This increase in trading balances is due to material licence revenue recognised in the fourth quarter, the recognition of previously deferred revenue, and payments from the earn-out programme, offset by lower third party distribution sales in the final quarter compared to the same period in the prior year.

After the £33.2 million investment in capitalised development costs, acquisition-related expenditure of £11.4 million, publishing rights purchases of £4.0 million, and the commencement of dividend payments in FY 2025 (£5.3 million), there was an overall net decrease in cash and cash equivalents to £51.9 million (FY 2024: £62.9 million) which includes £2.6 million (FY 2024: £2.7 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 share awards.

Goodwill and intangible assets now total £227.9 million (FY 2024: £202.3 million). As at 31 December 2025, the net book value of goodwill was £85.6 million (FY 202: £82.3 million). The value of the Group's brands now stands at £54.3 million (FY 2024: £51.4 million) following the acquisitions of the ***Hammerwatch*** IP and collection of IP from Bearded Brothers, and accounting for the annual brand amortisation charge. The current net book value of capitalised development costs at year end stands at £61.4 million (FY 2024: £40.6 million).

Share Issues

As at 31 December 2025, the Group's issued share capital comprised 145,848,677 ordinary shares of £0.01 each (FY 2024: 145,848,677).

A total of 149,837 (FY 2024: 317,970) share options were issued during the year to the Executive Directors with a three-year vesting period with performance criteria, 349,805 (FY 2024: 317,774) share options were issued to other employees across the Group also with a similar three-year vesting period and performance criteria, while 87,957 share options were issued to Non-Executive Directors as part of a new Share Option Plan (FY 2024: 61,648).

The Group has extended the use of its Long-Term Incentive Plan with performance criteria across its senior divisional leadership team. 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.

Outlook

The Group has made a good start to FY 2026, supported by sustained momentum from the festive season and solid back catalogue sales. So far this year, Team17 has launched ***Rogue Point*** in Early Access. The Group has an exciting pipeline of at least 15 new games and apps expected to a launch during the year, including at least five first-party IP titles: including the highly anticipated ***Hell Let Loose: Vietnam*** and ***Golf With Your Friends 2***, as well as major new launches from astragon's established IP portfolio. Other announced third-party releases include ***Wardogs***, in collaboration with first-person shooter specialists Bulkhead, ***Silver Pines***, ***Wardrum***, ***Skinwalker*** and ***Sintopia***. The Group is well positioned to leverage the new platform partnerships, IP acquisitions and publishing rights secured during FY 2025. It will also continue to leverage its exceptional lifecycle management capabilities to drive a robust performance across the back catalogue.

The Board is confident that the Group is well-positioned to deliver another year of profitable growth in FY 2026 and expects the Group to achieve results in line with current market expectations[2]. As the majority of the larger releases this year are expected in H2, aEBITDA delivery is expected to be H2 weighted.

The Group remains well positioned for continued growth over the medium to long term. It will make further progress against its strategic priorities to accelerate growth alongside improving profitability, with an elevated focus on its first-party IP, evergreen franchises and improved returns. The Group will continue to leverage its strong balance sheet and strengthened organisation to explore M&A opportunities that can accelerate its strategy.

[1] Newzoo forecasts, February 2026

[2] Company-compiled consensus shows FY26 revenues of £173.6 million and adjusted EBITDA of £50.5 million.

Unaudited Consolidated Statement of Profit or Loss
For the Year Ended 31 December 2025

	Note	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Revenue	4	165,995	166,624
Cost of sales		(89,673)	(97,250)
Gross profit		**76,322**	**69,374**
Other income		415	140
Administrative expenses		(41,561)	(45,567)
Operating profit	5	**35,176**	**23,947**
Finance income		2,028	1,695
Finance costs		(787)	(507)
Share of net profit of associates accounted for using the equity method		171	188
Profit before tax		**36,588**	**25,323**
Taxation	6	(9,348)	(5,133)
Profit for the year		**27,240**	**20,190**
Earnings per share			
- Basic (pence)		18.9	14.0
- Diluted (pence)		18.8	14.0

Unaudited Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2025

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Profit for the year	27,240	20,190
Other comprehensive income/(expense):		
Items that may be reclassified to profit or loss:		
Exchange Gain/(loss) on translation of foreign operations	6,041	(5,149)
Total other comprehensive income	6,041	(5,149)
Total comprehensive income for the year	**33,281**	**15,041**

Unaudited Consolidated Statement of Financial Position
As at 31 December 2025

	Note	As at 31 December 2025 £'000	As at 31 December 2024 (Restated)* £'000	As at 31 December 2023 (Restated)* £'000
Assets				
Non-current assets				
Goodwill	8	85,629	82,314	86,244
Other intangible assets	8	142,268	119,960	130,270
Investments accounted for using the equity method		3,195	969	867
Property, plant and equipment		1,035	1,080	1,440
Right-of-use assets		1,737	2,499	3,172
Deferred tax assets		733	624	-
Total non-current assets		**234,597**	**207,446**	**221,993**
Current assets				
Inventories		478	1,082	960
Trade and other receivables		44,295	42,205	36,746
Current tax assets		1,673	-	-
Cash and cash equivalents	9	51,870	62,877	42,824
Total current assets		**98,316**	**106,164**	**80,530**
Total assets		**332,913**	**313,610**	**302,523**
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital		1,458	1,458	1,458
Share premium		137,572	137,572	137,572
Retained earnings		140,798	118,450	97,514
Other reserves		11,127	5,086	10,235
Total equity		**290,955**	**262,566**	**246,779**
Non-current liabilities				
Lease liabilities		1,449	2,227	2,889
Provisions		104	127	113
Deferred tax liabilities		5,563	6,281	8,386
Total non-current liabilities		**7,116**	**8,635**	**11,388**
Current liabilities				
Trade and other payables		34,191	40,003	40,282
Current tax liabilities		-	1,714	3,391
Lease liabilities		651	692	683
Total current liabilities		**34,842**	**42,409**	**44,356**
Total liabilities		**41,958**	**51,044**	**55,744**
Total equity and liabilities		**332,913**	**313,610**	**302,523**

*See Note 2 for details of restatement.

Unaudited Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2025

	Share capital	Share premium account	Retained earnings	Other reserves	Total Equity

	Note	£'000	£'000	£'000	£'000	£'000
At 1 January 2024		**1,458**	**137,572**	**97,514**	**10,235**	**246,779**
Comprehensive income						
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		-	-	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**
Comprehensive income						
Profit for the year		-	-	27,240	-	27,240
Other comprehensive expense for the year		-	-	-	6,041	6,041
Total comprehensive income		**-**	**-**	**27,240**	**6,041**	**33,281**
Transactions with owners						
Share based compensation		-	-	438	-	438
Dividends paid		-	-	(5,330)	-	(5,330)
Total transactions with owners		**-**	**-**	**(4,892)**	**-**	**(4,892)**
At 31 December 2025		**1,458**	**137,572**	**140,798**	**11,127**	**290,955**

Unaudited Consolidated Statement of Cashflows
For the Year Ended 31 December 2025

	Note	Year ended 31 December 2025 £'000	Year ended 31 December 2024 (Restated)* £'000
Cash generated from operations	10	57,710	59,949
Income taxes paid		(13,930)	(7,238)
Net cash inflow from operating activities		**43,780**	**52,711**
Cash flows from investing activities			
Payment for investment in Super Media Group		(2,000)	-
Payments for brands		(9,399)	(7,000)
Payments for other intangibles		(4,627)	(1,438)
Payments for property, plant and equipment		(465)	(323)
Payments for capitalised development costs	8	(33,242)	(24,962)
Proceeds from termination of lease agreement		237	-
Proceeds from sale of intangible assets		-	400
Dividends from associates		-	213
Interest received		1,639	1,528
Net cash outflow from investing activities		**(47,857)**	**(31,582)**
Cash flows from financing activities			
Interest paid		(787)	(188)
Principal elements of lease payments		(884)	(583)
Dividends paid to owners of everplay group plc		(5,330)	-
Net cash outflow from financing activities		**(7,001)**	**(771)**
Net (decrease)/increase in cash and cash equivalents		**(11,078)**	**20,358**
Cash and cash equivalents at beginning of year		62,877	42,824
Effect of exchange rates on cash and cash equivalents		71	(305)
Cash and cash equivalents at end of year	9	**51,870**	**62,877**

*See Note 2 for details of restatement.

Notes to the consolidated financial statements
For the Year Ended 31 December 2025

1. General information

The principal activity of everplay 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.

2. Basis of preparation

The preliminary results for the year ended 31 December 2025 are unaudited. The financial information set out in this announcement does not constitute the Group's financial statements for the year ended 31 December 2025 as defined by Section 434 of the Companies Act. This financial information has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. It has been prepared on the historical cost basis, except for those items which are measured at fair value.

This financial information should be read in conjunction with the financial statements of Team17 Group plc for the year ended 31 December 2024 (the "prior year financial statement"), which are available from the Registrar of Companies. The prior year financial statements which were prepared in accordance with UK adopted international accounting standards (UK IFRS) and the applicable legal requirements of the Companies Act 2006. The auditors, PricewaterhouseCoopers LLP, reported on those accounts and their report was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 (2) or (3) of the Companies Act 2006.

The Group's financial statements for the year ended 31 December 2025 will be finalised on the basis of the financial information presented by the Directors in these preliminary results and will be delivered to the Registrar of Companies following the Annual General Meeting of everplay group plc.

Accounting policies

The Group's principal accounting policies used in preparing this information are as stated on pages 70 to 78 of the prior year financial statements. There have been no changes to accounting policies implemented since the date of the prior year financial statements except as disclosed below:

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 2025:

- IFRS 18 - Presentation and Disclosure in Financial Statements
- FRS 19 - Subsidiaries without Public Accountability: Disclosures
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
- Amendments to IFRS 7 relating to classification and measurement in contracts referencing nature-dependent electricity.

The Group will adopt IFRS 18 *Presentation and Disclosure in Financial Statements* when it becomes effective for annual reporting periods beginning on or after 1 January 2027 and does not intend to early adopt the standard. IFRS 18 is expected to result in changes to the presentation and disclosure of information in the financial statements, including new requirements for subtotals in the statement of profit or loss and enhanced disclosures about management-defined performance measures; the Group is currently assessing the impact of its implementation on the consolidated financial statements.

The application of all other standards and interpretations not yet applied are 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.

IP Licences

Where the Group enters into licence agreements with third parties that contain a minimum guaranteed payment obligation, the Group recognises an intangible asset representing the right to use the IP and a corresponding liability at inception. The intangible asset is initially measured at the present value of the minimum guaranteed payments and amortised over the contractual term of the licence in line with the expected returns profile of the asset. The liability is presented in line with the

contractual payment schedule and split between current and non-current portions. Additional royalties payable above the guaranteed amount are expensed as incurred. Intangible assets are subject to impairment testing in line with IAS 36 whenever indicators of impairment arise.

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.

Derivative Financial Instruments

The Group holds derivative financial instruments to reduce exposure to fluctuations in foreign currency exchange rates. Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss.

Trading derivatives are classified as a current asset or liability. The Group does not have any instruments that have been designated as hedge transactions at December 31, 2025. All derivative financial instruments are therefore classified as held for trading.

Prior Year Restatement

During the year the group reassessed its treatment applied to IP licences containing minimum guarantee payments. Historically, minimum guarantee payments were treated as a prepayment of royalty costs. Following this review, such arrangements are recognised as intangible assets representing the right to use licensed intellectual property, with a corresponding liability for the contractual payment obligation. The comparative balance sheet has been restated to reflect this presentation with a decrease in prepayments and an increase in other payables.

The opening and closing comparative consolidated statement of financial position at 1 January 2024 and 31 December 2024 respectively have been restated to reflect the change. Where these changes impact the consolidated statement of cashflows the relevant restatement has also been reflected. There was no material impact to and therefore no restatement of the comparative consolidated statement of profit and loss, the comparative consolidated statement of comprehensive income, the comparative consolidated statement of changes in equity or the comparative reported earnings per share.

Statement of Financial Position (extract)	31 December 2024 £'000	Increase/ (Decrease) £'000	31 December 2024 (Restated) £'000	31 December 2023 £'000	Increase/ (Decrease) £'000	1 January 2024 (Restated) £'000
IP Licence Intangible Asset	-	5,292	5,292	-	6,522	6,522
Prepayments	4,905	(2,329)	2,576	4,141	(1,662)	2,479
Other payables	(404)	(2,963)	(3,367)	(1,387)	(4,860)	(6,247)

Statement of Cashflows (extract)	31 December 2024 £'000	Increase/ (Decrease) £'000	31 December 2024 (Restated) £'000
Amortisation of intangible assets	25,536	1,341	26,697
(Decrease) in trade and other receivables	(9,116)	667	(8,449)
Increase in trade and other payables	7,957	(570)	7,027
Payments for other intangibles	-	(1,438)	(1,438)

Key sources of estimation, uncertainty and significant accounting judgements

Impairment of intangible assets (Estimate)

The testing of development costs impairment is seen by the Group as a significant accounting estimate. Annually, where an impairment trigger occurs 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 future revenues and details of sensitivities to changes in this estimate can be found in note 8. A sensitivity of a 10% decrease in future revenues has been disclosed as a plausible downside scenario for the portfolio, due to the inherent uncertainty of future revenues individual titles may from time to time perform worse than the 10% sensitivity disclosed.

3. 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.

Non-current assets are located in the following locations:

	31 December 2025 £'000	31 December 2024 (Restated)* £'000
UK	107,930	95,755
EU	126,667	111,691
	234,597	**207,446**

*See Note 2 for details of restatement.

4. Revenue

All revenue was generated through the sale or licence of video games. 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 2025 £'000	Year ended 31 December 2024 £'000
First-Party IP	56,130	61,487
Third-Party IP	109,865	105,137
	165,995	**166,624**

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.

With the exception of £760,000 of committed revenue that is to be recognised later than 2026, all other committed revenue contracts in progress at the 31 December 2025 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 following customers each contributed over 10% of the total revenue in 2025 and 2024:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Steam	49,887	44,746
Microsoft	15,627	17,035
Sony	26,412	31,904
Nintendo	18,291	18,496
Apple	23,247	18,812
Customers contributing <10%	32,531	35,631

	165,995	**166,624**

5. Operating Profit

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 (Restated)* £'000
The following items are charged/(credited) in arriving at operating profit:		
Cost of sales		
Amortisation of development costs (note 8)	14,164	13,482
Amortisation of publishing rights (note 8)	1,117	256
Amortisation of IP licences (note 8)	1,599	1,341
Net (reversal of Impairment)/Impairment of development costs (note 8)	(259)	4,742
Administrative expenses		
Amortisation of brands (note 8)	6,714	6,112
Amortisation of acquired apps (note 8)	4,983	4,916
Amortisation of customer and developer relationships (note 8)	-	500
Amortisation of other intangibles (note 8)	136	90
Impairment of goodwill (note 8)	-	991
Impairment of intangible assets (note 8)	-	3,572
Depreciation of property, plant and equipment	521	596
Depreciation of right-of-use assets	631	676
Net gain on disposal of intangible assets (note 8)	-	43
Net profit on disposal of property, plant and equipment	41	7
Auditors' remuneration:		
Fees payable to the Company's auditors for the audit of everplay group Plc	229	236
Additional fees in respect of prior year audit	-	98
Fees payable to the Company's auditors for the audit of Company's subsidiaries	276	307

*See Note 2 for details of restatement.

During the year £2,000 (FY 2024: £Nil) was paid to the Company's auditors for non-audit fees.

6. Taxation

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Current tax:		
Current year tax	10,353	8,769
Overseas tax suffered	45	-
Video Games Tax Relief	(18)	(115)
Double tax relief	(29)	-
Adjustments in respect of prior periods:		
Video Games Tax Relief	(129)	-
Other	293	(1,103)
Deferred tax:		
Origination and reversal of temporary differences	(1,567)	(2,418)
Adjustments in respect of prior periods	400	-
Total tax charge	**9,348**	**5,133**

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Reconciliation of total tax charge:		
Profit before tax	36,588	25,323
Taxation using the UK Corporation Tax rate of 25% (2024: 25%)	9,147	6,331
Effects of:		
Expenses not deductible for tax purposes	580	529
Non-taxable income	(55)	-
Video Games Tax Relief	(18)	(115)
Adjustment in respect of prior periods	564	(1,103)
Overseas tax suffered	45	-
Double tax relief	(29)	-
Movements in deferred tax not recognised	54	-
Difference in overseas tax rates	(940)	(509)
Total tax charge	**9,348**	**5,133**

Deferred taxes at the balance sheet date have been measured using the enacted local tax rates of between 12.5% and 32.5% (2024: 12.5% and 32.5%).

7. 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 2025	Year ended 31 December 2024
Profit attributable to shareholders £'000	27,240	20,190
Weighted average number of shares	144,058,825	143,924,037
Weighted average diluted number of shares	144,687,535	144,250,472
Basic earnings per share (pence)	18.9	14.0
Diluted earnings per share (pence)	18.8	14.0

8. Intangible Assets

	Development costs £'000	Brands £'000	Acquired apps £'000	Customer and developer relationships £'000	Publish-ing rights £'000	IP Licences (Restated)* £'000	Goodwill £'000	Other intangibles £'000	Total (Restated) £'000
Cost									
At 31 December 2023	84,080	80,617	37,218	5,019	-	-	107,123	1,020	315,077
Restatement*	-	-	-	-	-	7,122	-	-	7,122
At 1 January 2024	84,080	80,617	37,218	5,019	-	7,122	107,123	1,020	322,199
Additions	24,962	-	-	-	2,000	452	-	-	27,414
Translation on foreign operations	(1,097)	(133)	(1,730)	85	-	(161)	(2,586)	(48)	(5,670)
Disposals	(1,678)	-	-	-	-	-	-	-	(1,678)
At 31 December 2024	106,267	80,484	35,488	5,104	2,000	7,413	104,537	972	342,265
Additions	33,242	9,399	-	-	4,049	1,606	-	64	48,360

Disposals	-	-	-	-	-	(578)	-	-	(578)
Translation on foreign operations	1,977	213	1,942	(356)	-	(395)	1,766	56	5,203
At 31 December 2025	**141,486**	**90,096**	**37,430**	**4,748**	**6,049**	**8,046**	**106,303**	**1,092**	**395,250**
Accumulated Amortisation and Impairment									
At 31 December 2023	49,008	22,985	10,409	1,003	-	-	20,879	801	105,085
Restatement*	-	-	-	-	-	600	-	-	600
At 1 January 2024	49,008	22,985	10,409	1,003	-	600	20,879	801	105,685
Charge for the year	13,482	6,112	4,916	500	256	1,341	-	90	26,697
Net Impairment	4,742	-	-	3,572	-	-	991	-	9,305
Translation on foreign operations	(281)	(26)	(588)	29	-	180	353	(42)	(375)
Disposals	(1,321)	-	-	-	-	-	-	-	(1,321)
At 31 December 2024	65,630	29,071	14,737	5,104	256	2,121	22,223	849	139,991
Charge for the year	14,164	6,714	4,983	-	1,117	1,599	-	136	28,713
Net reversal of impairment	(259)	-	-	-	-	-	-	-	(259)
Disposals	-	-	-	-	-	(578)	-	-	(578)
Translation on foreign operations	587	42	899	(356)	-	(190)	(1,549)	53	(514)
At 31 December 2025	**80,122**	**35,827**	**20,619**	**4,748**	**1,373**	**2,952**	**20,674**	**1,038**	**167,353**
Net carrying amount									
At 31 December 2025	**61,364**	**54,269**	**16,811**	**-**	**4,676**	**5,094**	**85,629**	**54**	**227,897**
At 31 December 2024	**40,637**	**51,413**	**20,751**	**-**	**1,744**	**5,292**	**82,314**	**123**	**202,274**

*See Note 2 for details of restatement.

Acquisitions

Acquisition of Hammerwatch

On 23 June 2025, Team 17 Digital Limited acquired the Hammerwatch IP from Crackshell AB, a company incorporated in Sweden, for a maximum payment of £10,000,000. This purchase consists of an initial cash payment of £6,000,000 and a further £4,000,000 conditional on future performance of new content and continued employment. The purchase is not being accounted for as a business combination under IFRS 3 due to the assets being acquired comprising a single group of assets under the concentration test as set out in "Definition of a Business (Amendments to IFRS 3)" by the IASB issued in October 2018. As such the acquisition is considered an asset purchase under IAS 38 - Intangible Assets and is treated as a Brand asset. The initial cash payment of £6,000,000 is treated as consideration and capitalised in full. As any payments are conditional on future performance of new content and reliant on continued performance they have been classified as remuneration and will be expensed as incurred.

Acquisition of Bearded Brothers

On 23 June 2025, astragon Entertainment GmbH acquired a number of IPs from Raccoons Studio S.A, a company incorporated in Poland. The IPs are known collectively as the Bearded Brothers IPs. The purchase price for this acquisition was a fixed price of £3,339,000. The purchase is not being accounted for as a business combination under IFRS 3 due to the assets being acquired comprising a single group of assets under the concentration test as set out in "Definition of a Business (Amendments to IFRS 3)" by the IASB issued in October 2018. As such the acquisition is considered an asset purchase under IAS 38 - Intangible Assets and is treated as a Brand asset.

Finite Life Asset Categories

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.

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 is calculated on a straight line basis over the assets estimated useful life of between 8 and 15 years.

Brands	8 to 15 years straight line

Acquired games and apps
These represent games and apps separately identifiable within a business combination. 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

Customer and developer relationships
Customer and developer relationships represent the value of relationships held with customers and developers acquired through business combinations. The Group capitalises the costs of developing new games for release to the market. The asset has previously been written down in full and is tested annually for indicators that the impairment should be reversed.

Publishing Rights
Publishing rights represent payments to secure the rights to publish a game title that has already been launched for a fixed future term. Amortisation is calculated over the estimated useful life of the publishing rights and amortisation is calculated using the sum of digits method. Currently the useful life of publishing rights ranges between 5 and 8 years.

IP Licences
Where the Group enters into licence agreements with third parties that contain a minimum guaranteed payment obligation, the Group recognises an intangible asset representing the right to use the IP. Currently the useful life of IP licences ranges between 3 and 5 years, the intangible asset is amortised over this period on a profile in line with the expected benefit of the licence. IP licences form part of the same cash generating unit as the development cost assets to which they relate. Impairment is considered as part of the development cost impairment testing.

Indicators of impairment
All finite life intangible assets are considered for impairment indicators bi-annually. For those assets where an impairment indicator exists the recoverable amount is assessed against the carrying value.
The recoverable amount of all finite life intangible assets at 31 December 2025 are determined from the value in use. In arriving at a value in use, management has used cashflow forecasts in line with the expected useful life of the assets.

Through this process, a net reversal of impairment of £259,000 (2024: £4,742,000 charge) was recognised on development cost assets. This reversal of impairment is due to titles expected to be terminated now having a release plan. Impairment is stated as the net of £207,000 (2024: £5,862,000) of impairment charges and £466,000 (2024: £1,120,000) of reversals of impairment. No impairment was identified in any other category of intangible asset.

Key assumptions used for value-in use calculations
Management considers that across all finite life asset classes projected future cash inflows to be the sole key assumption in calculating the value in use of each asset.

Impact of possible changes in key assumptions
Management has considered reasonable possible changes in the key assumption of revenues that would lead to an impairment in each asset class.

In the case of development costs a 10% decrease in revenues across all titles with an impairment indicator would lead to an additional impairment charge in the year of £857,000 (2024: 10% decrease in revenues would have resulted in an additional impairment charge of £263,000).

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)

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 2024	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
Foreign exchange	-	1,027	2,288	-	3,315
At 31 December 2025	22,379	19,785	43,465	-	85,629

The Group tests goodwill for impairment on an annual basis and whenever there is an indication of impairment. For the 2025 and 2024 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the long-term growth rate. The discount rates and terminal growth used in the impairment assessment of each CGU is as follows:

	2025		2024	
CGU	**Pre-Tax Discount Rate Used**	**Terminal Growth Rate Used**	**Pre-Tax Discount Rate Used**	**Terminal Growth Rate Used**
Team 17 Digital	14.0%	2.0%	14.1%	2.0%
StoryToys (Edutainment)	18.5%	2.0%	21.3%	2.0%
astragon (Simulation)	15.2%	2.0%	15.7%	2.0%

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
- Revenue (New releases and Back catalogue)

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
Management has assessed the sensitivity of the value-in-use calculations to reasonably possible changes in key assumptions.

For the Team17 Digital CGU and StoryToys (Edutainment) CGU, management concluded that reasonably possible changes in key assumptions would not result in the carrying amount exceeding the recoverable amount.

For the astragon (Simulation) CGU, the recoverable amount exceeds the carrying value, however management consider the valuation to be sensitive to changes in revenue relating to currently unreleased titles.

A reduction in forecast revenues relating to currently unreleased titles of approximately 25**%** across the forecast period would reduce the recoverable amount to the carrying value of the CGU (2024: 12% reduction), where all other assumptions remain unchanged. Management believes that no reasonable possible change in any other key assumptions would cause the carrying amount of the CGU to exceed its recoverable amount.

The recoverable amount of the astragon (Simulation) CGU is estimated to exceed the carrying amount of the CGU at 31 December 2025 by £78,545,000 (2024: £31,048,000)

Impairment of Team17 (USA)
The prior year impairment review of Team17 (USA) identified impairment of £991,000 to Goodwill and a further impairment of £3,572,000 to Customer and Developer Relationship intangible assets. This reduced both Goodwill and the value of the intangible asset to nil. Team17 (USA) is focused on developing games for the mobile subscription market. There have been no changes to the assumptions of the Group that due to an increasingly competitive landscape, key employees leaving the CGU and the current pipeline, the remaining carrying value of Intangible assets associated with the purchase therefore remain at 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

9. Cash and cash equivalents

	31 December 2025 £'000	31 December 2024 £'000
Cash at bank and in hand	49,261	60,178
Restricted cash	2,609	2,699
	51,870	62,877

Included within the restricted cash balance above is £2,609,000 (FY 2024: £2,699,000) 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.

10. Cash generated from operations

	Year ended 31 December 2025 £'000	Year ended 31 December (Restated)* 2024 £'000
Cash flow from operating activities		
Profit before tax	36,588	25,323
Adjustments for:		
Amortisation of intangible assets	28,713	26,697
Net (reversal of impairment)/impairment of intangible assets	(259)	9,305
Depreciation of property, plant and equipment	521	596
Depreciation of right-of-use assets	631	676
Gain on disposal of intangible assets	-	(43)
Gain on disposal of tangible assets	(38)	(7)
Share based compensation	438	741
Share of profit of associates	(196)	(307)
Fair value adjustment to derivatives	46	-
Finance income	(1,639)	(1,696)
Financial expenses	787	243
Operating cash flow before changes in working capital	**65,592**	**61,528**
Increase in trade and other receivables	(783)	(8,449)
(Decrease)/Increase in provisions	(24)	14
(Decrease)/Increase in trade and other payables	(7,726)	7,027
Decrease/(increase) in inventory	651	(171)
Cash generated from operations	**57,710**	**59,949**

*See Note 2 for details of restatement.

11. 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 1.9 pence per fully paid ordinary share (2024: 2.7 pence). The aggregate amount of the proposed dividend expected to be paid on 19 June 2026. The dividend not recognised as a liability at year end, is £2,771,000 (2024: £3,890,000). An interim dividend of 1.0 pence with a value of £1,440,000 (2024: nil) was paid on 10 October 2025.

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