

9 April 2026

Devolver Digital, Inc.

("Devolver Digital", "Devolver" or the "Company", and the Company together with all of its subsidiary undertakings "the Group")

Unaudited preliminary results¹ for the year ended 31 December 2025

*Continued revenue uptick, 39% Adjusted EBITDA² growth, in line with consensus
Positive free cashflow generation in 2H*

Devolver Digital, an award-winning digital publisher and developer of independent ("indie") video games, announces its unaudited results for the twelve months ended 31 December 2025. All figures relate to this period unless otherwise stated.

Momentum across business reflects the strength of a balanced portfolio

- 15 new titles released in 2025, reflecting long-term investment in our pipeline and business
 - Strong average Metacritic score of 78 for new releases in 2025
 - Notable successes including *Monster Train 2*, *Stronghold Crusader: Definitive Edition* and *BALL x PIT*
 - Lower cost releases such as *Look Outside* and *Mycopunk* performed ahead of expectations
- 2H 2025 revenues bolstered by timing of platform deals and 3Q Devolver Publisher Sale on Steam
- 218% annual increase in revenues from front catalogue releases
- Positive free cash flow generation in 2H 2025 owing to the disciplined strategy implemented

Key Performance Indicators¹

Year ending 31 December, US\$m	2025	2024	yoy %
Revenue	107.9	104.8	3.0%
Gross profit	33.1	30.1	10.1%
Statutory loss for the period	(16.0)	(6.4)	<i>n.m.</i>
Basic and diluted loss per share (\$)	(0.034)	(0.013)	<i>n.m.</i>
Cash balance at period end	36.6	41.6	(12.0%)
Adjusted EBITDA ² before performance-related impairments	11.4	9.6	18.5%
Adjusted EBITDA²	7.1	5.1	39.4%
Adjusted EBIT	1.4	(2.8)	<i>n.m.</i>

Revenue and Adjusted EBITDA growth in line with FY25 consensus

- Growth in underlying Adjusted EBITDA pre non-cash impairment, to US\$11.4m (2024: US\$9.6m)
- Disciplined cost control with adjusted operating expenses 1.1% lower year-on-year
- Non-cash impairment from underperforming releases of US\$4.3m in 2025 (2024: US\$4.5m)

- Adjusted EBITDA (after impairments), of US\$7.1m, with EBIT of US\$1.4m after reflecting US\$5.7m expense from amortisation of acquired software and depreciation of assets
- Statutory net loss of US\$16.0m³ (2024: US\$6.4m loss), after US\$14.6m of non-cash tax expense related to unwind of deferred tax assets, and US\$3.7m of share-based payment expense
- Robust balance sheet with c.US\$36.6m net cash at 31 December 2025, an improvement versus 1H 2025 (\$34.7m) as a result of positive free cash generation in 2H 2025

Current trading and outlook

- Positive start in January 2026 with *Quarantine Zone: The Last Check* performing strongly in the weeks after release and three titles in Steam⁴ *Global Best Sellers Top 10 list*, a Devolver 'first'
- Pipeline of at least 13 new titles in FY26 with greater visibility and control over our release cadence
- FY26 pipeline includes two games with significant budgets (*STARSEEKER: Astroneer Expeditions* and *Serious Sam: Shatterverse*) as well as several lower cost third-party releases, in line with our longer-term strategy
- In total our pipeline has over 30 new titles due for release over the next three years
- Continued focus on expandable games, prioritising premium titles with long-term engagement through meaningful paid for and free content updates to strengthen player retention and increase the long-term value of our back catalogue
- Ongoing commitment to disciplined investment to support high-quality creative games
- Expect to deliver continued revenue and Adjusted EBITDA growth in 2026
- Adjusted EBITDA is expected to be significantly first half weighted due to the pace of scheduled game releases, the Devolver publisher sale on Steam and timing of recognition of platform deals

Harry Miller, Chief Executive Officer of Devolver, said:

"In a broadly flat gaming market, Devolver delivered another year of progress in 2025, with revenue and Adjusted EBITDA growth and performance in line with consensus. Our multi-year investment in our pipeline and greenlight process came through in 15 new releases, including successes such as *Monster Train 2*, *BALL x PIT* and lower cost titles such as *Look Outside and Mycopunk*. Our mix of first-party and third-party IP, alongside a healthy contribution from new releases and our back catalogue, continues to demonstrate the resilience of the Devolver model.

We continue to see the benefits of our expandable games strategy, with content updates and strong community engagement extending the commercial life of key titles such as *Stronghold Crusader: Definitive Edition*, as well as *Astroneer's* second paid downloadable content (PDLC) *Megatech*.

With a strong start to 2026, including excellent early performance from new releases and content updates, disciplined cost control and a robust pipeline including three major 1st party titles, *STARSEEKER: Astroneer Expeditions*, *Serious Sam: Shatterverse* and *Stronghold Unreal*, we are excited about the opportunities for continued progress in the year ahead."

Notes:

1. Preliminary unaudited results – refer to full statutory tables below in this report.
2. Adjusted EBITDA ("EBITDA") makes the following adjustments: it excludes: i) stock compensation (share-based payment) expenses and revaluation of contingent consideration; ii) one-time expenses and other non-recurring items; iii) amortisation of IP (but does not exclude amortisation of capitalised software development costs), and; iv) impairments of goodwill and acquired IP. Released game performance impairments are included in Adjusted EBITDA.
3. Including non-cash impact of US\$3.7 million of share-based payments.
4. Steam is the world's largest one-stop-shop platform for gamers to buy, store and play video games.

About Devolver Digital

Devolver is an award-winning video games publisher in the indie games space with a balanced portfolio of third-party and own-IP. Devolver has an emphasis on premium games and has published more than 145 titles, with more than 30 titles in the pipeline scheduled for release over the next three years. Devolver has in-house studios developing first-party IP titles and a complementary publishing brand. Devolver is registered in Wilmington, Delaware, USA.

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Management will host a presentation for analysts this morning. This is an invitation only event. Please direct any enquiries to devolver@fticonsulting.com if you would like further information.

OPERATING REVIEW

2025: Continued growth driven by the strength of our balanced portfolio

Devolver released 15 new well-received titles in 2025 (2024: 10) with an average Metacritic score of 78 (2024: 79). We finished the year with a balanced portfolio that includes successful new releases across both third-party publishing and internally-developed first-party IP.

We recorded strong performance from our third-party IP titles. *Baby Steps* released with a Metacritic score of 76 and 90% very positive Steam user reviews. Breakout hit *BALL x PIT*, released in October 2025, garnered an 87 Metacritic score and an overwhelmingly positive user review Steam score of 96%. In the first 10 weeks of release to the end of December 2025 it sold over 1 million units on Steam alone, contributing meaningfully to front catalogue revenues. Our publisher subsidiary Big Fan also saw success with *Monster Train 2*, the sequel in the popular franchise, also with a high 87 Metacritic score, further bolstered by a Game Pass subscription deal upon release.

Lower-cost third-party titles such as *Mycopunk* and *Look Outside* performed ahead of expectations, demonstrating the benefits of a balanced investment approach across budget tiers. *GORN 2* was identified by Meta as the best-selling Premium Game on its Virtual Reality platform to date in 2025. Meanwhile, 1st party titles were also active, with *Stronghold Crusader: Definitive Edition* from our

subsidiary Firefly another success with sales exceeding our already high expectations for the title. *The Talos Principle: Reawakened*, the long-awaited Definitive Edition of this seminal game, was released from our studio Croteam, a third title registering an excellent 87 Metacritic score. At the same time, our Seattle-based studio System Era released the second Paid Downloadable Content (PDLC) release *Megatech* from their long-running popular game *Astroneer*.

Overall, 2025 front catalogue revenues rose 218% year-over-year to US\$37.9 million (2024: US\$11.9 million), the highest quantum of new release revenue for the last three years, accounting for 36% of total revenues for the year. Back catalogue revenues were down 24% year-on-year to US\$68.9 million (2024: US\$91.1 million), an improvement from the 38% annual fall in 1H 2025, as the 2H saw the Steam publisher sale and a greater proportion of platform deals. The full revenue split in 2025 was 36% front catalogue, and 64% back catalogue, a more balanced mix than at the first half.

Despite the lower share this year, our back catalogue remains a cornerstone of the business. Early 2026 further reinforced the enduring strength of our portfolio, with *BALL x PIT* seeing content updates and its launch onto console and mobile, and new content for *Cult of the Lamb* - the substantial *Woolhaven* PDLC - receiving widespread acclaim.

Overall, the new wave of content brought to market in 2025 has injected fresh impetus into the back catalogue this year which should lead to further positive growth again in 2026. This approach will further strengthen Devolver's strategic flexibility and long-term earnings potential.

Platform releases drive further discoverability and revenue opportunity

Multiple Devolver titles featured in key showcase events are planned for release on next-generation platforms, broadening reach, reducing platform concentration risk and increasing tail revenue potential across install bases.

On the back of the 1H reveal of Switch 2 at Nintendo's April 2025 showcase event, in which three future Devolver games were highlighted, we have now launched *Skate Story* and *BALL x PIT* to this console, the first of 8 games we have initially identified for introduction to Switch 2 going forward. Since Switch 2 launched in June 2025, it has sold over 17m units, indicating strong early adoption to the console. We look forward to several more Devolver games coming to Switch 2 during 2026.

Massive Monster's enduring hit game *Cult of the Lamb* finally came to mobile, being launched on the mobile platform subscription service Apple Arcade in December 2025. The game entered the subscription service in December 2025 having received funding support from Apple, and since then has also generated ongoing Bonus Pool payments based on the number of player/hours on the platform. More recently, *BALL x PIT* released in March 2026 onto Apple App Store and Google Play mobile platforms, a continuation of the introduction to our most popular games to mobile formats.

FINANCIAL REVIEW

Unaudited results to December 31 2025

The unaudited preliminary results included in this announcement cover the Group's combined activities for the twelve months ended 31st December 2025, prepared in accordance with applicable International Financial Reporting Standards ("IFRS").

Adjusted results

The following refers to Adjusted results, as presented in the financial statements contained within this release. Adjusted results exclude any one-time exceptional items during the respective half-year periods.

Adjusted EBITDA results are not intended to replace statutory results and are prepared to provide a more comparable indication of the Group's core business performance by removing the impact of certain items including non-recurring exceptional items, and other non-trading items that are reported separately. These results have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results. Further details of adjustments are given in Note 4 to the condensed financial statements contained within this annual results release.

P&L results and margins

Revenue performance was in line with guidance given at the start of the year, rising 3.0% year-on-year to US\$107.9 million, a continuation in growth on the back of 2024's prior year improved result.

Gross Profit after non-cash impairments increased 10.1% year-on-year to US\$33.1 million. Gross margins expanded to 30.7%, up from 28.7% in 2024, primarily due to an 11% reduction in marketing costs, and a 24% decline in game development expenditure (that is expensed and not capitalised) in the period.

Adjusted EBITDA and Adjusted EBITDA margins – pre impairments

Adjusted EBITDA pre impairments rose to US\$11.4 million, up 18.5% from US\$9.6 million in 2024. Adjusted EBITDA margins pre impairments improved to 10.6% for full year 2025, compared to 9.2% in 2024.

Impairments to carrying value of released games

At year-end 2025 the Group assessed the balance sheet carrying value of capitalised development costs of certain titles published in 2025 and previous periods. It was determined that there was a need to impair their carrying value based on continued low unit sales through to year end 2025 and reduced future projections. The non-cash charge of US\$4.3 million as a write-down for impairment in their carrying value reduces 2025 Adjusted EBITDA (after impairments) to US\$7.1 million (2024: US\$5.1 million).

Disciplined Cost Control, Adjusted EBIT

Cost control initiatives helped keep adjusted operating expenses under control, down by 1.1% to US\$26.5 million (2024: US\$26.8 million). Overall operating costs fell 7.9% to US\$35.7 million (2024: US\$38.7 million), due largely to a 27.9% fall in amortisation expense of acquired IP and depreciation of assets.

Adjusted EBIT was US\$1.4 million after reflecting US\$5.7 million of amortisation of acquired IP and depreciation of assets.

Deferred tax asset write-down, Statutory Net Loss

During 2025, the Group made a non-cash write-down of deferred tax assets totalling US\$14.6 million, of which US\$5.9 million related to cumulative Stock Option Share-based payment expenses, given lack of visibility if such deferred tax assets would be utilised. As a result, statutory net loss for 2025 was US\$16.0 million, compared to a loss of US\$6.4 million in 2024.

Cash Balances

Cash holdings at end of December 2025 were US\$36.6 million, up from US\$34.7 million at the end of June 2025, as Devolver moved into a free cashflow positive position in the 2H of the year. Devolver Group has no borrowings.

Equity Incentive Plans

In October 2025 Devolver shareholders approved a reset to the Company's equity incentive arrangements with the aim of re-incentivising staff across the Group to support the forward trajectory of the Company and build on the work over the last 18 months.

Underwater stock options granted under the 2017 Equity Incentive Plan had their exercise prices repriced to the prevailing fair market value of £0.27 per share. The quantum of those options was reduced by between 15% and 30% dependent on original strike price. The repricing proposal was very well received by employees across the Group with 92% uptake, resulting in a reduction of 4.8m outstanding options from the 2017 Equity Incentive Plan.

In addition, a newly established 2025 Equity Incentive Plan was introduced and designed to incentivise various employees at the leadership level of the Company for performance that delivers value for shareholders in future, with a grant of 21,687,070 options stock options at an exercise price of £0.255, subject to annual vesting over 3 years (1/3 each year), with a 6-month lock up at each vesting period.

Taken together with the 2025 Plan awards the total outstanding options at the end of 2025 is 46.9 million.

CURRENT TRADING OUTLOOK

Trading in 2026 has started strongly so far, which bolsters our confidence that we can deliver another consecutive year of growth in revenues and Adjusted EBITDA for the full year. Given the timing of platform deals and our Steam Publisher sale, we expect the 1H of 2026 to be significantly stronger than the 2H. We have several substantial first party titles releasing through the course of the year, including *STARSEEKER: Astroneer Expeditions*, as well as numerous exciting third-party IPs. Taken together with the renewed positive back catalogue momentum the Board believes that we will continue to show steady progress, and we look forward to reporting more success through 2026. We expect to continue free cashflow generation through the year which should strengthen our strong balance sheet and offer further opportunities for growth going forward.

Harry Miller
Chief Executive Officer

Consolidated Statement of Profit or Loss

	Note	Unaudited Year ended 31-Dec-25 US\$'000	Audited Year ended 31-Dec-24 US\$'000
Revenue	2	107,896	104,781
Cost of sales		(74,808)	(74,716)
Gross profit		33,088	30,065
Administrative expenses		(35,664)	(38,729)
Other income / (loss)		(563)	1,496
Operating profit / (loss)		(3,139)	(7,168)
Finance costs		(158)	(288)
Finance income		728	769
Profit / loss before taxation		(2,569)	(6,687)
Income tax (expense) / benefit		(13,407)	328
Loss for the period		(15,976)	(6,359)
Loss for the period is attributable to:			
Equity holders of the parent		(15,971)	(6,141)
Non-controlling interests		(5)	(218)
Loss for the period		(15,976)	(6,359)
Basic and diluted loss per share (\$)	3	(0.034)	(0.013)
Non-IFRS measures			
Adjusted EBITDA* before performance-related impairments	4	11,388	9,610
Adjusted EBITDA*	4	7,083	5,083
Adjusted EBIT* before performance-related impairments	4	5,715	1,738
Adjusted EBIT / (LBIT)*	4	1,410	(2,789)

*Adjusted EBITDA is a non-IFRS measure and is defined as earnings before interest, tax, depreciation, amortisation (but does not exclude amortisation of capitalised software development costs), share-based payment expenses, foreign exchange gains or losses and one-time non-recurring items and non-trading items.

*Adjusted EBIT is a non-IFRS measure and is defined as earnings before interest, tax, share-based payment expenses, foreign exchange gains or losses and one-time non-recurring items and non-trading items.

Consolidated Statement of Comprehensive Income

	Unaudited Year ended 31-Dec-25 US\$'000	Audited Year ended 31-Dec-24 US\$'000
Loss for the period	(15,976)	(6,359)
Other comprehensive income: Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	1,181	(644)
	<hr/>	<hr/>
Total comprehensive loss for the period	(14,795)	(7,003)
Total comprehensive loss is attributable to:		
Equity holders of the parent	(14,790)	(6,785)
Non-controlling interests	(5)	(218)
	<hr/>	<hr/>
Total comprehensive loss for the period	(14,795)	(7,003)

Consolidated Statement of Financial Position

	Note	Unaudited As at 31-Dec-25 US\$'000	Audited As at 31-Dec-24 US\$'000
ASSETS			
Non-current assets			
Goodwill	5	31,902	31,902
Other intangible assets	5	103,981	99,337
Property, plant and equipment		227	162
Right of use asset		705	967
Employee loans		269	327
Deferred tax assets		-	7,554
Total non-current assets		137,084	140,249
Current assets			
Trade and other receivables		16,338	16,855
Cash and cash equivalents		36,618	41,645
Employee loans		458	442
Short-term investments		-	464
Prepaid income tax		2,610	1,570
Total current assets		56,024	60,976
Total assets		193,108	201,225
EQUITY AND LIABILITIES			
Equity			
Share capital		47	47
Share premium		157,683	157,683
Retained earnings		28,947	43,514
Translation reserve		(57)	(1,238)
Capital redemption reserve		(32,926)	(34,469)
Equity attributable to owners of the parent		153,694	165,537
Non-controlling interest		(307)	(302)
Total equity		153,387	165,235
Non-current liabilities			
Trade and other payables		1,496	10,569
Deferred tax liabilities		6,086	-
Lease liability		601	876
Deferred revenue		-	-
Total non-current liabilities		8,183	11,445
Current liabilities			
Trade and other payables		29,858	19,953
Lease liability		279	228
Deferred revenue		1,222	3,950
Current tax payable		179	414
Total current liabilities		31,538	24,545
Total liabilities		39,721	35,990
Total equity and liabilities		193,108	201,225

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Capital redemption reserve	Translation reserve	Retained earnings	Attributable to owners of the parent	Non- controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 31 December 2024 (audited)	47	157,683	(34,469)	(1,238)	43,514	165,537	(302)	165,235
Loss for the period	-	-	-	-	(15,971)	(15,971)	(5)	(15,976)
Currency translation differences	-	-	-	1,181	-	1,181	-	1,181
Other movements	-	-	1,543	-	(1,116)	427	-	427
Fair value adjustment	-	-	-	-	-	-	-	-
<i>Transactions with owners in their capacity as owners:</i>								
Loss on EBT	-	-	-	-	(1,157)	(1,157)	-	(1,157)
Share-based payments	-	-	-	-	3,677	3,677	-	3,677
Total transactions with owners	-	-	-	-	2,520	2,520	-	2,520
Balance at 31 December 2025 (unaudited)	47	157,683	(32,926)	(57)	28,947	153,694	(307)	153,387

	Share capital	Share premium	Capital redemption reserve	Translation reserve	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 31 December 2023 (audited)	45	146,106	(34,531)	(594)	47,092	158,118	(84)	158,034
Loss for the period	-	-	-	-	(6,141)	(6,141)	(218)	(6,359)
Currency translation differences	-	-	-	(644)	-	(644)	-	(644)
Other movements	-	-	62	-	(106)	(44)	-	(44)
Fair value adjustment	-	-	-	-	(737)	(737)	-	(737)
<i>Transactions with owners in their capacity as owners:</i>								
Loss on EBT	-	-	-	-	(105)	(105)	-	(105)
Share-based payments	-	-	-	-	3,511	3,511	-	3,511
Share placement	2	9,785	-	-	-	9,787	-	9,787
SES deferred share consideration	-	1,792	-	-	-	1,792	-	1,792
Total transactions with owners	2	11,577	-	-	3,406	14,985	-	14,985
Balance at 31 December 2024 (unaudited)	47	157,683	(34,469)	(1,238)	43,514	165,537	(302)	165,235

Consolidated Statement of Cash Flows

	Unaudited Year ended 31-Dec-25 US\$'000	Audited Year ended 31-Dec-24 US\$'000
Profit / (loss) for the period before taxation	(2,569)	(6,687)
Adjustments for:		
Depreciation of tangible fixed assets	133	155
Depreciation of right-of-use assets	262	220
Amortisation of intangible fixed assets	24,356	24,861
Impairment of intangible fixed assets	4,804	4,527
Finance income	(728)	(769)
Finance costs	158	288
Share-based payment charge	3,677	3,511
Foreign exchange movements	(502)	(141)
Fair value adjustments	540	-
Other non-cash movements	(2,415)	(2,208)
Movements in working capital:		
Receivables	1,011	3,997
Payables	3,075	(3,956)
Cash inflow from operations	31,802	23,798
Taxation paid	(2,657)	(1,534)
Taxation received	756	-
Net cash inflow from operating activities	29,901	22,264
Cash flows from investing activities		
Purchase of intangible assets	(36,278)	(30,654)
Purchase of tangible assets	(217)	(51)
Acquisitions of businesses, net of cash acquired	-	-
Net cash outflow from investing activities	(36,495)	(30,705)
Cash flows from financing activities		
Share placement	-	9,785
Interest received	711	751
Interest paid	(443)	(171)
Repayment of lease liabilities	(383)	(160)
Net cash (outflow)/inflow from financing activities	(115)	10,205
Cash and cash equivalents		
Net (decrease) / increase in the period	(6,709)	1,764
At 1 January	41,645	40,424
Foreign exchange movements	1,682	(543)
At 31 December	36,618	41,645

Note 1: Basis of preparation and consolidation

After reviewing the Group's forecasts and projections and taking into account current net cash balances, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which is defined as period of not less than 12 months from the date of publication of this Annual Report. The Group has therefore adopted the going concern basis in preparing the Annual Report.

The financial presentation in this release should be read in conjunction with the notes to the consolidated financial statements as at and for the full year ended 31 December 2025, as contained within this release.

These preliminary unaudited financial statements were approved by the Board of Directors on 8th April 2026.

Note 2: Revenue

	Unaudited Year ended 31-Dec-25 US\$'000	Audited Year ended 31-Dec-24 US\$'000
Revenue analysed by class of business:		
Game publishing	107,896	104,781
Revenue analysed by timing of revenue:		
Transferred at a point in time	107,896	104,781

The Group does not provide any information on the geographical breakdown of revenues, as game publishing revenue is earned via third-party distribution platforms which hold the sales data of end consumers.

Note 3: Earnings Per Share

	Unaudited Year ended 31-Dec-25 US\$'000	Audited Year ended 31-Dec-24 US\$'000
Loss attributable to owners of the company	(15,971)	(6,141)
Weighted average number of shares	474,505,562	456,953,855
Dilutive effect of share options	-	-
Weighted average number of diluted shares	<u>474,505,562</u>	<u>456,953,855</u>
Basic and diluted loss per share (\$)	(0.034)	(0.013)

Note 4: Adjusted Results

	Unaudited Year ended 31-Dec-25 US\$'000	Audited Year ended 31-Dec-24 US\$'000
<u>Revenue</u>		
Reported Revenue	107,896	104,781
Reported Revenue growth	3.0%	13.0%
<u>Gross Profit</u>		
Reported Gross Profit	33,088	30,065
Reported Gross Profit margin	30.7%	28.7%
Performance-related impairments	4,305	4,527
Adjusted Gross Profit	37,393	34,592
Adjusted Gross Profit margin pre performance-related impairment margin	34.7%	33.0%
<u>Adjusted EBITDA*</u>		
Adjusted EBITDA	7,083	5,083
Adjusted EBITDA margin	6.6%	4.9%
Performance-related impairments	4,305	4,527
Adjusted EBITDA pre performance-related impairment	11,388	9,610
Adjusted EBITDA pre performance-related impairment margin	10.6%	9.2%
<u>Adjusted EBIT</u>		
Adjusted EBIT / (LBIT)	1,410	(2,789)
Adjusted EBIT / (LBIT) margin	1.3%	(2.7)%
Performance-related impairments	4,305	4,527
Adjusted EBIT pre performance-related impairment	5,715	1,738
Adjusted EBIT pre performance-related impairment margin	5.3%	1.7%

*Adjusted EBITDA is a non-IFRS measure and is defined as earnings before interest, tax, depreciation, amortisation (but not excluding amortisation of capitalised software development costs), share-based payment expenses, foreign exchange gains or losses, fair value adjustments and one-time non-recurring items and non-trading items.

*Adjusted EBIT is a non-IFRS measure and is defined as earnings before interest, tax, share-based payment expenses, foreign exchange gains or losses, fair value adjustments and one-time non-recurring items and non-trading items.

A reconciliation from the operating loss to adjusted EBITDA and adjusted EBIT is set out in the tables below:

	Unaudited Year ended 31-Dec-25 US\$'000	Audited Year ended 31-Dec-24 US\$'000
Operating profit / (loss)	(3,139)	(7,168)
Share-based payment expenses	3,677	3,511
Amortisation and depreciation of non-current assets	5,278	7,497
Depreciation of property, plant and equipment	133	155
Depreciation of right-of-use asset	262	220
Foreign exchange losses	(502)	(141)
Non-recurring, one time expenses	96	710
Impairment of cancelled unreleased titles	499	-
Fair value adjustment	532	251
Other taxes	247	48
Adjusted EBITDA	7,083	5,083
Performance-related impairments	4,305	4,527
Adjusted EBITDA pre performance-related impairments	11,388	9,610

	Unaudited Year ended 31-Dec-25 US\$'000	Audited Year ended 31-Dec-24 US\$'000
Operating profit / (loss)	(3,139)	(7,168)
Share-based payment expenses	3,677	3,511
Foreign exchange losses	(502)	(141)
Non-recurring, one time expenses	96	710
Impairment of cancelled unreleased titles	499	-
Fair value adjustment	532	251
Other taxes	247	48
Adjusted EBIT / (LBIT)	1,410	(2,789)
Performance-related impairments	4,305	4,527
Adjusted EBIT pre performance-related impairments	5,715	1,738

The operating loss is arrived at after charging the following items to cost of sales:

	Unaudited Year ended 31-Dec-25 US\$'000	Audited Year ended 31-Dec-24 US\$'000
Cost of sales		
Royalty expense	42,713	43,112
Software development costs	2,501	3,306
Marketing expenses	5,711	6,407
Amortisation of software development costs	19,079	17,364
Impairment of software development costs	4,804	4,527
Total	74,808	74,716

Note 5: Intangible Assets

	Purchased intellectual property US\$'000	Software development cost US\$'000	Others US\$'000	Subtotal other intangibles US\$'000	Goodwill US\$'000	Total US\$'000
<u>Cost</u>						
As at 31 December 2024 (audited)	79,959	154,709	-	234,668	79,569	314,237
Additions	-	33,786	18	33,804	-	33,804
Disposals	-	-	-	-	-	-
As at 31 Dec 2025 (unaudited)	79,959	188,495	18	268,472	79,569	348,041
<u>Amortisation and impairment</u>						
As at 31 December 2024 (audited)	45,450	89,881	-	135,331	47,667	182,998
Amortisation charge for the period	5,270	19,079	7	24,356	-	24,356
Impairment charge for the period	-	4,804	-	4,804	-	4,804
As at 31 December 2025 (unaudited)	50,720	113,764	7	164,491	47,667	212,158
<u>Carrying amount</u>						
As at 31 December 2024 (audited)	34,509	64,828	-	99,337	31,902	131,239
As at 31 December 2025 (unaudited)	29,239	74,731	11	103,981	31,902	135,883

	Purchased intellectual property US\$'000	Software development cost US\$'000	Others US\$'000	Subtotal other intangibles US\$'000	Goodwill US\$'000	Total US\$'000
<u>Cost</u>						
As at 31 December 2023 (audited)	79,959	121,920	-	201,879	79,630	281,509
Additions	-	32,789	-	32,789	-	32,789
Fair value adjustment	-	-	-	-	(61)	(61)
As at 31 Dec 2024 (unaudited)	79,959	154,709	-	234,668	79,569	314,237
<u>Amortisation and impairment</u>						
As at 31 December 2023 (audited)	37,953	67,990	-	105,943	47,667	153,610
Amortisation charge for the period	7,497	17,364	-	24,861	-	24,861
Impairment charge for the period	-	4,527	-	4,527	-	4,527
As at 31 December 2024 (unaudited)	45,450	89,881	-	135,331	47,667	182,998
<u>Carrying amount</u>						
As at 31 December 2023 (audited)	42,006	53,930	-	95,936	31,963	127,899
As at 31 December 2024 (unaudited)	34,509	64,828	-	99,337	31,902	131,239

Note 6: Impairment to Software Development Costs

The Group assessed software development costs for indicators of impairment, considering both qualitative and quantitative factors. For the titles exhibiting indicators of impairment, the Group recorded an impairment loss of \$4.8 million against the carrying value of software development costs at 31 December 2025, of which \$4.3m was for released titles and \$0.5m for a cancelled, unreleased game.

The impairment is related to titles published by Devolver Digital Inc., Firefly Studios and Good Shepherd Entertainment / Big Fan Games. As a result of lower than expected sales and future projections, these titles were impaired to their recoverable amounts, being value in use.

In assessing value in use for games identified with indicators of impairment, the Group has prepared a cash flow forecast reflecting management's estimations of future performance of these titles. Key assumptions on which this forecast was based includes title revenue generation and revenue decay curves.

The cash flows were discounted to their present value utilising a pre-tax discount rate calculated based on the particular circumstances of the Group and its CGUs, derived from its Weighted Average Cost of Capital.