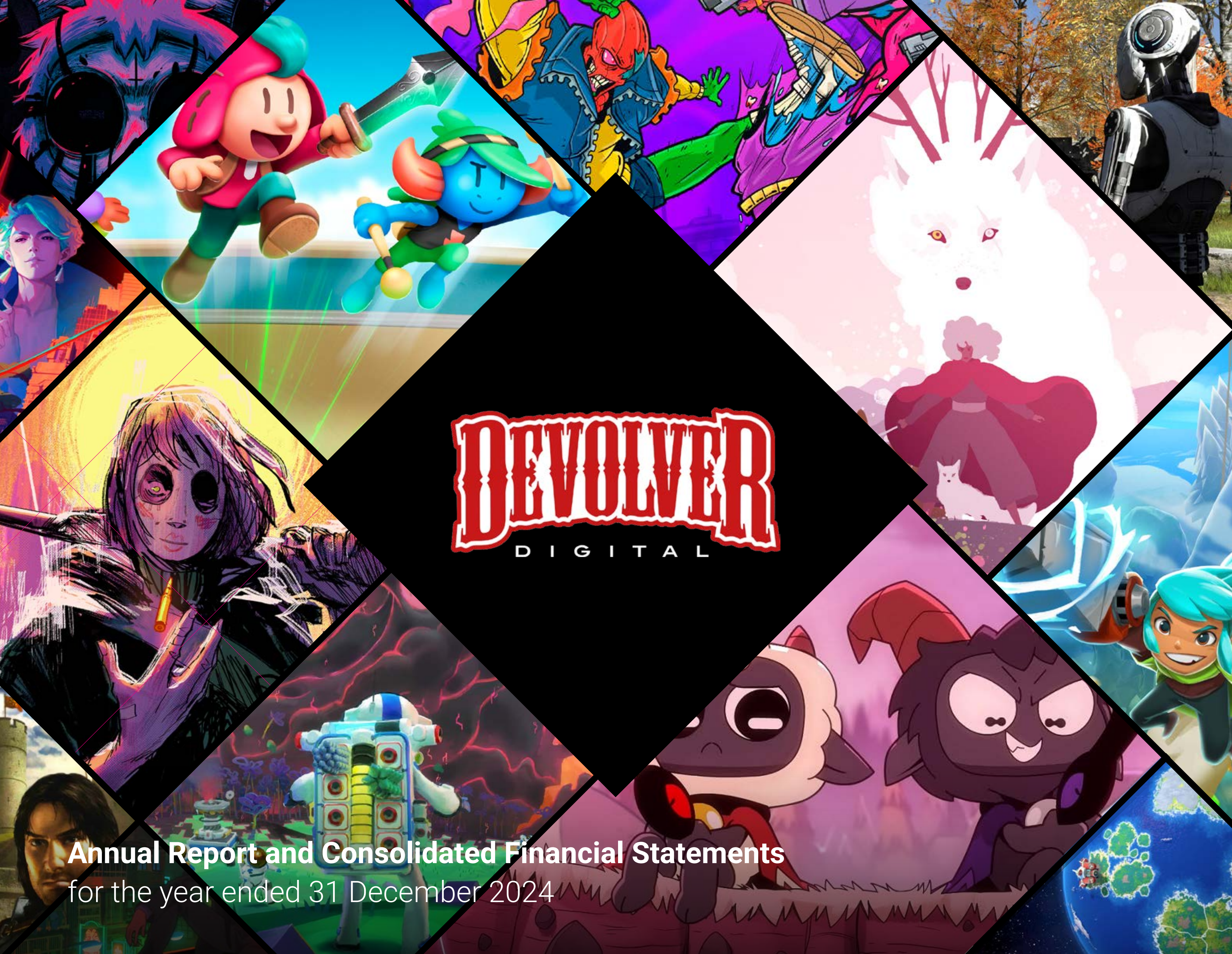


DEVOLVER
DIGITAL

Annual Report and Consolidated Financial Statements

for the year ended 31 December 2024

Contents

Cult of the Lamb

Devolver is a highly respected, award-winning indie video game publisher and developer, founded in 2009 by industry veterans.

We work with independent developers from all over the world to produce and promote the most original, engaging, and entertaining games. Our philosophy is to treat developers fairly and prioritise their creativity and brand.

Our experienced, pioneering team delivers an exciting gaming experience to the Devolver community. Our games continue to be fan and industry favourites, winning award recognition year after year.

New games released
10

Annual revenue
$104.8M

Revenue from own IP
27%

Back catalogue revenue
88%

Publishing brands
3

Development studios
7

strategic highlights

INDUSTRY RECOGNITION

RECORD CRITICAL ACCLAIM

79 AVERAGE METACRITIC RATING FOR OUR TITLES
(2023: 76)

CONTINUED AWARDS SUCCESS

PUBLISHER OF THE YEAR, 2024 NextPlay Game Awards

NEVA Winner of Artistic Achievement at the 2025 BAFTA Games Awards; Winner of Games for Impact and 2x nominated at the 2024 Game Awards; Winner of Emotional Impact at the 2024 Indie Game Awards; 1x 2025 DICE Awards nomination

THE PLUCKY SQUIRE 2x 2025 BAFTA nominations; 2x 2024 Games Awards nominations; 2x 2025 DICE Awards nominations

ANGER FOOT, *CHILDREN OF THE SUN* and *THE CRUSH HOUSE* 2025 Independent Games Festival nominations


Neva

A STRONG PLATFORM TO BUILD ON

TRACK RECORD OF HIGH-QUALITY RELEASES

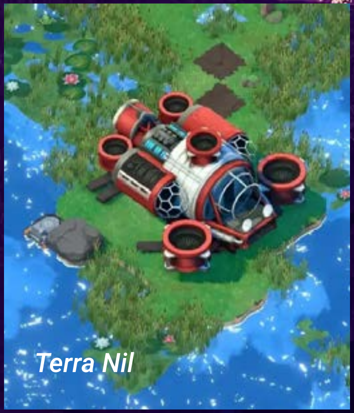
130 TITLES PUBLISHED

FUN-FILLED GAMES

10 NEW TITLES RELEASED IN 2024
(2023: 11)

SUCCESSFUL PAID CONTENT RELEASES

FOR *CULT OF THE LAMB*, *THE TALOS PRINCIPLE 2*, SYSTEM ERA'S *ASTRONEER*, AND FIREFLY'S *STRONGHOLD: DEFINITIVE EDITION*


Terra Nil

ESTABLISHED MODEL OF PUBLISHING INDIE GAMES

DEVELOPERS REMAIN OUR KEY PARTNERS

INVESTING IN OUR KEY FRANCHISES

HEALTHY, DIVERSE PIPELINE OF EXCITING GAMES

EXTENDING THE LIFECYCLE OF OUR BACK CATALOGUE TITLES

financial highlights

INCREASED REVENUES OF

$104.8M

FINANCIAL PERFORMANCE REFLECTS WELL-RECEIVED NEW TITLES AND STRONG BACK CATALOGUE

The Plucky Squire

Return to Monkey Island

BALANCE SHEET STRENGTH

CASH HOLDINGS OF

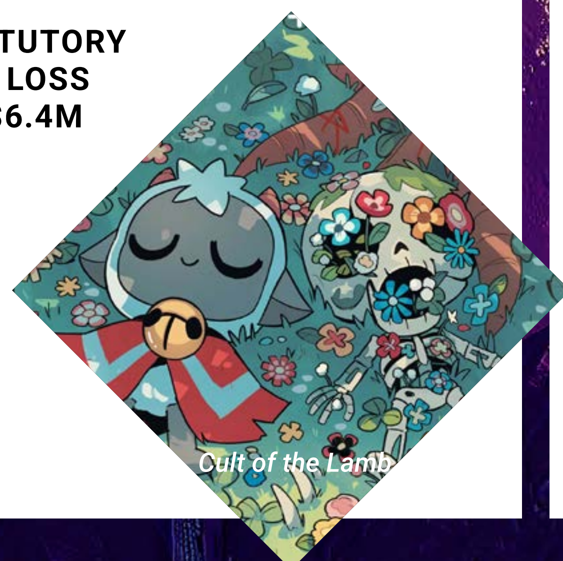
$41.6M

CASH HOLDINGS SUPPORT INVESTMENT INTO GAME DEVELOPMENT AND PROVIDE OPPORTUNITIES FOR M&A

RETURN TO POSITIVE ADJUSTED EBITDA

$5.1M

STATUTORY NET LOSS OF $6.4M



Cult of the Lamb

DIVERSIFIED REVENUES

BACK CATALOGUE REVENUE OF

88%

(2023: 83%)

DRIVEN BY CONTINUED STRONG DEMAND FOR FAN FAVOURITES ***CULT OF THE LAMB, INSCRYPTION, ENTER THE GUNGEON, THE TALOS PRINCIPLE 2, AND ASTRONEER***

who we are

Devolver is an award-winning digital publisher and developer of indie video games.

Devolver has been built over 15 years by industry veterans with deep, wide-ranging relationships in the gaming sector. Winner of Publisher of the Year at the 2024 NextPlay Awards, Devolver's proven model curates and publishes high-quality premium games.

We use our brand, innovative marketing and global network of partners and platforms to make games discoverable and give them profile with gaming audiences. Devolver has published 130 games, including a number of indie cult classics.

Founded by Harry Miller (CEO), Graeme Struthers (Chief Operating Officer), Nigel Lowrie (Chief Marketing Officer) together with Rick Stults and Mike Wilson, Devolver is the "developers' publisher".

Devolver games receive consistent industry recognition. *Neva* won at the BAFTA Games Awards 2025 and The Game Awards 2024, alongside nominations at both Awards for *The Plucky Squire*. Our titles also received 1 win and 5 nominations at the Indie Game Awards, 3 nominations at the DICE Awards 2025 and 3 nominations at the Independent Games Festival Awards.

Devolver has selectively acquired studios and IP to enhance its pipeline and long-term international growth strategy. Following the acquisition of System Era Softworks in October 2023, Devolver has 7 development studios across the United Kingdom, the Netherlands, Croatia, Poland and the United States. In August 2024, Devolver announced the launch of Big Fan Games, a complementary publishing label focused on licensed IP games.

The Group had 276 team members globally across Europe, Asia, Australia, North America and South America at the end of 2024.

2009
DEVOLVER FOUNDED

Devolver was formed as a **digital-only developer-first publisher**, which principally released titles on PC via Steam. Working with original developer Croteam and other small studios, Devolver successfully published several games in the *Serious Sam* series for release on PC, mobile and VR.

2012
HOTLINE MIAMI RELEASED

Following the early financial success of the *Serious Sam* series, the Group branched out and began collaborating on new franchises and titles with other development studios. Devolver's first breakout hit was *Hotline Miami* in 2012. It received critical acclaim, putting Devolver in the indie spotlight.

2013
SHADOW WARRIOR RELEASED

A reboot of a title released in 1997 through G.O.D. Games. Devolver licensed the IP for the franchise alongside Polish video game developer Flying Wild Hog, with the aim of creating a newly imagined title and revitalising the series. A sequel was released in 2016, Devolver acquired the IP outright in 2018 and a third title was released in 2022.

2016
ENTER THE GUNGEON RELEASED

A fast-paced dungeon crawler and shooter, released on PC and PlayStation. The title was ported to Xbox a year later, and then to Switch at the end of 2017. The title was a success for Devolver and US-based developer Dodge Roll, who were subsequently acquired by Devolver in July 2021.

2009 2010 2011 2012 2013 2014 2015 2016 2017

who we are continued

2020

FALL GUYS RELEASED

Fall Guys was an instant success, becoming the most downloaded PlayStation Plus title in history and generating over $150M revenue for Devolver in the year to 31 December 2020 alone. The developer, Mediatonic, was acquired by Epic Games in March 2021, at which point the Group sold the publishing rights to Epic Games. Devolver has retained the merchandising rights for *Fall Guys* for 6 years.

2021

ACQUISITIONS & SUCCESSFUL IPO

Following acquisitions including Devolver's long-term partner studios Croteam, Dodge Roll and Nerial, as well as another developer, Firefly, and complementary publisher Good Shepherd, Devolver successfully listed on the AIM Market of the London Stock Exchange ("LSE") in November 2021, the largest ever US-based company to list on the LSE.

2022

CULT OF THE LAMB RELEASED

Cult of the Lamb was a smash hit from the pre-sales to present day. During the Steam Next Fest week in June 2022, *Cult of the Lamb* was the number 1 wish-listed game of all demos featured. The game beat all Devolver records for first day and first week unit sales on all platforms, excluding 2020's *Fall Guys*. At the time of reporting, the game has seen 7 award wins and received 16 nominations and honourable mentions, including being shortlisted for the BAFTA's Game of the Year.

2023

ACQUISITION OF DOINKSOFT AND SYSTEM ERA

In January 2023 Devolver acquired the IP, assets and development team of Doinksoft, a small development studio based in Oregon, United States. Doinksoft created *Gato Roboto* and *Gunbrella*, which were published by Devolver in 2019 and 2023 respectively.

In October 2023 Devolver acquired System Era Softworks, an award-winning, multi-platform video game developer and the creator of *Astroneer*, a highly successful, space-exploration themed, multiplayer sandbox adventure game. The acquisition represents a strategic opportunity for Devolver to expand outside of its core strength of premium indie titles, leveraging System Era's knowledge of Expandable Game style development, as well as its live operations technology and existing IP.

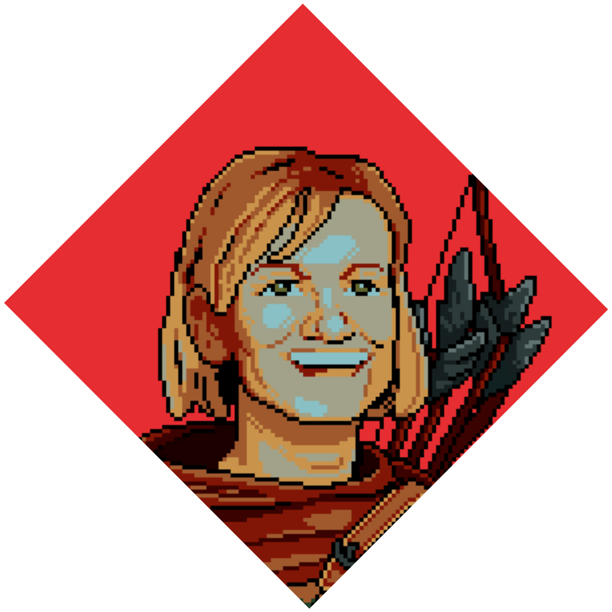
The acquisitions bring Devolver's combined first-party IP and franchises to more than 15, encompassing over 40 individual titles.

2024

2024 saw continued critical acclaim for Devolver's titles with a record average Metacritic score across our new releases, including scores at and above 80 for *Neva*, *Children of the Sun*, *Sumerian Six* and *Dicefolk*. In October 2024 Devolver announced the launch of Big Fan Games, a new video games publishing label dedicated to adaptations of entertainment brands. Through the label, Big Fan Games will give developers the chance to create original game adaptations using the worlds and characters of iconic film, television, and comic properties.

2018 2019 2020 2021 2022 2023 2024

Non-Executive Chair's letter to shareholders

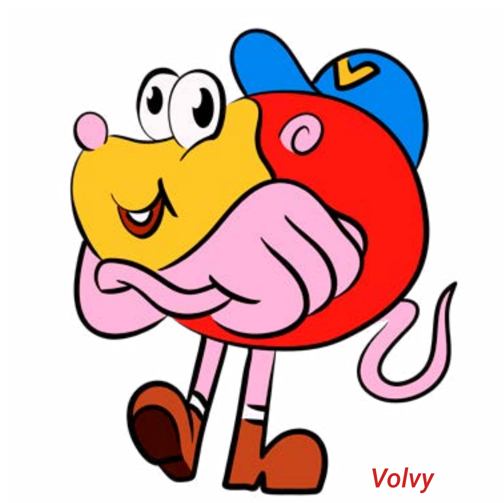


"2024 has been a year in which Devolver has shown its creative and entrepreneurial mettle."

The "developers' publisher"

Devolver Digital is an award-winning digital video games publisher and developer – one of the most recognisable labels in the indie market. Built by highly experienced industry veterans with deep, wide-ranging relationships in the gaming sector, Devolver continues to deliver a fun-infused experience for its fans.

Despite some challenging gaming market conditions in 2024, Devolver's steady focus and all-round teamwork resulted in the Company posting a tangible improvement to Adjusted EBITDA profitability. Notably, the new games released in 2024 achieved a record high full-year average Metacritic score of 79 and positive player reviews, underlining the appeal of those titles amongst fans and improving longevity of sales. Alongside new releases, investment in successful franchises and the strength of the back catalogue have also continued to build a growing diversified revenue base, further developing a solid platform for continued growth in 2025.



Volvy

Looking back on the year

2024 has been a year in which Devolver has shown its creative and entrepreneurial mettle.

With Harry Miller stepping back into the driving seat as Chief Executive and with Graeme Struthers bringing his deep production expertise into the boardroom as COO, working alongside longstanding CMO Nigel Lowrie; Devolver's innovative team working with our talented partners has driven strong growth in back catalogue revenues and delivered new, acclaimed releases.

Award-winning games such as *The Plucky Squire* and *Neva* garnered plaudits along with high quality fan scores and user reviews which bolstered front catalogue revenues along with *Anger Foot* and *Pepper Grinder*. New releases were supported by continued strength in back catalogue revenue which delivered +20% year-on-year growth with titles such as *Cult of The Lamb* and *Inscryption* continuing to drive strong demand.
As part of the forward strategy of ongoing investment into successful franchises, August 2024 saw the release of *Cult of the Lamb's* co-op gameplay update and paid downloadable content ("PDLC") which performed strongly.

2024 also saw a full year contribution from 2023 acquisition System Era and their iconic title *Astroneer*. *Astroneer* reached a new milestone with the successful release of the Glitchwalkers PDLC, generating new revenues and boosting base game sales.

Non-Executive Chair's letter to shareholders continued

Throughout the year, Devolver has also continued its disciplined approach to cost control, with operating expenses remaining at similar levels to FY23. A continued focus on cost control will be ongoing throughout 2025.

These combined strategies continued the momentum of a return to positive Adjusted EBITDA established in the second half of 2023 and were accompanied by a strong cash balance sheet. We were pleased to meet our guidance for the full year with revenues of $104.8M and Adjusted EBITDA of $5.1M.

Alongside all our teams across the Group and our partners, we would like to thank our shareholders for their continued support, and we welcome new investors who joined Devolver during 2024.

Looking to the future

The Company has again demonstrated its strong commitment to high quality games and engaging its fan base and has met the challenges of a demanding market with that commitment.

As we move into 2025, our refocused policy of investing the right amount of time, effort and money into our titles along with supporting strong creative teams remains the best way to do justice to our forward pipeline of more than 30 releases plus additional SKUs and content scheduled for the coming 3 years.

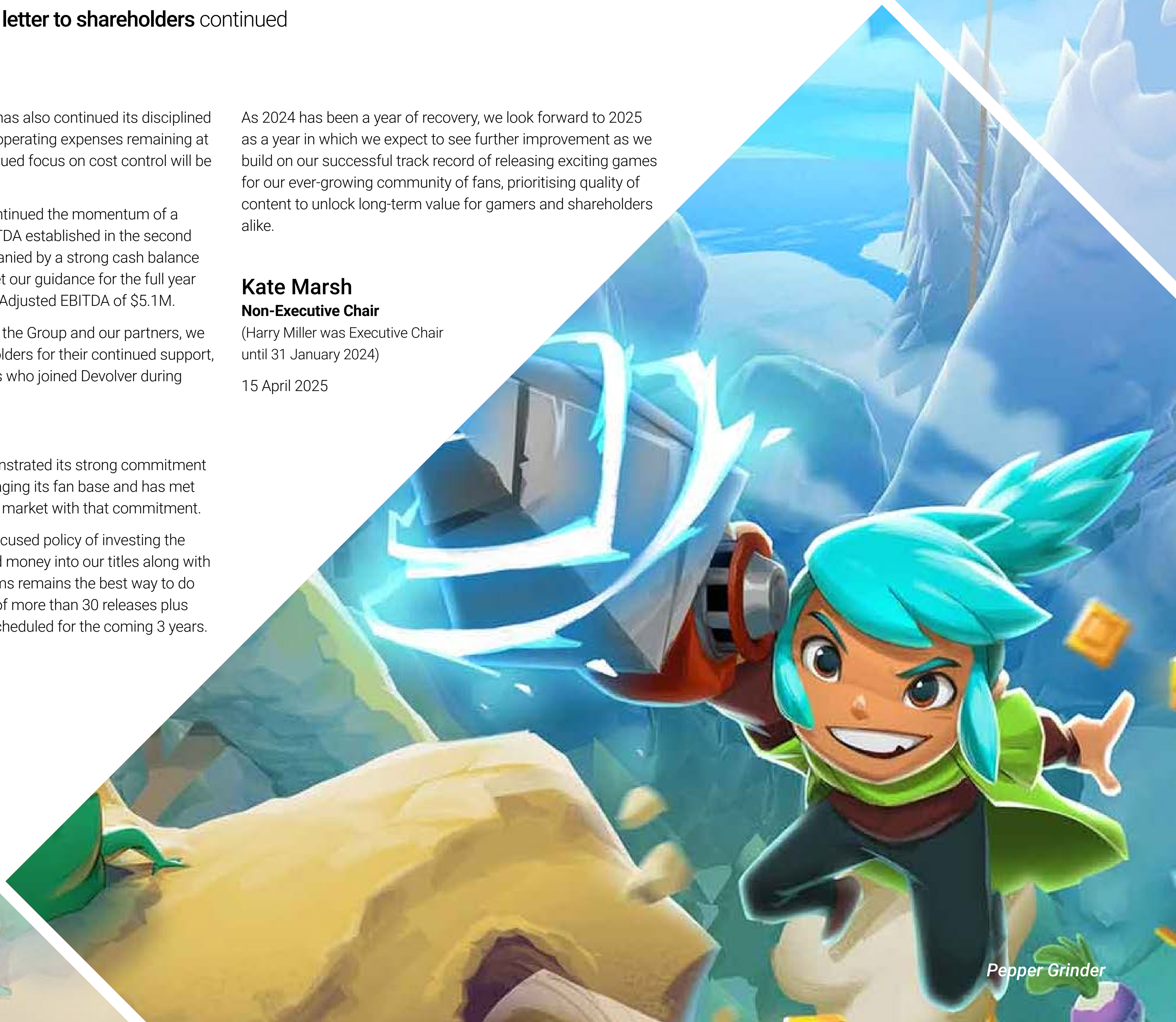
As 2024 has been a year of recovery, we look forward to 2025 as a year in which we expect to see further improvement as we build on our successful track record of releasing exciting games for our ever-growing community of fans, prioritising quality of content to unlock long-term value for gamers and shareholders alike.

Kate Marsh

Non-Executive Chair

(Harry Miller was Executive Chair until 31 January 2024)

15 April 2025



Pepper Grinder

CEO's statement

"We have a busy release schedule for 2025, a strong balance sheet, exciting developments with platform partners, and an expectation of improved profit performance in 2025. We are confident of our future progress."

Developing exciting, innovative games and building engaged and inspired communities is at the heart of what we do at Devolver.

Return to growth in 2024 and industry recognition

This year was about returning to profitable growth. We are committed to developing exciting, creative games and there have been several positive developments in 2024 with the release of 10 new titles. We were particularly pleased that we have finished the year with record full-year Metacritic score of 79 for released titles.

Major titles continued to receive industry recognition. We are incredibly proud of *Neva*'s achievement of an 87 Metacritic score and award wins for Artistic Achievement at the BAFTA Game Awards and Games for Impact at The Game Awards. *The Plucky Squire* boasts a strong 78 Metacritic score and was also nominated in Best Debut and Family categories at the BAFTA Game Awards alongside Best Debut Indie Game at The Game Awards. Critics reviews remain an important reference point and we believe can bolster the longevity of our games.

We have one of the most experienced teams in the industry who work tirelessly with our platform partners to deliver indie games to our ever-growing community of fans. We also continue to build on our back catalogue strength through a variety of strategic levers, such as new Paid Downloadable Content ("PDLC"), sequels, porting to new platforms, adding languages, new bundle agreements and optimising platform sales opportunities. Platform deal demand rose compared to a trough in 2023 due to renewal cycles of back catalogue titles and specific front catalogue deals.

Building on back catalogue strength

Our back catalogue includes all titles released before the 2025 calendar year. Over our 15-year history we have published 130 games, and have also acquired a number of additional legacy titles through our acquisitions.

Our back catalogue has delivered a revenue growth of over 20% this year, and continues to provide a strong foundation to our overall business, accounting for 88% of total revenues in 2024. This is higher than 83% in 2023, primarily due to strong performance of *Cult of the Lamb*, BAFTA-winning *Inscryption*, and a full year contribution from System Era's iconic *Astroneer* title.

Astroneer in particular has been a strong contributor to our revenue in 2024, and the acquisition of System Era aligns with our broader vision of building expertise in the expandable games market. This is supported by the fact that Astroneer continues to perform strongly entering its ninth successive year and we expect it to positively contribute to EBITDA going forward as the game will continue to publish new PDLC, such as this year's successful release of Glitchwalkers PDLC generating new revenues and boosting base game sales.

We are seeing the same effect with *Cult of the Lamb's* PDLC which performed strongly as part of the strategy of ongoing investment into successful franchises.

This strategy has resulted in a consistent and strong increase in back catalogue sales.

CEO's statement continued

A rich pipeline of exciting games

Improving our craft remains the core tenet of our organic indie growth strategy and we will continue to deliver unique and high-quality games in 2025 and beyond. We have a rich pipeline of more than 30 new games, diverse in terms of titles, developers, platforms, and geography, scheduled for release over the next three years with title visibility into 2027. Our release schedule for 2025 anticipates at least 13 new titles including *The Talos Principle: Reawakened*, *Baby Steps*, *Possessor(s)* and *GORN 2*. Our subsidiaries Good Shepherd, Big Fan and Firefly have a strong line-up with *Moroi*, *TRON: Catalyst* and *Stronghold Crusader: Definitive Edition* ready to hit the market in 2025. In addition, work is currently underway on the System Era team's next title release, *Starseeker: Astroneer Expeditions*.

We also have ongoing planned releases of PDLC updates for successful titles *Astroneer* and *Cult of the Lamb*. Through this expandable games model, we seek to foster long-term engagement with fans while maximising revenue. With *Astroneer*, we see how dynamic content updates offer a fresh experience to new and existing players, enhancing retention. Long-term community engagement is central to everything we do at Devolver.

This year also marked Devolver's 15th year anniversary. Our iconic live broadcast formed part of the Summer Game Fest 2024 in June, where we featured reveals of future new releases and expansions to *Cult of the Lamb* and *The Talos Principle 2*.

While striving for innovation, we are also mindful of expenses and have a disciplined approach to creativity that does not hinder commercial viability. Average cost per title for third party games is expected to continue to reduce in 2025, reflecting a deliberate recalibration of the mix between higher cost and lower cost games.

Current trading and outlook

2024 has been a pivotal year for Devolver as we returned to profitable growth and set our business up for future success, and we look into 2025 with confidence.

A combination of more title releases and increased investment into our own IP should support gross margin expansion during the year, and we expect modest revenue growth and a further expansion in Adjusted EBITDA. In addition to new titles, we are also planning further releases of PDLC for some of our most successful titles in the wake of the success of that strategy in 2024.

Another area of excitement for us is the reveal of Nintendo's Switch 2 in April and our partnership with them which will see several of our games included on the platform. This is an exciting milestone for Devolver which underscores the value our partners see in our indie publishing brand.

We are particularly thrilled because this means more people will play Devolver games, as we continue to build engaged and inspired communities.

While gaming market conditions remain challenging, we face the future with confidence. With a strong pipeline of new releases with unique gameplay and creative design, continued contribution from extensive back catalogue and our return to positive Adjusted EBITDA, we are confident of further progress in 2025 and in the future.

Harry Miller

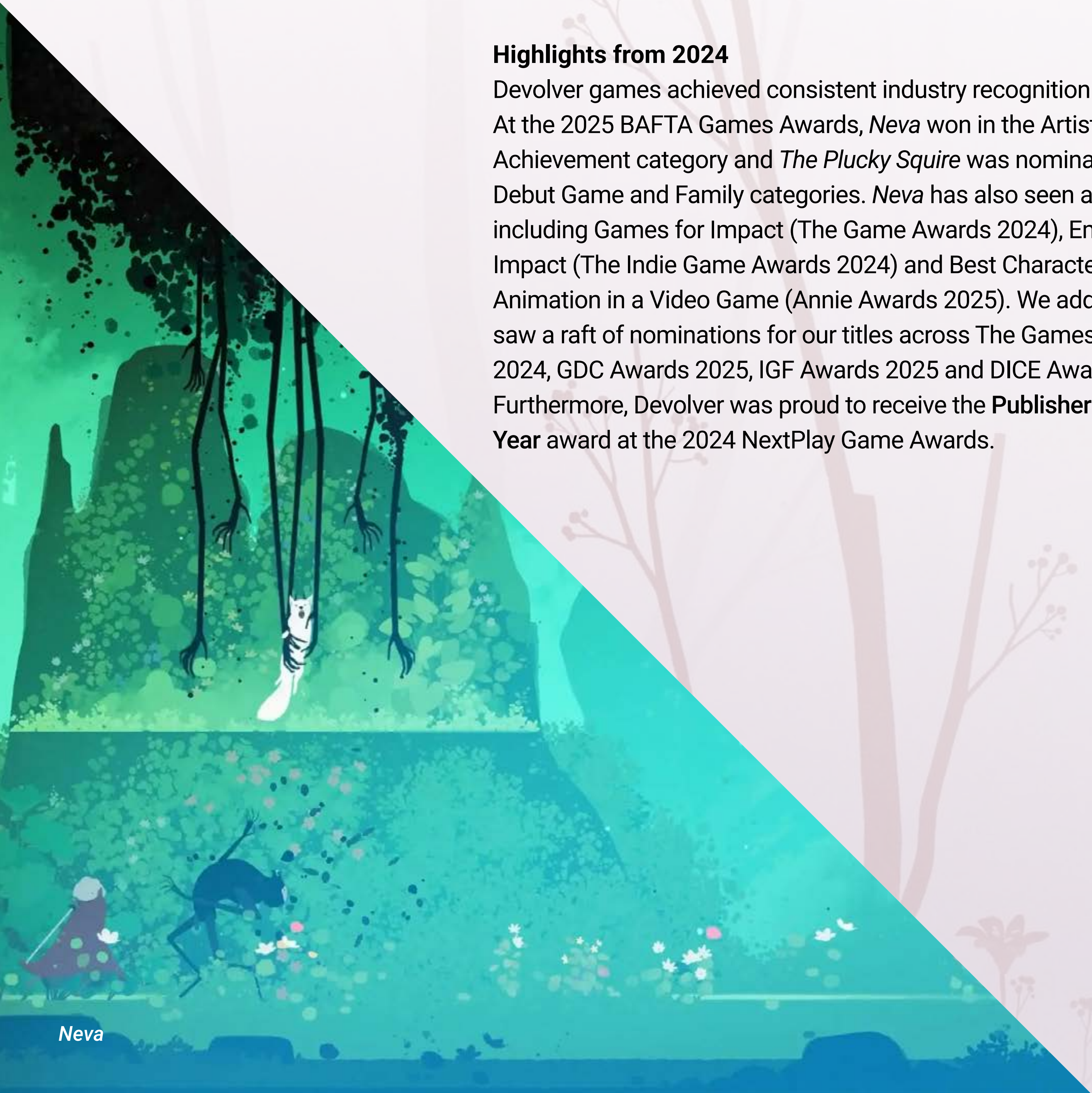
Chief Executive Officer

(Douglas Morin was CEO until 31 January 2024)

15 April 2025

Skate Story

awards and nominations


Neva

Highlights from 2024
Devolver games achieved consistent industry recognition in 2024. At the 2025 BAFTA Games Awards, *Neva* won in the Artistic Achievement category and *The Plucky Squire* was nominated in the Debut Game and Family categories. *Neva* has also seen award wins including Games for Impact (The Game Awards 2024), Emotional Impact (The Indie Game Awards 2024) and Best Character Animation in a Video Game (Annie Awards 2025). We additionally saw a raft of nominations for our titles across The Games Awards 2024, GDC Awards 2025, IGF Awards 2025 and DICE Awards 2025. Furthermore, Devolver was proud to receive the **Publisher of the Year** award at the 2024 NextPlay Game Awards.

Awards

BAFTA

NEVA
Artistic Achievement
WINNER

THE GAME AWARDS

NEVA
Games for Impact
WINNER

THE INDIE GAME AWARDS

NEVA
Emotional Impact
WINNER

FIFTY-TWO ANNIE AWARDS

NEVA
Best Character Animation in a Video Game
WINNER

awards and nominations continued

Nominations

2025 BAFTA

THE PLUCKY SQUIRE
Debut Game
Family

NEVA
Artistic Achievement (Winner)

2025 Independent Games Festival

CHILDREN OF THE SUN
Excellence in Visual Art

ANGER FOOT
Excellence in Audio

THE CRUSH HOUSE
Wings Award

2025 Game Developers Choice Awards

NEVA
Best Visual Art
Social Impact
Honourable Mention for Best Audio
Honourable Mention for Best Narrative

THE PLUCKY SQUIRE
Honourable Mention for Best Debut
Honourable Mention for Innovation Award

The Game Awards

NEVA
Best Art Direction
Best Independent Game
Games for Impact (Winner)

THE PLUCKY SQUIRE
Best Debut Indie Game
Best Family Game

DICE 28th Annual Awards

THE PLUCKY SQUIRE
Outstanding Achievement in Art Direction
Family Game of the Year

NEVA
Outstanding Achievement in Animation

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gamescom latam

NEVA
Best Art
Best Narrative
Best Sound
Best Game

THE PLUCKY SQUIRE
Best Game
Best Game for Kids

The Indie Game Awards

CHILDREN OF THE SUN
Solo Development

NEVA
Game of the Year
Emotional Impact (Winner)

THE PLUCKY SQUIRE
Visual Design

KARMAZOO
Innovation

MASSIVE MONSTER
Community Management

The 38th Golden Joystick Awards

THE PLUCKY SQUIRE
Best Indie Game
Best Trailer

DevGAMM Awards

NEVA
Excellence in Audio
Excellence in Visual Art

2024 BAFTA

TERRA NIL
Game Beyond Entertainment

2024 Independent Games Festival

THE COSMIC WHEEL SISTERHOOD
Excellence in Narrative
2 Honourable Mentions for Seumas McNally Grand Prize and Nuovo award

SLUDGE LIFE 2
Honourable Mention for Excellence in Visual Arts award

DICE 27th Annual Awards

TERRA NIL
Mobile Game of the Year

2024 Game Developers Choice Awards

TERRA NIL
Social Impact award

in the media

Neva was a standout critical success for Devolver and developer Nomada, with an average Metacritic score of 87. Other 2024 releases *Children of the Sun*, *Sumerian Six* and *Dicefolk* all achieved Metacritic scores at or above 80, with *Anger Foot, The Plucky Squire* and *Pepper Grinder* close behind. *The Talos Principle 2* DLC *Road to Elysium* also received acclaim with a 90 Metacritic score. A sample of the media coverage of our games is highlighted below.

THEGAMER
Neva
"Neva is one of the most beautiful games I've ever played"
5/5

VG247
Children of the Sun
"It is a genuine pleasure from start to finish, as dark and uncomfortable as it may be."
10/10

GAMERANT
Neva
"I truly think that everyone should play Neva at some point; it's hard to imagine someone not feeling profound emotion from this trim but unforgettable release"
10/10

SHACKNEWS
The Plucky Squire
"A true expression of what's possible through gaming"
9/10

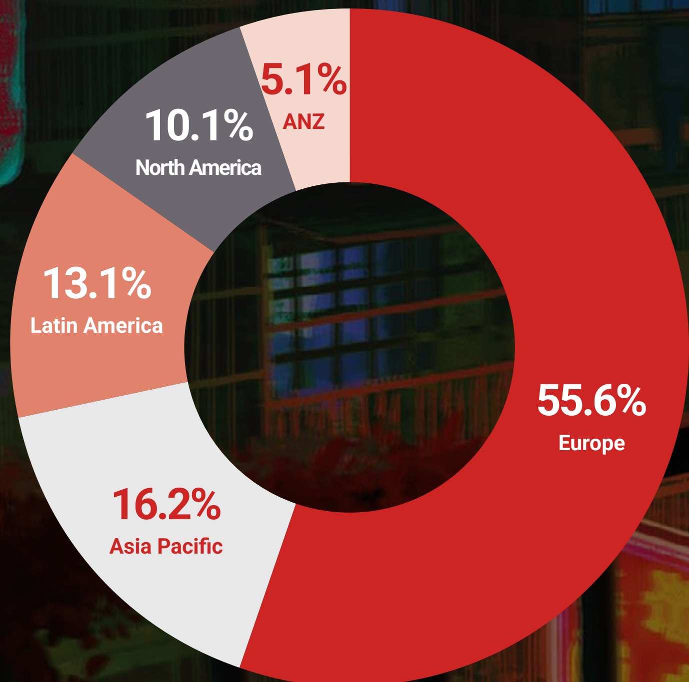
EUROGAMER
Pepper Grinder
"Pepper Grinder feels like a game in which you're a sewing needle, dancing in and out of fabric, precise, artful, joyous."
4/5

The Guardian
Neva
"Rarely do games move me to tears, but this tale of a woman rearing her cub in a world plagued by demons had a deep emotional effect"
5/5

cgm
The Plucky Squire
"The Plucky Squire is a phenomenal game from a debut studio and is an absolute must-play."
10/10

GAMER ESCAPE
Sumerian Six
"Sumerian Six is easily one of the best stealth games I've played."
10/10

PR coverage by territory



in the media continued

18.5k articles in 69 countries

THE TOTAL NUMBER OF ARTICLES WRITTEN ABOUT DEVOLVER OR DEVOLVER-PUBLISHED GAMES

6m engagement on 4k owned posts

CLICKS ON DEVOLVER'S AND DEVOLVER'S DEVS' SOCIAL POSTS

1.3bn video views on socials

NEW VIEWS ON VIDEOS MADE BY OR ABOUT DEVOLVER OR DEVOLVER-PUBLISHED GAMES (645M OF THOSE VIEWS WERE ON TIKTOK, 340M ON YOUTUBE, 145M ON TWITTER, AND 76M ON INSTAGRAM)

19.6m hours on 136k streams

TOTAL NUMBER OF HOURS WATCHED BY VIEWERS

2024 on Metacritic & OpenCritic

	metacritic	OpenCritic
Dicefolk	80	79
Pepper Grinder	79	79
Children of the Sun	81	81
Anger Foot	79	78
The Crush House	73	76
Sumerian Six	81	80
Demon's Mirror	76	81
The Plucky Squire	78	82
NEVA	87	87

Stronghold Castles was a mobile release which did not receive a Metacritic or OpenCritic score.

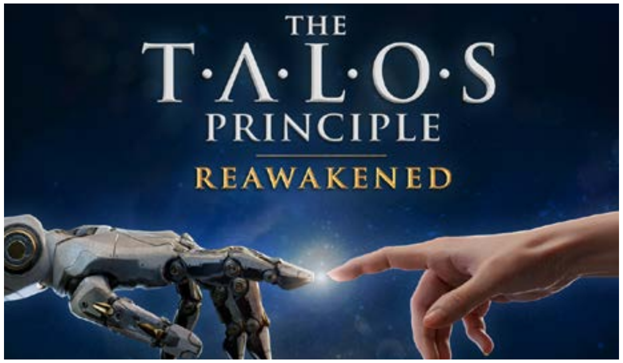
future game releases

The annual Summer Games Fest once again proved to be the industry's tentpole event, and marked Devolver's first appearance at Play Days, the industry-only in-person portion of the show, where we invited press and influencers from around the world to sample upcoming games including, *Skate Story*. *Skate Story* was also chosen to be part of Tribeca's New York Festival, while 2024's edition of Devolver Direct debuted trailers for *Possessor(s)* and *Tenjutsu* from acclaimed developers Heart Machine and Deepnight Games. In November, Devolver Delayed confirmed that *Baby Steps* and *Stick it to the Stickman* would be joining *Skate Story* in 2025, and led to further positive coverage from press.

Baby Steps

is a literal walking simulator where you can explore a world shrouded in mist, one step at a time. Through hiking the serene mountains by placing each footstep yourself, you fall in love with the local fauna, and try to find meaning in a wasted life.

Check out some of our upcoming releases:



The Talos Principle: Reawakened

is a definitive edition which revisits the groundbreaking narrative of The Talos Principle, immersing players in an expanded and remastered journey through the world of the Simulation. The Talos Principle: Reawakened will invite you into the world of thought-provoking puzzles, philosophical intrigue, and breathtaking visuals.

Moroi

is a grimdark fairytale with an even darker sense of humor. Experience frantic combat, perplexing puzzles, and a twisting narrative anchored by a bizarre cast of characters. Can you break free from eternal madness?

Forestrike

is a tactical kung-fu fighting game with a supernatural twist. Here you will use your 'foresight' ability to visualise fights before they happen and hone your skills then rumble in reality, where defeat means starting over from scratch.

future game releases continued

Possessor(s)

is a fast-paced action side scroller with combat inspired by platform fighters, a story told through dangerous characters, set in a deep interconnected world ready for exploration.

TRON: Catalyst

is an all-new story-driven, isometric action-adventure game, set in the immersive and diverse locations of the Arq Grid introduced in TRON: Identity. TRON: Catalyst pulls you back into the world of Disney's TRON to battle multiple opposing factions in the latest imaginative story from Bithell Games.

GORN 2

is a sequel to the popular VR gladiator simulator. In this next instalment, ascend to a heavenly realm populated by all the warriors you killed in the original GORN—then kill them all again.

Skate Story

is an action-packed game where you grind your way through the ash and smoke of the Underworld as you take on a seemingly impossible quest. Skate fast to destroy demons and save other tortured souls on your journey from fragile beginner to a hardened skater.

Stick it to the Stickman

is a practical guide for anybody seeking to climb the corporate ladder in the fastest way possible. A groin-kicking, staple-gunning, chainsaw-wielding roguelike brawler loaded with high-impact, physics-based combat, copious amounts of coffee, and weaponized farts. Players are invited to batter their way through coworkers, middle-management, and bosses, learning more powerful "business techniques" on their way to becoming CEO of the worst company in America.

Shotgun Cop Man

is a precision platformer from the developer of My Friend Pedro where your weapons are your wings. Shotgun Cop Man's boomstick and pistol (and other devastating weapons procured on-site) aren't just used for slaying demons, but traversing the depths of Hell as well. Your diabolical arsenal lets you jump, launch, and propel yourself through the game's challenging, chaotic levels, dodging enemies, leaping gaps, and scaling walls.

strategy and business model

There are four key components to our growth strategy

1 DEVELOP OUR PIPELINE

Devolver Digital will continue to publish critically-acclaimed games from independent developers. Our pipeline for the next three years includes more than 30 titles, many of which are from developers we have already enjoyed successful publishing partnerships with in the past.

We have brought the average cost of New IP titles down while maintaining the incredible diversity of styles and genres that have always characterized Devolver's portfolio. We have done this while attracting the best development talent in the industry, with several marquee developers choosing to seek out partnership with Devolver.

We are investing more in our own successful IP and our first-party spending has increased as a proportion of our total portfolio investment. This is driven not just by investment into new entrants from our key performing franchises, but also by fresh investment into definitive editions and remasters, an exciting new category of product for Devolver. The depth and enduring appeal of our back catalogue puts Devolver in a unique position to take advantage of these opportunities, with several of these titles planned over the next three years.

The development cost of these titles is comparatively low to other portfolio investments and we see community demand for these franchise entrants. Whilst we view these as high potential products in their own right, they will also allow us to offer new bundle configurations in key platform marketplaces, which will continue to sustain the commercial longevity of our releases and overall back catalogue strength. The next title in this category, *The Talos Principle: Reawakened*, is due to release in 2025. It is an Unreal Engine remake of the original *The Talos Principle*, bringing it visually up to date with *The Talos Principle 2*, adding 8 hours of new content, and a new level editor.

In October 2024 Devolver launched its new sister label, Big Fan Games. Big Fan Games represents a fantastic new opportunity for the Devolver Group to leverage its expertise in finding cutting-edge game concepts, its incredible network of world-class independent development partners and its access to high value entertainment IP. With Big Fan Games, we can work a range of IP holders from household name licensors such as Disney and HBO to cult licensors such as Dark Horse Comics and Rebellion. There are already multiple exciting titles in Big Fan Games' pipeline for launch within the next three years.

2 EXPANDABLE GAMES PUSH

Devolver is continuing its push into the Expandable Games space - publishing premium games that continue to engage the community and bring in new players for years after release through timeless game design and a regular cadence of paid and free content.

A key part of this strategy is to deliver real value to Devolver's loyal players. This means DLC that is much more than simple vanity items such as player character costumes etc. Devolver's philosophy is that DLC for expandable games, especially if it is paid DLC, should include meaningful additional content in the form of levels, characters, features and storylines. This is exactly the approach taken with *Cult of the Lamb* which had two large updates last year incorporating paid and free elements, both of which drove renewed engagement with existing players and commercially significant additional sales to new players.

In 2024 we also delivered the first major DLC for *Astroneer*, "Glitchwalkers", since acquiring the developer System Era in 2023. This was *Astroneer's* first ever paid DLC, despite the game being in its eighth year of active post-launch support. Similar to *Cult of the Lamb*, *Astroneer's* DLC delivered increased engagement from existing fans and generated a fresh spike in sales to new players.

We consider DLC for our expandable titles to be high margin revenue that places a low burden of cash and people resource cost on our publishing business.

Devolver's portfolio over the next three years reflects this trend, with planned investment into new expandable games increasing by nearly 70% between 2024 and 2026 and investment into expandable content for already launched games (DLC etc.) planned to increase by nearly 65% between 2024 and 2025. These trends are likely to continue into 2027 and beyond. We are extremely excited about the more than a dozen expandable games signed for the future portfolio and expect several of those to follow the long lifecycle paths demonstrated by *Cult of the Lamb* and *Astroneer*.

strategy and business model continued

3 REFINE OUR CRAFT

Over the past year, we have found several ways to work smarter within Devolver's publishing organisation, with both first-party studios and trusted external development partners. We have developed our in-house data gathering and analysis capabilities alongside utilising external, already processed market data, to better support Greenlight game selection, portfolio management and marketing processes, as well as how we prioritise spend on localisation, ports and expandable content.

We have also been making crucial investments into the technology behind our first party IP. Moving to Unreal Engine for both *Talos* titles with Croteam and for future *Stronghold* releases with Firefly is not only about delivering high-quality new entrants in those franchises, but also securing franchise appeal over the longer term for subsequent releases. This is seen in our upcoming release *The Talos Principle: Reawakened*, which is a beneficiary of the investment into switching to Unreal Engine for *The Talos Principle 2*.

Devolver has always maintained strong relationships with platforms such as Sony, Microsoft and Nintendo. We continue to pursue deals on PlayStation Plus, Xbox Game Pass, Apple Arcade and others. Many Devolver franchises continue to attract the attention of these partners and we are optimistic that this will remain an important part of how we do business on console.

We have done great business on Nintendo Switch since its launch eight years ago and expect the near-term arrival of Switch 2 to present another great opportunity for Devolver to expand its business on console.

4 SELECTIVE M&A

Devolver remains open to acquiring studios, IP or complementary services that can help to grow our business. Devolver has strong internal processes for finding, qualifying and taking advantage of relevant opportunities and we continue to invest meaningful effort in evaluating opportunities as they arise.

The successful acquisition of System Era in 2023, which has been a strong revenue and EBITDA contributor in 2024, demonstrates our ability to offer mutually beneficial value to acquired partners.

strategy and business model continued

Portfolio, platforms and lifecycle

Devolver has published 130 titles, including 10 new releases in 2024 and 120 back catalogue titles.

The published titles chart illustrates the steady game publishing progression from 2009 to the end of 2024.

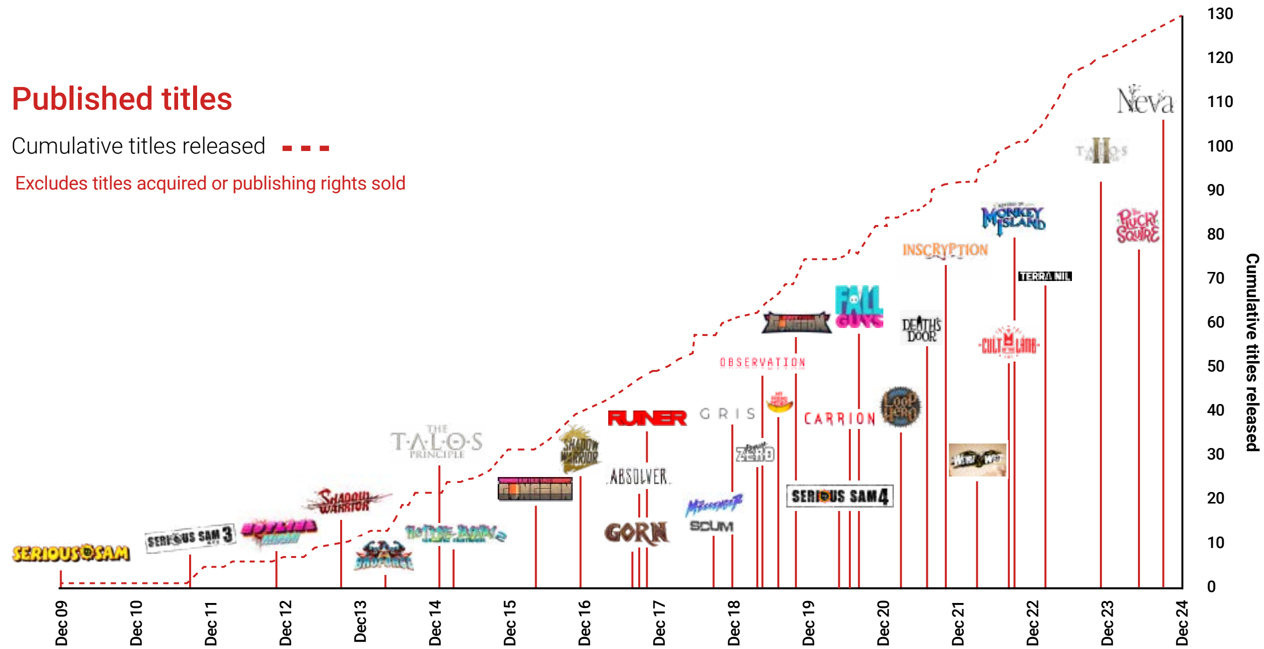
Within Devolver's portfolio, there are eight notable multi-year titles and franchises: ***Serious Sam*****,** ***Shadow Warrior*****,** ***Enter the Gungeon*****,** ***Reigns*****,** ***Hotline Miami*****,** ***The Talos Principle*****,** ***Stronghold*** **and** ***Astroneer*****. Of these, Devolver owns the IP of all but** ***Hotline Miami*****.**

Each franchise provides long-term revenue generation post-release.

Published titles

Cumulative titles released

Excludes titles acquired or publishing rights sold




Gungeon

FRANCHISE	NUMBER OF TITLES RELEASED	AVERAGE METACRITIC RATING	DATE OF FIRST RELEASE	CUMULATIVE LIFETIME REVENUE RANGE	OWNERSHIP
Serious Sam	11	69	2009	US$45m+	Own-IP
Hotline Miami	2	78	2012	US$30m+	Third-Party
Shadow Warrior	3	73	2013	US$35m+	Own-IP
The Talos Principle	2	86	2014	US$20m+	Own-IP
Enter the Gungeon	2	78	2016	US$40m+	Own-IP
Reigns	5	78	2016	US$20m+	Own-IP
Stronghold	9*	80*	2001*	US$15m+	Own-IP
Astroneer	1	71	2016	US$80m+	Own-IP

* The Stronghold franchise is self-published by Firefly Studios; revenues and Metacritic scores relate to the period after Firefly was acquired by Devolver in June 2021

strategy and business model continued

Business overview

Since launching in 2009, Devolver has partnered with c.100 developers to publish 130 indie games, and release over 50 ports, primarily through third-party publishing agreements. Third-party partnerships have been essential to Devolver's success to-date, and still form the majority of Devolver's published titles.

Typically, titles are generally either fully or partially funded by Devolver. In limited cases, projects come to Devolver at a late stage and little or no funding for development is required. Funding is structured in varying amounts through developer advances pursuant to a milestone plan. Generally, once costs are recouped, future revenue is apportioned between Devolver and the developer based on equitable sharing agreements.

Devolver's full-service publishing offering covers all aspects of a project's lifecycle from inception to the end of its commercial life. This includes project management, development assistance, technical support, creative consultation and of course best-in-class marketing. Pre-release interest is generated through tailored marketing programmes, PR, promotions, and leveraging digital distribution platform relationships. The Group's broad offering continues to attract both established and early-stage developers. Of the c.25 development partners working on non-1st party pipeline titles, over half are repeat partners. Similarly, there are high-profile first time partners that purposefully sought out a relationship with Devolver for sequels to their large established franchises, such as with No Breaks Games for *Human Fall Flat 2*.

The process from identification to post-release management can be seen in the diagram below.

The Group has acquired standalone IP and long-term development partners, which has brought franchises in-house. Management believes there are advantages to having a balanced business model, allowing the Group to work with the newest and most innovative indie developers as their publisher, as well as owning and developing its own stable of games.

Title selection & onboarding

Devolver receives and vets over 1,000 unsolicited title pitches per year at varying stages of progress, from initial concept to fully-formed games. Devolver does not require developers to hand over the IP or sequel rights to their games, which the Group believes is attractive to creators.

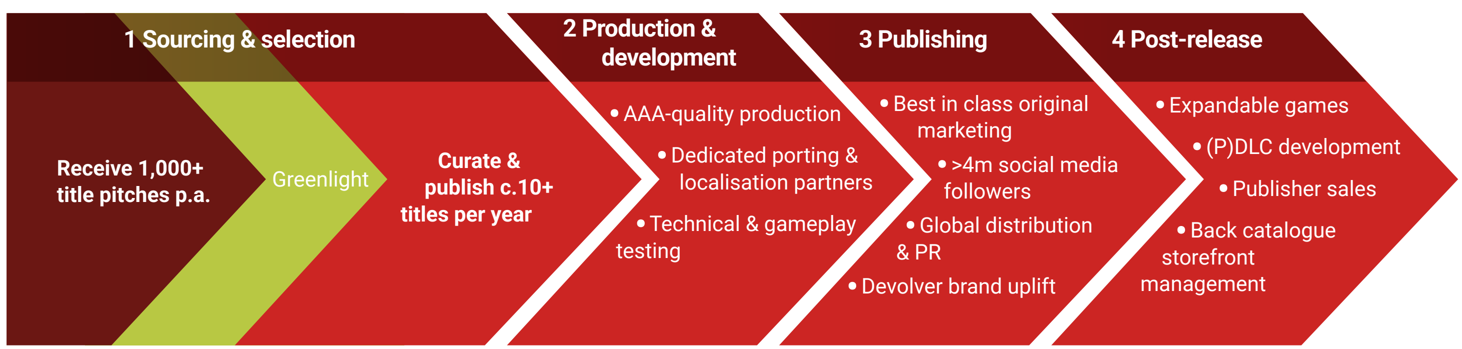
Devolver's approach is successful – over 85% of titles published since inception (where released for more than 12 months) have generated a positive return on investment.

Devolver's Greenlight process filters inbound and internal proposals down to c.10+ titles for release annually. Promising ideas will receive input from members of the team from across the Group, including production, marketing, technology, finance and more. Devolver looks for titles that are creative, exciting, high quality and innovative.

Devolver's core Greenlight team is made up of experienced industry players with many decades of cumulative experience, who can recognise high-potential games and development teams.

Children of the Sun

Game selection and lifecycle overview



strategy and business model continued

Diverse business model

1. TITLES

Devolver's wide variety of releases means the Group is not reliant upon the performance of any single title or franchise. Title diversification allows Devolver to benefit from the significant upside of a breakout hit, but also lowers the risk profile of the Group.

A prudent approach to planning, budgeting and appropriately investing in individual titles has ensured that Devolver continues to generate revenues and profits from a wide mix of games.

In the twelve-month period ended 31 December 2024, sales from the top 5 performing titles contributed approximately 54% to total revenue.

2. PLATFORM

Devolver's revenues are varied across platforms, with 49% of revenue from PC, 43% from console, 7% from mobile and 1% other in the twelve-month period ended 31 December 2024.

The Group has continued to diversify revenues and reduce its reliance on PC. Devolver is continuing to capitalise on the growth in the mobile segment, with a growing mobile title offering. Devolver has strong relationships with digital distribution partners across all platforms, including Sony PlayStation, Steam, Nintendo, Microsoft Xbox, Apple Arcade, Google, 4399, NetEase, Tencent and Netflix.

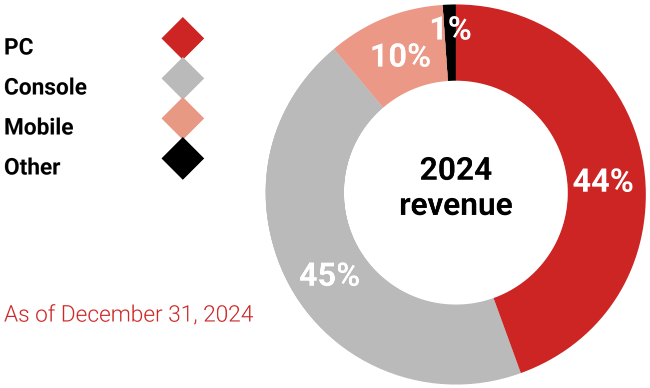
3. GENRE

Devolver's selection process has no bias towards any one individual genre, artistic style, visual fidelity, environment or storyline. The Group has had success across a variety of genres including more adult audience segments such as role playing games ("RPGs"), roguelikes, shooters and beat em' ups, as well as multi-generational family friendly segments across genres such as action adventure, point and click and puzzle. Diversification ensures Devolver's games appeal to a broad fan base and reach a wide audience, limiting exposure to trends in one genre and expanding the brand following. The acquisition of System Era in 2023, with its long running hit game *Astroneer*, is a great example of this diversification in action. Astroneer's breezy exploration and adventure gameplay is a pleasing counterweight to the cerebral fantasies of *The Talos Principle* franchise from Croteam, or the complex *Stronghold* series of strategy games from Firefly.

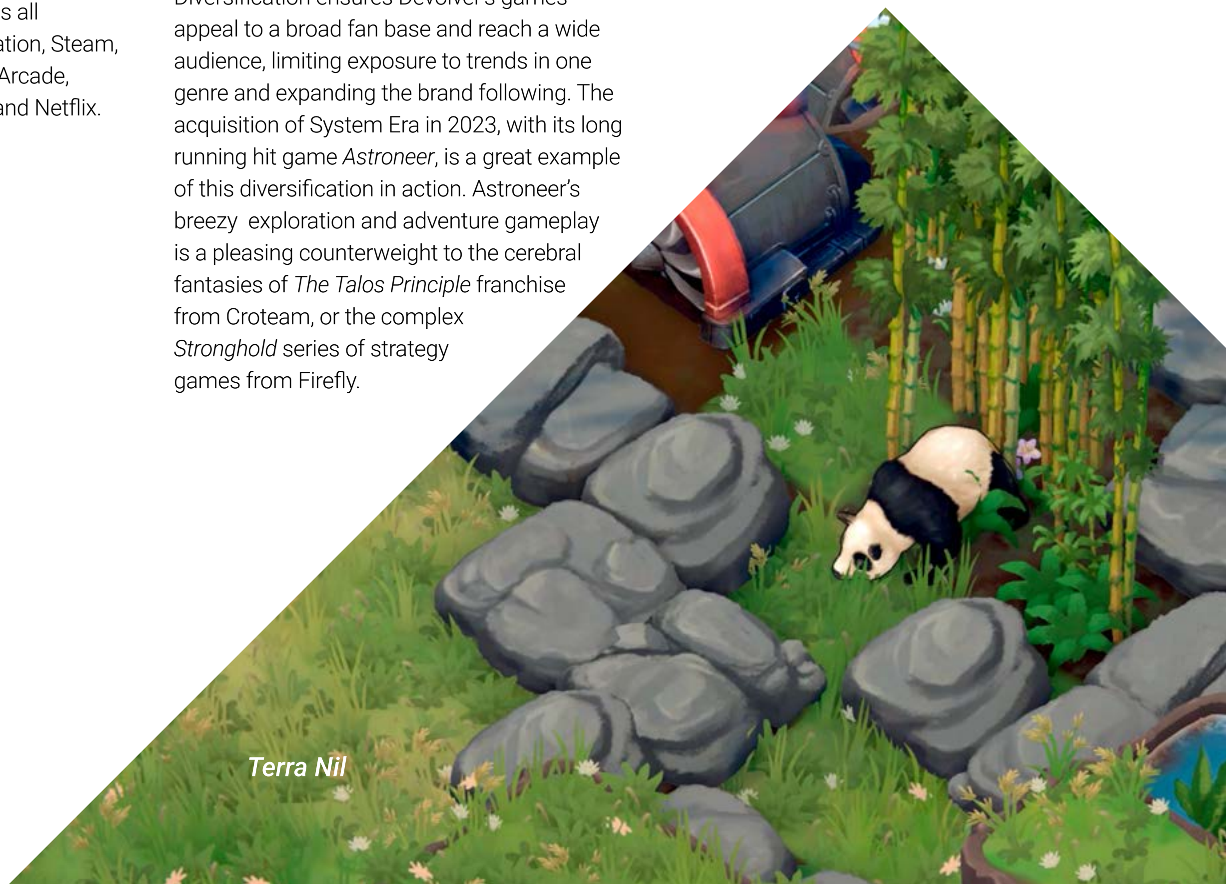
4. GEOGRAPHY

Devolver's revenues are not concentrated in a single geographical area, limiting exposure to any one market. In 2024, our largest unit sales from Steam were North America at 43%, Europe at 28%, Asia Pacific at 22%, South America at 5%, and Africa at 2%. Devolver will continue to increase geographical analysis of title performance to drive decision making and maximise title success at a local level.

Revenue diversification by platform



As of December 31, 2024



strategy and business model continued

Platforms

Devolver has long-term associations with key digital distribution partners across the video gaming industry, some of which stretch back over a decade. We believe that the strength of these relationships allows us to promote titles in ways which may be unavailable to other publishers. We have strong relationships with established providers, as well as the new entrants, and provide an uplift that developers may struggle to achieve on their own. Our revenues are also varied across platforms as we continue to diversify and reduce reliance on one medium.

Devolver assists in the game lifecycle in a number of ways:

QUALITY ASSURANCE

Quality assurance has continued to become a greater focus for Devolver as the size of games and complexity of simultaneous releases on multiple platforms expands. The Group has an experienced production team, including a dedicated technical team and trusted relationships with quality contractors that help provide services for which there is no direct in-house capability.

Devolver's services free up partner studios' resources to focus on development and removes the administrative burden of the development process.

Through data, experience and relationships, the team assesses what game formats, features and mechanisms are popular or unpopular with consumers and specific distribution platforms bringing the principles and practices of much larger organisations to small developers without infringing on creativity.

PUBLISHING AND RELEASE EXECUTION

Devolver's brand provides a lift for developers, bringing value in terms of discoverability and title promotion, for example its content and games have been frequently featured by media outlets including IGN, the most visited video gaming media site globally. In 2024 alone, viewers spent 20 million hours of watch time in 2024 across major platforms. The Group has one of the biggest social media reaches in the indie gaming space, with over 4m followers in aggregate across all social media platforms for the Group's brands and titles, and utilises partnerships with influencers to generate pre-and post-release interest.

Tailored campaigns managed by Devolver's highly experienced PR and marketing teams use these and other relationships to drive pre-release momentum.

The strength of Devolver's relationships with global digital platforms ensures that titles will be prominent and visible on their storefronts.

POST-RELEASE SUPPORT

Post-release support includes exploring ways to attract new customers and accelerate sales. Support services include technical assistance, such as server administration, further porting and localisation management and continued marketing.

Porting titles to new platforms and releasing in additional languages expands the customer base and generates incremental revenue.

Relationships with distribution platforms enable Devolver to promote portfolio titles effectively through bundle agreements and publisher sales.

The Group takes advantage of its back catalogue titles to generate large one-off fees through agreements with subscription services such as PlayStation Plus or Xbox Game Pass, and deals with newer entrants such as Netflix.

Lifecycle

- PROMOTIONS, BUNDLING AND BUYOUTS
- LANGUAGE SUPPORT AND TERRITORY DEALS
- PORTS TO NEW PLATFORMS
- PRODUCT INTERACTIONS
- SEQUELS, POST-RELEASE CONTENT AND OTHER FOLLOW-ON OR ASSOCIATED TITLES
- POST-RELEASE SUPPORT QUALITY ASSURANCE PUBLISHING AND RELEASE EXECUTION POINT IN LIFE SRP LIFECYCLE MANAGEMENT

strategy and business model continued

Global marketplace

Market opportunity

In 2024 the global video games market was valued at $187.7bn, with an estimated 3.4bn video game players – a 4.5% year-on-year increase largely driven by PC player growth, although the market remains below 2021 levels due to challenging conditions

Continued market growth is expected over the next three years to a forecast market value of $213bn by 2027, a CAGR of 4.4% from 2024. With more players spending on gaming software every year, global paying gamers are expected to reach 1.67 billion by 2027.

Video gaming is a truly global pastime. In 2024, North America, Europe and Asia-Pacific represented 7%, 13% and 53% of the total number of players respectively. Devolver has direct exposure to all these regions and has a well-executed strategy in Asia.

The Group aims to continue to grow in the region through an established distribution and media partner network overseen by locally based Devolver team members.

Worldwide market statistics

$51.9bn

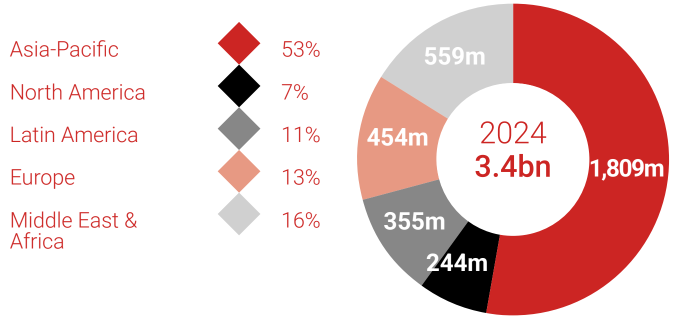
ESTIMATED VALUE OF WORLDWIDE CONSOLE MARKET IN 2024

3.4bn

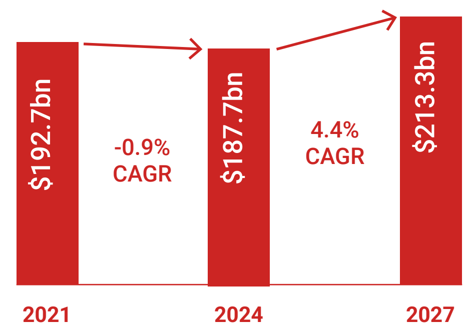
GAMERS WORLDWIDE

2023 Video gamer numbers by geography*

Market size of gamers by region



Video games market forecast*



* NewZoo, August 2024

strategy and business model continued

Market trends

RETURN OF MID-SCOPE GAMES	WHERE DO WE FIT?
In the past couple of years, many developers and publishers have been burned by expensive live service game failures or mega budget epics with bloated content. This is driving a resurgence of contained, cheaper games with tight gameplay loops, strong art direction and shorter development cycles. Many of 2024's surprise hits were in this mould, including titles such as Palworld, Hades II, Dave the Diver, Pacific Drive and Balatro.	Devolver has always believed in quality over quantity when it comes to individual projects. Exquisitely crafted, tightly focussed, timeless games are what Devolver does best. There are good signs that gamers are getting hungrier for that kind of product, as opposed to the latest 80+ hours of the big popcorn franchises. Devolver's slate for 2025 and beyond puts it in an excellent position to connect with that kind of audience.
EXPANDABLE, NOT GAAS	**WHERE DO WE FIT?**
Gamers are getting savvier about cynical monetisation systems, grindy game loops and Fear-Of-Missing-Out driven ecosystems. At the same time, fans of franchises are more likely than ever to stick to the games they know, as opposed to trying new IP. The market has responded with a more modular, expandable approach to the lifecycles of linear single player games. In 2024 many surprise indie hits that were released 1-2 years prior, continued to deliver substantial DLC, paid and free, boosting sales and extending the lifecycles of those games.	Devolver's acquisition of System Era Softworks in 2023 was in line with exactly this trend. *Astroneer*, now in its 9th year, had its first ever paid DLC in 2024 which was well received by the community and contributed to strong ongoing sales of the base product. Similarly, *Cult of the Lamb* received two large DLCs in 2024, helping it to be one the company's strongest performers overall in 2024. Devolver intends to continue to bring high value content to its key performing franchises in the future. Though we don't expect all the new games we sign to follow this path, it is an important consideration for us when selecting new projects.
DEVELOPER DISCOVERABILITY	**WHERE DO WE FIT?**
Indie developers need help getting their games discovered as title release volume on PC has massively increased. The number of titles released on Steam annually has grown from 380 in 2009 to over 18,800 in 2024 *(SteamDB, April 2025)*. Although there are several platforms outside of PC available to indie developers, many developers lack the technical skillset or marketing knowledge to access these platforms successfully.	Devolver is a leader in discoverability. We publish games across a broad range of PC, Console and Mobile platforms through direct relationships, and work with a range of porting partners to bring developers' games to as wide a player base as possible. Our marketing capabilities include paid advertising, influencer outreach, community management, and partner relations to secure strong amplification of our marketing and storefront placement. Devolver had three of its forthcoming titles included in the April 2025 Nintendo Direct, where the next generation Nintendo hardware (Switch 2) was fully unveiled, putting Devolver's games in front of one of the broadest global gaming audiences during an exciting flashpoint in the industry.
THE RISE OF STEAM DATA INTELLIGENCE PLATFORMS	**WHERE DO WE FIT?**
Steam has quietly shifted towards services like YouTube or Amazon in how it surfaces and promotes what is in its marketplace. It's no longer just "is your game good?", it's "is your game legible to the algorithm?". There's a new ecosystem of tools and services popping up to optimize this SEO/tag-loop. Services such as GameDiscoverCo Pro, VG Insights and SteamDB, among others, which offer various tools for analysing Steam store pages, have become indispensable to publishers.	Devolver has a deep understanding of the nuances of how best to find and communicate with fans via digital marketplaces. Making use of dedicated analysis tools and in-house experts, has been a natural evolution for the company. This has led to refinements in how we test and iterate on store pages and marketing materials to find the most resonant path from a developer's creation to a gamer's delight at that game. We expect to go deeper into this area in the coming years and see many opportunities to get even better at connecting to long term fans of Devolver's games.

risk factors

Risks relating to the group and its business

The Group is reliant on key relationships with third parties

RISK: The Group relies upon its strategic relationships and partnerships with global video game distribution platforms and services. Any significant disruption to those relationships could have a material adverse effect on the Group's financial performance. Increased competition for premium positioning on digital marketplaces and the rise of new entrants may negatively impact the Group's ability to compete successfully, which would have a corresponding impact upon sales and profitability.

MITIGATION: Devolver prioritises maintaining strong platform relationships, which bolsters our brand reputation. The Group has continually moved to diversify its revenue sources by introducing our games to new platforms, including Virtual Reality ("VR") platforms, subscription platforms such as Netflix, cloud-based streaming platforms, mobile platforms such as Apple Arcade, as well as challenger PC platforms such as Epic and GoG games. Additionally, the Group enjoys geographical diversity of revenues with significant revenues being derived from each of North America, Europe and Asia. If a disruption occurred related to a particular geographical region it might not significantly affect the overall operations on a particular platform worldwide. Specific deals with platforms are evaluated based on both individual and contextual merits to ensure strategic alignment.

The Group is dependent on its key talent

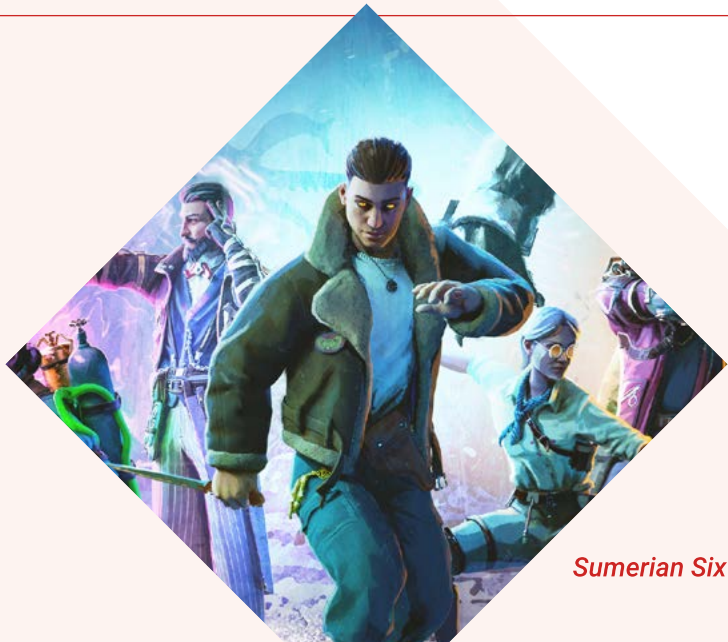
RISK: The successful operation of the Group relies partly on the efforts and abilities of its senior management, executive officers and Directors. Their knowledge, expertise and experience are key contributors to the continued success of the business, and failure to retain this talent could have a material adverse effect on the Group's profitability.

MITIGATION: Succession planning and Devolver's experienced talent have proven to mitigate this risk of change in leadership, as evidenced by the smooth transition in the CEO and Chair roles. Devolver's growth to date has been driven by attracting talent and providing the environment in which they can develop their skills. Managers at all levels are actively encouraged to foster talent and to consider succession-planning for the future. Devolver considers that it has a deep bench of veteran and emerging talent. The Long-Term Incentive Programme ("LTIP") which the Board introduced in 2022 continues to serve as a key tool in rewarding and retaining key personnel across the Group. Devolver sees its well-respected brand as a key tool for hiring. Efforts to maintain company culture while growing ensure continuity and stability in talent management.

The Group may overspend on pipeline games

RISK: As the Group grows, development and marketing expenditure in relation to the pipeline titles will likely be, on average, larger than historic releases. The increase in development and marketing spend increases the risk that developer advances may not be recovered if a title is not a commercial success. Increasing development and marketing spend may also lead to an increase in concentration risk, subsequently resulting in the possibility that the commercial failure of a single game could materially reduce the Group's forecasted revenue.

MITIGATION: Devolver has enhanced its greenlight process to include greater financial oversight in the development and marketing expenditure, detailed further in the section "Portfolio, Platforms, and Lifecycle". The Group seeks collaboration with partners for co-funding on larger projects to mitigate financial risks associated with game development overspend. The Group sees its track record of critical acclaim for its titles as a positive contributor to the longevity of the titles' revenue generation, supporting the likelihood that over a period of time the game will recoup its expenses. The vast majority of Devolver games have been profitable where they have been released for more than 12 months. New titles have increasingly been launched same day & date on all major platforms, increasing the impact of release and reducing the need for additional marketing spend on subsequent launches on different platforms. Increased localisation into more foreign languages further increases the potential for greater revenue capture across more geographies.



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risk factors continued

Market opportunity may be reduced by interventionist laws and regulations, with increased likelihood in Asia

RISK: Asia is a large market for the Group, with Asia-Pacific Steam unit sales at 22% of units sold. However, there are risks to continued growth in demand. In China, for example, legislation has sought to curb the exposure under-18s have to video games and. online gaming companies have been barred from providing gaming services to minors outside certain hours. This comes further to legislation in 2018 where regulators in China halted issuing video game licences. Whilst these restrictions are targeted at free-to-play games rather than the premium titles distributed by the Group, the Group's target market in China may be reduced by any similar future measures.

MITIGATION: The Group is expanding in other Asian markets such as Japan and South Korea, as well as greater penetration into the Chinese market through local distributors such as HeyBox and 4399 alongside Steam Global, the international platform of Steam. Devolver's games are not targeted at minors and are not "always-on", "free-to-play" or "pay-to-win" games. The Group's premium games are downloaded and played usually by a single player over a period of time of their choosing. This might bolster Devolver's standing with China's gamers who may seek out games which do not include the predatory financial practices of the mobile free- to-play market.

The Group needs to effectively manage operational complexity and acquisition integration

RISK: As the Group continues to expand, the increasing operational complexity and the integration of acquired entities pose challenges to Devolver's performance.

MITIGATION: Devolver has strengthened its operational oversight and integration efforts under the guidance of the Chief Operating Officer and support structure. Enhanced financial tracking and reporting at subsidiary levels have improved operational efficiency. In addition, the development of an acquisition integration plan further mitigates risks associated with operational complexity. Brand-level marketing efforts and subsidiary brand differentiation safeguard brand reputation. The Founders' vision and company culture reinforce brand identity and resilience against reputational risks.

The Group must comply with relevant regulations

RISK: Compliance risks in tax, legal and HR domains have historically been addressed through the use of outsourced expertise. While outsourcing has provided a certain level of support, delays in response times and decision-making processes can occur due to the inherent lag in communication and coordination with external entities. Additionally, the reliance on outsourced expertise often comes with a higher price tag, potentially increasing operational costs for the Group.

MITIGATION: Devolver has taken proactive steps to strengthen its compliance efforts. Devolver leverages outsourced expertise and has built good relationships with our partners and advisors. This not only fosters stronger communication but also enhances collaboration and trust. Additionally, Devolver has also recently increased in-house capabilities in finance, legal and HR teams to strengthen compliance efforts. By expanding our in-house expertise, this ensures a deeper understanding of the Group's operations and culture, enabling faster response times and more effective management of compliance issues. The increased capacity to identify, prioritise, and address areas for review also mitigate risks associated with compliance.

Wider market changes may impact the Group

RISK: Market changes including growth, new entrants, regulatory and geopolitical shifts pose risks to the Group's operations. The level of competition from other video game releases as well as other entertainment and wider leisure activities continues to increase. Additional market changes facing the industry include changes in technology, user preferences, economic conditions, and increased cost-of-living.

MITIGATION: Devolver mitigates the risks associated with market changes by monitoring market trends and diversifying revenue streams. Embracing industry partnerships and new opportunities, such as Expandable Games as evidenced by the Group's acquisition of System Era Softworks, enhances the Group's ability to adapt to market fluctuations. We believe there will continue to be a large market for high-quality indie video games, and that we are well positioned to continue to engage and expand our community and target market.

ESG report

Devolver is committed to sustainable practices, ensuring the well-being of its employees and best practice in governance. We are dedicated to fostering a diverse and inclusive workplace for all. Additionally, we actively engage in charitable initiatives, collaborating on community projects and partnerships to create a meaningful and positive impact.

Our people

Diversity, equity and inclusion

Enhancing Diversity, Equity, and Inclusion is a cornerstone of our company culture. This year, we refined our recruitment strategies to broaden our candidate pools and actively monitor diversity metrics. These efforts drive tangible progress toward creating an equitable workplace where all individuals feel valued and are afforded equal opportunities for success.

Our subsidiary, System Era, champions inclusion through employee-led affinity groups that cater to diverse interests and initiatives. The BJEDI (Belonging, Justice, Equity, Diversity, and Inclusion) committee plays a crucial role in advancing educational programming and charitable partnerships. Recognising the importance of mental health, we prioritise employee well-being by actively promoting rest and mindfulness. By emphasising a balanced work-life culture, we aim to create an environment where our employees thrive both personally and professionally.

Employee well-being

To foster a supportive workplace culture, we have introduced Discovery Workshops aimed at promoting mental well-being among our employees. Our goal is to support resilience and a sense of community among team members.

In addition, Spill is available to all employees. This is a dedicated mental health resource designed to provide our team members with accessible and confidential support when navigating personal and professional change.

Our community

Charitable Initiatives

Our commitment to charitable giving continues to thrive. In 2024, Devolver Digital allocated a charity budget of **$115,000**, managed by our dedicated Fundraising and Donations group with members drawn from across the Devolver team. This budget supports a diverse range of industry-related charities and smaller, team-nominated organisations primarily focused on mental health and humanitarian relief.

Suggested charities are vetted to align with Devolver's values and ethics, ensuring responsible use of funds. Over the years, Devolver has sponsored events, created safe spaces at conventions, funded travel for underrepresented groups to industry events, supported mental health initiatives, and contributed to natural disaster responses.

We have maintained our longstanding partnerships with charities SpecialEffect and War Child, each receiving a donation of $15,000 from our charity budget. These contributions support SpecialEffect's vital work in helping individuals with physical disabilities access gaming and War Child's humanitarian efforts in conflict zones such as Gaza and Ukraine. We believe in the power of gaming to bring joy and healing, and we take pride in supporting these impactful organisations.

ESG report continued

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Gaming Industry Sponsorship

In our efforts to empower emerging talent within the gaming industry, we partnered with Free Lives to sponsor ten African indie developers to attend the Playtopia Indie Games & Immersive Arts Festival and conference, a gathering of South African global creators and players. Devolver donated **$30,000**. This initiative covered their flights, accommodations, and event access, providing invaluable networking opportunities within the African development scene. We strengthen the broader gaming community by fostering growth among indie developers and encouraging collaboration and innovation.

We donated an additional **$85,000** across a range of gaming events and causes including Day of the Devs, IndieDevDay, Latin American Games Showcase, the Digital Media Association Of Alberta, and others.

Our planet

Every individual involved in developing and publishing a game from a Devolver Group company has been included in the annual calculation of Devolver's target tonnes of CO_2 emissions for this calculation. Activities for the Environmental group, with members from Devolver as well as other Group companies, include helping developers to engage in environmental issues and helping employees of the Group to participate in and learn about environmental issues.

Our partnership with Tree-Nation has grown. We proudly report that in 2024, we successfully planted over 59,160 trees, offsetting more than 7,633 tons of CO_2. This initiative is a significant step in our ongoing efforts to mitigate our operations' environmental impact.

Since the launch of Terra Nil by Free Lives earlier last year, a great environmental message has been shared with players, and in addition, streamers have planted over 48,000 trees.

CFO report

"Devolver's 2024 performance was in line with expectations set in the trading update"

Statutory financial results

The financial results included in this Annual Report cover the Group's combined activities for the 12 months ended 31 December 2024 and are prepared in accordance with applicable International Financial Reporting Standards.

Adjusted results

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

Resumption of revenue growth

Devolver's 2024 revenue performance was in line with guidance given at the start of the year, rising 13.5% year-on-year to $104.8M, a resumption in growth after a fall in 2023. Revenue growth was driven by 10 new title releases, including Anger Foot, The Plucky Squire, Pepper Grinder, Neva and Children of the Sun. Growth was supported by steady back catalogue sales including sales from special platform deals, and a full year contribution from System Era (acquired in October 2023).

Gross Profit increased 22.6% year-on-year to $30.1M. Gross margins expanded to 28.7%, up from 26.5% in 2023, primarily due to: a) revenue growth that outstripped the step-up of amortisation expense from new releases in 2024; b) reduced marketing costs, and; c) slightly lower in-period game development costs that are not capitalised.

Adjusted EBITDA

Adjusted EBITDA results are non-IFRS measures that 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 exceptional items (material and non-recurring), 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 Directors monitor results.

Adjusted EBITDA and Adjusted EBITDA margins

Adjusted EBITDA pre impairments rose to $9.6M, up substantially from $1.7M in 2023. Adjusted EBITDA margins pre impairments improved to 9.2% for full year 2024, compared to a low of 1.8% in 2023. The annual growth in revenues and expansion of gross profit margin was bolstered by operating expense control, all combining to drive the improvement in Adjusted EBITDA. Total operating expenses rose only 0.5% in 2024, compared to a 13.5% revenue increase this year.

Statutory net loss for 2024 was $1.3M, a reduction from a loss of $12.7M in 2023.

The Plucky Squire

CFO report continued

Impairment of capitalised development costs

In 2024 the Group recorded $4.5M of impairments for underperforming games released in 2023 and 2024.

At half-year and year-end 2024 the Group assessed the balance sheet carrying value of capitalised development costs of certain titles published in 2024 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 2024 and reduced future projections. The total non-cash charge of $4.5M as a write-down for impairment in their carrying value reduces 2024 Adjusted EBITDA to $5.1M.

Launch of Big Fan

In 2H 2024 Devolver announced the launch of Big Fan Games, a new video games publishing label dedicated to adaptations of entertainment brands. Through the label, Big Fan Games will give developers the chance to create original game adaptations using the worlds and characters of iconic film, television, and comic properties. Big Fan Games is currently working on projects from “rad media properties” developed by independent developers and is building a pipeline of games with modest budgets for release in 2026 and beyond.

Employee Benefit Trust (EBT)

In 2022 Devolver established an Employee Benefit Trust (EBT) to facilitate off-market and on-market stock option exercise by employees and contractors who were awarded 2017 Equity Incentive Plan stock options and LTIP grants. The EBT is an independent Jersey-incorporated Trust enabling option exercise and share settlement off-market without impacting market liquidity. Share purchases by the EBT are funded by way of a loan from Devolver.

The Company can request settlement of the loan at any time in future. The shares held by the EBT are disclosed as Treasury Shares within the Group’s Capital Redemption Reserve. At the end of 2024 the EBT held 20,176,400 shares. Separately, at year-end 2024 there were 35,029,332 options still outstanding with a weighted average exercise price of US$0.46 per option.

Anger Foot

Long Term Incentive Plan (LTIP)

In 2022 Devolver established a long-term incentive plan (LTIP) for its senior leadership and Group employees charged with delivering the Group's strategic objectives. The LTIP was designed to reward employees at all levels of the Group for performance that delivers value for shareholders, through the award of long-term incentive shares. Annual awards have been made each year since 2022.

In 2024 share grants made under the 2022 LTIP plan consisted of Performance Stock Units ("PSUs") which are awarded subject to a three-year cliff and achievement of ambitious financial targets, and Restricted Stock Units ("RSUs"), which are awarded subject to a three-year cliff and financial performance criteria for senior management, and a two-year cliff for other employees with financial performance criteria for senior employees.

The Remuneration Committee recommended 2024 awards granted under the 2022 LTIP plan that amounted to c.8.6M shares in aggregate (on the assumption that all vest), representing 1.8% of the issued and outstanding share capital at that time. Total dilution from the outstanding options (i.e. excluding options previously exercised within the EBT) and the cumulative grants under the 2022 LTIP would amount to 10.1% of the issued and outstanding share capital.

The co-founders of Devolver who are full-time employees at the company, CEO Harry Miller, COO Graeme Struthers and CMO Nigel Lowrie, have not received any awards under the LTIP since the LTIP's launch in 2022. This year the Board has instead awarded them a performance-linked cash bonus based on the same targets and timing as the 2024 LTIP awards.

Cash balances

Cash holdings at end December 2024 were $41.6M after including a net $9.8M share placement in July 2024. Ongoing investment in pipeline game development during 2024 was $30.7M, which outstripped the cash generated from operations during the year.

Post balance sheet events

There were no post balance sheet events.

Daniel Widdicombe

Chief Financial Officer

15 April 2025

Forestrike

corporate governance

Stronghold

Terra Nil

Non-Executive Chair’s introduction

Dear Shareholder

On behalf of the Board of Directors, I am pleased to present the governance report for the year ended 31 December 2024. The Board is collectively responsible for the success of the Group and entrepreneurial leadership is balanced by the scrutiny and oversight provided by the Independent Non-Executive Directors.

As a business quoted on the AIM market of the London Stock Exchange, we have adopted the Quoted Companies Alliance Corporate Governance (“QCA”) Code. Devolver supports the principles of the Code and the Directors believe it provides the Group with the appropriate framework to ensure that a strong level of oversight is maintained. This enables the Group to establish an effective governance culture as part of building a successful and sustainable business for all of its stakeholders. The Group complies with the ten principles of the Code, as detailed below.

Kate Marsh

Non-Executive Chair

(Harry Miller was Executive Chair until 31 January 2024)

15 April 2025

principles of the QCA code

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Group's business model and strategy is set out in the front section of the Annual Report. The Directors believe that the Group's model and strategy will strengthen the Group's financial position by improving its core game publishing craft, leveraging existing intellectual property owned by the companies in the Group, and selectively acquiring new intellectual property, publishers and development studios. These combined actions will promote long-term value for shareholders.

The principal risks facing the Group are set out in the "Risk Factors" section of the Annual Report. The Directors will continue to take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks, including implementing a risk management framework.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Group maintains an active dialogue with shareholders, who are kept up to date via announcements made through a Regulatory Information Service on matters of a material substance and/or a regulatory nature. Updates are provided to the market from time to time, including any financial information, and any expected material deviations to market expectations are also announced through a Regulatory Information Service.

The Group's Annual Report will be available on the Group's website in April 2025, following which the Notice of Annual Meeting ("AM") will be sent to all shareholders and will confirm the date of the Annual Meeting. All documents will be available to download from the Group's website.

The Group's AM is an opportunity for shareholders to meet with the Non-Executive Chair, Executive and Non-Executive Directors. The AM will be open to all shareholders, and offers an opportunity to ask questions and raise issues during the formal business, or more informally, following the meeting. The results of any voting at the AM will be announced through the Regulatory Information Service and posted on the Group's website.

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored and the Group intends to engage with and listen to shareholders who do not vote in favour of resolutions at the AM.

There is also a designated email address for Investor Relations, ir@devolverdigital.com, and all contact details are included on the Group's website.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group takes its corporate social responsibilities very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including shareholders, staff, customers and gaming platforms and developers that it partners with as part of its business strategy.

The Executive Directors maintain an ongoing and collaborative dialogue with stakeholders and take feedback into consideration as part of the decision-making process and consider where feedback can impact the day-to-day running of the business.

Devolver has always supported numerous local, national, and global charities and initiatives. More information on our corporate social responsibility can be found in the "ESG" section of the Annual Report .

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The principal risks facing the Group are set out in the "Risk Factors" section of the Annual Report. The Directors take appropriate steps to identify risks and undertake a mitigation strategy to better manage such risks where possible. The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has also established the Audit & Risk Committee. A formal review of these risks is carried out at least on an annual basis. Additionally, the Group holds an active risk register which is regularly reviewed at Board level as well as by the Audit & Risk Committee.

Principle 5: Maintain the Board as a well-functioning, balanced team, led by the Non-Executive Chair

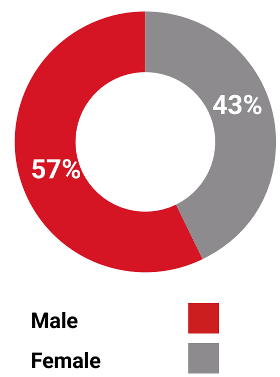
The Board comprises the following persons:

- Four Non-Executive Directors; and
- Three Executive Directors.

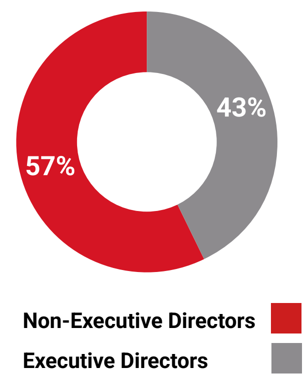
The biographies of the Directors are set out in the "Board of Directors" section of the Annual Report. The Non-Executive Chair, Kate Marsh (previously Senior Independent Director), and Non-Executive Directors Jeffrey Lyndon Ko, Janet Astall and Jo Goodson are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board.

The CEO, Harry Miller (previously Executive Chair), is well-supported by experienced Independent Directors and the Non-Executive Chair with clearly defined roles and responsibilities. The Board as a whole is collectively responsible for the success of the Group, and the proposed structure provides leadership of the Group within the framework of effective controls.

Gender balance



Executive vs Non-Executive



As of December 31, 2024

principles of the QCA code continued

The division of responsibilities between the CEO, COO, CFO and the Non-Executive Chair will be agreed by the Board. Kate Marsh, the Non-Executive Chair (previously Senior Independent Non-Executive),

will lead the Independent Non-Executive Directors on matters where independence is required. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward at each meeting, democratically. Additionally, the governance architecture has been designed to empower the independent members of the Board through the various Committee structures.

The Board is also supported by the Audit & Risk Committee, the Remuneration Committee and the Nomination Committee, further details of which are set out in the "Board Committees" section of the Annual Report. The Nomination Committee will keep the composition

of the Board under regular review, taking into account the relevant skills, experience, independence, knowledge and diversity of the Board.

The Board meets regularly and processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable them to discharge their respective duties. Since the IPO, the Board has met monthly and has continued this cadence of monthly meetings.

			Board attendance 2024										
Name	**Position**	**Current Committee Membership**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Sep**	**Oct**	**Nov**	**Class**
Harry Miller	Chief Executive Officer (Executive Chair until 31 January 2024)	Nomination	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	I
Douglas Morin	Chief Executive Officer until 31 January 2024		✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	II
Graeme Struthers	Chief Operating Officer (Board Member from 31 January 2024)		n/a	✓	✓	✓	✓	✓	✓	✓	✓	✓	II
Daniel Widdicombe	Chief Financial Officer		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	III
Kate Marsh	Non-Executive Chair (Senior Independent Director until 31 January 2024)	Nomination Chair, Remuneration, Audit (Remuneration Chair until 31 January 2024)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	I
Jo Goodson	Non-Executive Director	Remuneration (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	II
Jeff Lyndon Ko	Non-Executive Director	Audit, Remuneration	✓		✓	✓	✓	✓	✓	✓	✓	✓	III
Janet Astall	Non-Executive Director	Audit (Chair), Nomination	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	III

The Directors are divided into three classes, designated as Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of Directors constituting the entire Board. At the 2024 Annual Meeting, Directors belonging to Class III offered themselves up for re-election and were successfully re-elected and COO Graeme Struthers was appointed to the Board. At the 2025 Annual Meeting, Directors belonging to Class I (Harry Miller and Kate Marsh) will offer themselves up for re-election.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders.

COMMITTEE ATTENDANCE

Remuneration Committee 2024

Name	**1 March**	**25 March**	**24 May**	**9 Dec**
Jo Goodson (Chair)*	✓	✓	✓	✓
Kate Marsh*	✓	✓	✓	✓
Jeff Lyndon Ko		✓	✓	✓

* In January 2024, Kate Marsh stepped down as Chair and Jo Goodson stepped up as Chair.

Audit & Risk Committee 2024

Name	**25 Mar**	**8 Apr**	**11 Sep**	**20 Sep**	**29 Nov**
Janet Astall (Chair)	✓	✓	✓	✓	✓
Kate Marsh	✓	✓	✓	✓	✓
Jeff Lyndon Ko	✓	✓	✓	✓	✓

Nomination Committee 2024

Name	**30 Jan**	**30 April**	**22 July**
Kate Marsh (Chair)*	✓	✓	✓
Harry Miller	n/a	✓	
Janet Astall	✓	✓	✓
Jo Goodson*	✓	n/a	n/a

* In January 2024, Jo Goodson stepped down from this committee and Kate Marsh joined as Chair.

principles of the QCA code continued

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The skills and experience of the Directors are summarised in their biographies set out in the "Board of Directors" section of the Annual Report.

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives. Experiences are varied and contribute to maintaining a balanced board that has the appropriate level and range of skill to drive the Group forward.

Prior to listing the Directors also received a briefing from the Group's Nominated Adviser ("NOMAD") in respect of continued compliance with, inter alia, the AIM Rules and from the Company's Solicitors, Fieldfisher LLP, in the United Kingdom in respect of continued compliance with, inter alia, the AIM Rules for Companies and UK Market Abuse Regulations ("MAR"). The Group's General Counsel and Board continue to attend several refresher training sessions with the Group's NOMAD and solicitors regarding the AIM Rules, the Disclosure Guidance and Transparency Rules and MAR. In 2024, the Group's General Counsel and Board received updated training on the AIM Rules, QCA guidelines and Delaware law.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Directors consider the effectiveness of the Board, Audit & Risk Committee, Remuneration Committee, and individual performance of each Director.

The Group has a Nomination Committee which conducts a regular assessment of the individual contributions of each member of the Board to ensure that their contribution is relevant and effective.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Group has a responsibility towards its staff and other stakeholders. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The Group's policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and anti-corruption. The Board takes responsibility for the promotion of ethical values throughout the Group, and for ensuring that such values guide the objectives and strategy of the Group.

The culture is set by the Board and is regularly considered and discussed at Board meetings.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Non-Executive Chair leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board is supported by the Audit & Risk Committee, the Remuneration Committee and the Nomination Committee, further details of which are set out in the "Board Committees" section of the Annual Report. There are certain material matters which are reserved for consideration by the full Board. Each of the Committees has access to information and external advice, as necessary, to enable the committee to fulfil its duties.

The Board reviews the Group's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Principle 10: Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Responses to the principles of the QCA Code and the information is contained in the Group's Annual Report and Accounts provide details to all stakeholders of how the Group is governed.

The Board is of the view that the Annual Report, as well as its half year report, are key communication channels through which progress in meeting the Group's objectives and updating its strategic targets can be given to shareholders.

Additionally, the Board uses the Group's Annual Meeting as a mechanism to engage directly with shareholders, to give information and receive feedback about the Group and its progress.

The Group's website is updated on a regular basis with information regarding the Group's activities and performance, including financial information.

There is also a designated email address for Investor Relations: ir@devolverdigital.com, and all contact details are included on the Group's website.

board of directors

HARRY MILLER

Chief Executive Officer (Nomination)

(Executive Chair until 31 January 2024)

Harry is a video games industry veteran, with over 30 years of sector experience, having established and managed a number of publishing and developing businesses. Harry was a co-founder and CEO of video games developer Ritual Entertainment, leaving in 1998. In the same year he co-founded Gathering of Developers, also known as G.O.D. or G.O.D. Games, alongside two founders of Devolver. Following the sale of G.O.D. to Take-Two Interactive in 2000, Harry became CEO of Hong- Kong based En-Tranz Entertainment, where he stayed until 2003. Harry was a Director of Play HK Ltd, until reuniting with the G.O.D. Games founders in 2006, helping establish another developer-first publishing brand, Gamecock Media. Harry ran Gamecock as President until its sale in 2008. Harry and several of the G.O.D. founders went on to establish Devolver, where he currently occupies the CEO role, having previously served as Executive Chair and President. Harry has a MIM from Thunderbird School of Global Management.

GRAEME STRUTHERS

Chief Operations Officer

Graeme is a co-founder of Devolver who joined the Board in January 2024, having been appointed Chief Operating Officer in 2022 to oversee a strengthening of the leadership team and operational structures following the IPO in 2021. Before Devolver, Graeme worked across a number of games companies, including Virgin Interactive and Electronic Arts.

DANIEL WIDDICOMBE

Chief Financial Officer

Daniel joined Devolver as CFO in 2021, bringing with him over 30 years of finance experience. A fluent Mandarin speaker, Daniel trained as an investment analyst in Hong Kong at HSBC and Bear Stearns, and then spent 4 years as CFO of NASDAQ-listed internet company Chinadotcom. Daniel has held a number of non-executive roles including Chair of the Audit & Risk Committee of Corgi International, another NASDAQ-listed business, and Middle Earth Limited. On returning to London, Daniel spent over 10 years at China Construction Bank as Head of Investment Banking, leaving in 2020, joining Devolver in May 2021. Daniel is also an Independent Non-Executive Director of Winking Studios Ltd.

KATE MARSH

Non-Executive Chair (Nomination Chair, Audit, Remuneration)

(Senior Independent Non-Executive Director and Remuneration Chair until 31 January 2024)

Kate is an experienced Executive and Non-Executive Director with over 30 years' experience in digital and media businesses, holding senior management roles with global companies including Amazon, MGM Studios, Sky, GroupM, Sony Pictures and the BBC. At the end of 2023, Kate stepped down from her role leading Amazon-owned, MGM+ International (MGM's International SVOD business outside of the US) to concentrate on a portfolio career. Along with serving on the Devolver Board, Kate is a Non-Executive Director at UK FTSE 100 company, Games Workshop Group Plc, where she is Chair of the Remuneration Committee and sits on the Nomination and Audit & Risk Committees. She is a Governor of the University for Creative Arts and has served at board-level for Sony Pictures Entertainment companies in Europe, Plato Media Ltd, the home of Hopster, along with Mediahuis Ireland Ltd (previously INM Plc), the home of the Irish Independent and Belfast Telegraph.

JO GOODSON Independent Non-Executive Director (Remuneration Chair, Nomination)

(Nomination Chair until 31 January 2024)

Jo is a technology sector entrepreneur with over 25 years of experience. Jo co-founded MediaGold in 1998, which was later sold to Avanquest, a Paris-based Euronext-listed company in 2003. Before starting her current role, Jo advised and invested in companies in the internet, gaming and software space, including Mediatonic Games, Playmob, MediaGold and Indigo Pearl. She was also a Non-Executive Director and shareholder of Six to Start which was acquired by OliveX, a subsidiary of Animoca Brands, in March 2021. Jo is currently a Non-Executive Director and Chair of the Remuneration Committee for Facilities by ADF, an AIM listed business.

JANET ASTALL

Independent Non-Executive Director (Audit Chair, Nomination)

Janet has over 20 years of experience working in finance, the majority of which has been spent working for consumer-facing technology businesses. Janet is currently a Finance Director at Three and has previously held similar roles at BT, British Gas and O2. Janet was a Non-Executive Director of a Telefonica group business and has recently become a Member of the Board of Trustees and Chair of the Audit Committee at Raspberry Pi Foundation. Janet is a Chartered Accountant, qualifying at KPMG in 1998.

JEFF LYNDON KO Independent Non-Executive Director (Audit, Remuneration)

Jeff has over 20 years of experience in the video games sector. He is currently President of iDreamsky Technology, a company he co-founded in 2009. iDreamsky is a Chinese headquartered video games company, listed on the Hong Kong Stock Exchange. Jeff was elected as the President of the Shenzhen ESports Association in November 2018. He also served as the Honorary Advisor of Hong Kong Esports Club Limited and the Honorary President of Macau E-Sports Federation.

company policies

Share Dealing Code

The Group has adopted a share dealing policy which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its AIM securities in accordance with the provisions of UK MAR and of the AIM Rules.

Anti-Bribery and Anti-Corruption Policy

Devolver has adopted an anti-corruption and bribery policy which applies to the Board and employees of the Group. It sets out their responsibilities in observing and upholding a zero tolerance position on bribery and corruption in all the jurisdictions in which the Group operates. It also provides guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Group expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, being aware of and referring to this policy in all of their business activities worldwide. The Group expects any and all business carried out on the Group's behalf to be in compliance with this policy. Management at all levels are responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

Whistleblowing Policy

Devolver's Whistleblowing Policy sets out a framework for the Group to promote and encourage confidence in its business practices and operations.

It provides for complaints to be received and retained regarding suspected wrongdoing, such as, fraud, illegal or unethical behaviour and auditing misconduct to give a few examples.

It aims to encourage individuals to report any suspected wrongdoing that they are aware of in a confidential manner, to protect individuals who report on such suspected unethical behaviour and enable Devolver to meet its obligations under local laws.

This policy applies to all entities and individuals working at all levels in Devolver and the Group within the Devolver group of companies, including senior managers, officers, directors, agents, employees, consultants, contractors, part and fixed term workers, casual and agency staff irrespective of their geographical location within Devolver.

The policy sets out a detailed reporting procedure, including filing a report and reporting via the Whistleblowing service, namely online or via a telephone helpline.

Environmental, Social and Corporate Governance Policy

Devolver seeks to conduct its enterprise in a responsible manner, to treat its business partners and employees fairly and respectfully, understanding the importance of restricting the negative impacts of its operations on the environment, and advocating those principles with those whom it does business with. The Group seeks to emphasise its commitment to sustainability, employee welfare and development, diversity, equal opportunities, reducing waste and supporting charitable initiatives. The Group seeks to operate in an ethical manner across the jurisdictions in which it does business.

Conflict of Interest Policy

Devolver's Conflict of Interest Policy encourages disclosure of actual, potential or perceived conflicts of interest in order to protect the reputation and integrity of Devolver. It broadly outlines (i) identifying potential conflict of interest situations (ii) dealing with identified conflicts of interest and (iii) obligation on all staff to disclose conflict of interest or potential conflicts of interest and maintain high ethical standards.

The policy applies to all directors, officers, employees, contractors and agents of Devolver and the Group and sets out the Conflict Review Procedure.

IT Use Policy

Devolver's IT Use Policy establishes a framework for Devolver to promote effective communication and working practices when using various forms of electronic media by outlining the following

(i) standards to observe when using such systems (ii) when Devolver will monitor use (iii) action taken if there is a breach in standards.

The policy applies to all directors, officers, employees, contractors and agents of Devolver and of the Group who use communications equipment and systems in performing their duties.

board committees

Children of the Sun

The Group has established Audit & Risk, Remuneration and Nomination committees.

AUDIT & RISK COMMITTEE

The Audit & Risk Committee comprises:

- **Janet Astall** – Chair
- **Jeff Lyndon**
- **Kate Marsh**

Janet Astall, the Chair of the Audit & Risk Committee, has recent and relevant financial experience and is a qualified Chartered Accountant.

The Audit & Risk Committee has responsibility for providing effective governance over the Group's financial activities. It determines and examines matters relating to the financial affairs of the Group including the terms of engagement of the Group's auditors and, in consultation with the auditors, the scope of the audit. It will receive and review reports from management and the Group's auditors relating to the half yearly and annual accounts and the accounting and the internal control systems in use throughout the Group.

REMUNERATION COMMITTEE

The Remuneration Committee comprises:

- **Jo Goodson*** – Chair
- **Jeff Lyndon Ko**
- **Kate Marsh***

The Remuneration Committee will review and make recommendations in respect of the Executive Directors' remuneration and benefits packages, including share incentive awards and the terms of their appointment. The Remuneration Committee will also make recommendations to the board concerning the allocation of share incentive awards to employees under the intended share schemes.

* In January 2024, Kate Marsh stepped down as Chair and Jo Goodson stepped up as Chair.

NOMINATION COMMITTEE

The Nomination Committee comprises:

- **Kate Marsh*** – Chair
- **Harry Miller**
- **Janet Astall**

The Nomination Committee will review the composition and efficacy of the Board and, where appropriate, recommend nominees as new directors to the Board. It evaluates the balance of skills, knowledge and experience on the Board and keeps up-to-date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates. It keeps under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

* In January 2024, Jo Goodson stepped down from this committee and Kate Marsh stepped up as Chair.

audit committee report

Committee governance

The Committee consists solely of the Independent Non-Executive Directors: Janet Astall, Kate Marsh, and Jeff Lyndon. The Chair of the Committee, Janet Astall, is a Chartered Accountant and brings recent and relevant financial experience and expertise. The other Committee members bring considerable relevant industry and public company experience at a senior level as set out in their biographies.

Roles and responsibilities

The Terms of Reference of the Committee can be found on the Group's website, https://investors.devolverdigital.com. These clearly define the Committee's responsibilities, which are to provide effective governance over the Group's financial activities by assisting the Board in the following matters:

- Overseeing the integrity of the annual financial reporting process in order to ensure that the information provided to shareholders is fair, balanced, comprehensive and understandable, and allows them to assess the Group's financial position, performance, business model and strategy;
- Oversight of the external audit process and its effectiveness, and management of the relationship with the Group's external auditor, including reviewing auditor independence, advising the Board on the appointment of auditors and their remuneration, and approving any non-audit work;
- Ensuring compliance with accounting standards and the suitability and consistency of the methodologies applied, including a review of significant financial judgements, financial reporting issues and their disclosures; and
- Monitoring the adequacy and effectiveness of the Group's internal control environment, and risk management system, including principal and emerging risks.

Significant reporting issues and judgements

As part of the Committee's review of the 2024 full year results announcement and the 2024 Annual Report, the following key accounting policies and estimates were reviewed to ensure appropriate judgements have been made by management:

- Revenue Recognition, the application of IFRS 15;
- Accounting for new business acquisitions during the year;
- Accounting for any remaining contingent consideration on prior business acquisitions;
- Capitalised development costs and their useful economic life;
- The testing of goodwill and intangible assets for impairment;
- Accounting for share-based payments;
- Taxation; and
- Going concern.

For further detail on these, please see the notes in the relevant sections of the financial statements. The Committee also reviewed and discussed the findings of the audit with the external auditor.

Activities during 2024

The Committee met 5 times during the year and the Group's external auditors, Grant Thornton LLP, were in attendance for the majority of these meetings. At the committee's request, the Chief Financial Officer and key members of the finance team were also present. During the year, the Committee reviewed the:

- 2023 Trading Update, the 2023 full year results announcements and the 2023 Annual Report;
- 2024 interim results;
- External auditor's findings from the 2023 audit;
- Auditor's fees, their independence and effectiveness;
- 2024 full year audit plan, scope, timetable and audit engagement letter;
- Risk policy and risk register and risk owners, incorporating a review of principal and emerging risks;
- Financial processes, systems and finance personnel in place at both the Group and subsidiary level;
- Financial performance of, and future forecasts for, subsidiaries;
- Improvements to internal controls; and
- Implementation of key policies including whistleblowing and anti-bribery and corruption.

The Audit and Risk Committee also reviewed the continued integration of the System Era business ensuring that appropriate governance and controls are in place over this new subsidiary as it is integrated into the Group.

Janet Astall

Audit & Risk Committee Chair

15 April 2025

remuneration committee report

Role and responsibilities

The Terms of Reference ("TOR") for the Remuneration Committee (the "Committee") remain the same as created on the Company's Admission to the AIM on November 4, 2021.

In 2024 the Committee met four times to carry out its duties and key responsibilities in alignment with those TORs as follows:

- To review and make recommendations in respect of Executive Directors' remuneration and benefits packages, including share incentive awards and terms of appointment;
- To review and determine whether awards were to be made under the Group-wide LTIP, and;
- To ensure the Remuneration Policy promotes alignment with long-term shareholder interests and attracts, incentivises and rewards the key talented individuals that are at the core of the business.

Activities during 2024

During the year, the Committee focused on the core tasks of

- Reviewing Executive Director compensation;
- Having oversight of the company-wide bonus scheme, and;
- Reviewing and recommending for Board approval share grants under the Shareholder approved group-wide Long Term Incentive Plan (LTIP).

The Committee considered all tasks, keeping alignment with the long-term aims of the Group and Shareholders. Throughout, the Committee continues to be supported by its independent compensation advisor Alvarez & Marsal as required.

Executive Director & Senior Management Compensation

The Executive compensation structure is both recognisable and straightforward, consisting of base salary, benefits, a performance-related annual bonus and both performance and non-performance-based LTIP share awards which vest after two or three years.

The Committee reviews base salaries on an annual basis, with reference to market levels in comparably sized, peer-group public companies. Any resulting increases are normally effective from May 1 each year, unless by reason of exception.

After review, in 2024, the Committee did not recommend any salary increases for Executive Directors - base compensation remaining flat to the end 2023 level excepting for adjustments following elected reductions in 2023. The general staff pay round, taking note of inflationary pressures, provided for annual increases averaging 3.5% across the Group. Following the departure of Douglas Morin on January 31, 2024, Harry Miller assumed the role of CEO and his salary was reset at 2022 levels following his elected reduction in 2023, and COO Graeme Struthers was appointed to the Board. Graeme's salary was also reset at 2022 levels following an elected reduction in 2023.

Pension

The Group operates a defined contribution pension scheme under which it pays contributions based upon a percentage of the members' basic salary.

In addition to base salary, Executive Directors receive a pension contribution of 3.5% to 4.3% of salary. Other benefits are in line with general Company policy.

Annual bonus

Annual bonus payments are based on performance against challenging targets which are aligned to the Group's objectives and are designed to deliver shareholder value. Targets are based on the Group's revenue and EBITDA with varying degrees of award and for 2024 were set as follows against 2024 Budget target:

Metric	Weighting	0% Payout	25% Payout	50% Payout	100% Payout (Maximum)
Revenue	50%	<90% of target	90%-99% of target	100%-109% of target	110%+ of target
EBITDA	50%	<90% of target	90%-99% of target	100%-109% of target	110%+ of target

Budget targets set for 2024 were not met. Therefore, no cash bonus payments were awarded to Executive Directors or Senior Management in 2024 in relation to 2024 performance.

remuneration committee report continued

Group-wide Long Term Incentive Plan (LTIP)

The Long Term Incentive Plan, which was approved by Shareholders at the close of 2022, is administered by the Committee and annual awards are subject to Board approval. All employees, directors and consultants of the Group are eligible to receive stock awards under the plan and grant levels are determined by the Committee each year, with flexibility for the Committee to use discretion to override a formula-driven outcome and adjust the LTIP subject to final Board approval.

LTIP Awards are made as Restricted Stock Units ("RSUs") and Performance Stock Units ("PSUs"). The vesting of the PSUs is based on revenue and EBITDA targets, per the below weighting and target achievement thresholds:

Metric	Weighting	0% Vesting (Below Threshold)	12.5% Vesting (Threshold)	50% Vesting (Target)	100% Vesting (Maximum)
Revenue	50%	<90% of target	90%-99% of target	100%-109% of target	110%+ of target
EBITDA	50%	<90% of target	90%-99% of target	100%-109% of target	110%+ of target

The Company sets challenging financial targets for the PSUs, based upon the Group's internal budget and forecasts. Targets are based on organic growth only and exclude any potential M&A uplift. The PSUs only begin to be earned once 90% of the Revenue and EBITDA targets are achieved, and management need to deliver at least 110% of the target to realise the full award.

The vesting of the RSUs for the Executive Directors and Other management and senior employees is based partly or wholly on an underpin achievement of 60% of the EBITDA target; there is no underpin for RSUs issued to Other employees and contractors.

Due to the Company and industry's share price performance in recent periods, a Total Shareholder Return ("TSR") metric was not introduced in 2024 but will be kept under review by the Committee.

2024 Award

With consideration to key-staff retention, the share price level, shareholder value, and market conditions, the Committee considered the quantum of shares for award under the LTIP in 2024 (the "2024 Award") "), and took a decision to significantly reduce the maximum payout under the original plan whilst still providing sufficient incentive for the Group as a whole.

In total c.8.6m shares were awarded across the Group for the 2024 Award. Details of the 2024 Award made to Executive Directors and to all other staff, respectively, are set out below.

The co-founders of Devolver who are full-time employees at the company, CEO Harry Miller, COO Graeme Struthers and CMO Nigel Lowrie, have not received any awards under the LTIP since the LTIP's launch in 2022. This year the Board has instead awarded them a performance-linked cash bonus based on the same targets and timing as the 2024 LTIP awards.

	2024 Award - Number of Shares (000s)		
Executive Directors	**RSUs**	**PSUs**	**Total**
Harry Miller, CEO	-	-	-
Graeme Struthers, COO	-	-	-
Daniel Widdicombe, CFO	153.3	306.7	460.0
Total	**153.3**	**306.7**	**460.0**

The following awards have been made to other management and employees of the Group:

	2024 Award - Number of Shares (000s)		
Category	**RSUs**	**PSUs**	**Total**
Other management and senior employees	2,571.5	3,590.5	6,162.0
Other employees and contractors	1,946.1	-	1,946.1
Total	**4,517.6**	**3,590.5**	**8,108.1**

All of the 2024 awards had an effective grant date of 1 January 2024. Subject to achievement of relevant performance conditions, the RSUs vest after three years on 31 December 2026 for the Executive Director and senior management cohorts and after 2 years on 31 December 2025 for all other employees, and the PSUs vest after three years on 31 December 2026 for all employees who receive PSUs.

The % achievement of targets is based on actual Group performance (excluding inorganic performance) versus the targets set for the year of vesting. For PSUs, this is actual 2026 Group Revenue and EBITDA performance versus 2026 Revenue and EBITDA targets set. For underpinned RSUs, this is actual 2025 or 2026 Group EBITDA performance versus 2025 or 2026 EBITDA targets set as applicable.

Full detail of the shareholder-approved LTIP can be found in the Shareholder Circular distributed on 28 November 2022 on the Group's website: https://investors.devolverdigital.com. Details of the Awards from 2022 to 2024 are on the same website.

Employee Benefit Trust ("EBT")

A Jersey-incorporated Employee Benefit Trust ("EBT") continues to operate independently, for the benefit of Devolver employees and contractors, to facilitate off-market and on-market stock option exercise by employees and contractors who were awarded 2017 Stock Option plan stock options, and to satisfy certain LTIP or other share grants. Share purchases by the EBT are funded by way of a loan from Devolver. The Company can request settlement of the loan at any time in future. The shares held by the EBT are disclosed as Treasury Shares within the Group's Capital Redemption Reserve. At the end of 2024 the EBT held 20,176,400 shares, equivalent to 4.3% of total shares outstanding.

remuneration committee report continued

Non-Executive Director Remuneration

To attract and retain high-calibre Non-Executive Directors, fee levels are set appropriately for the role and responsibility of each Non-Executive Director position with reference to comparable and peer-like public companies. Non-Executive Directors are paid a base fee plus an additional fee for other additional responsibilities e.g. chairing a committee. Fees are paid in cash. Non-Executive Director remuneration is reviewed annually and determined by the Chair and the Executive.

Kate Marsh's salary was increased to £120,000 following her move from Senior Independent Director to Chair. The other Non-Executive members of the Board did not receive an increase in fees in 2024 with fees remaining flat to 2023. Full details of 2024 remuneration can be found in the below tables.

Governance processes

The Committee meets at least 3 times a year.

The Committee is committed to complying with the principles of good corporate governance in relation to the design of its Remuneration Policy and as such our policy will follow the QCA Remuneration Guidance (including updated 2023 code guidance) as far as is appropriate considering Devolver's management structure and the company's size and listing.

The Committee will continue to consider pay and employment conditions across the Group when reviewing Executive Director and Senior Management compensation and will seek major shareholders' views in advance of making significant changes to Remuneration Policy where appropriate. The Chair of the Committee will attend the Annual General Meeting to hear the views of shareholders on the Remuneration Policy and to answer any related questions.

Priorities for 2025

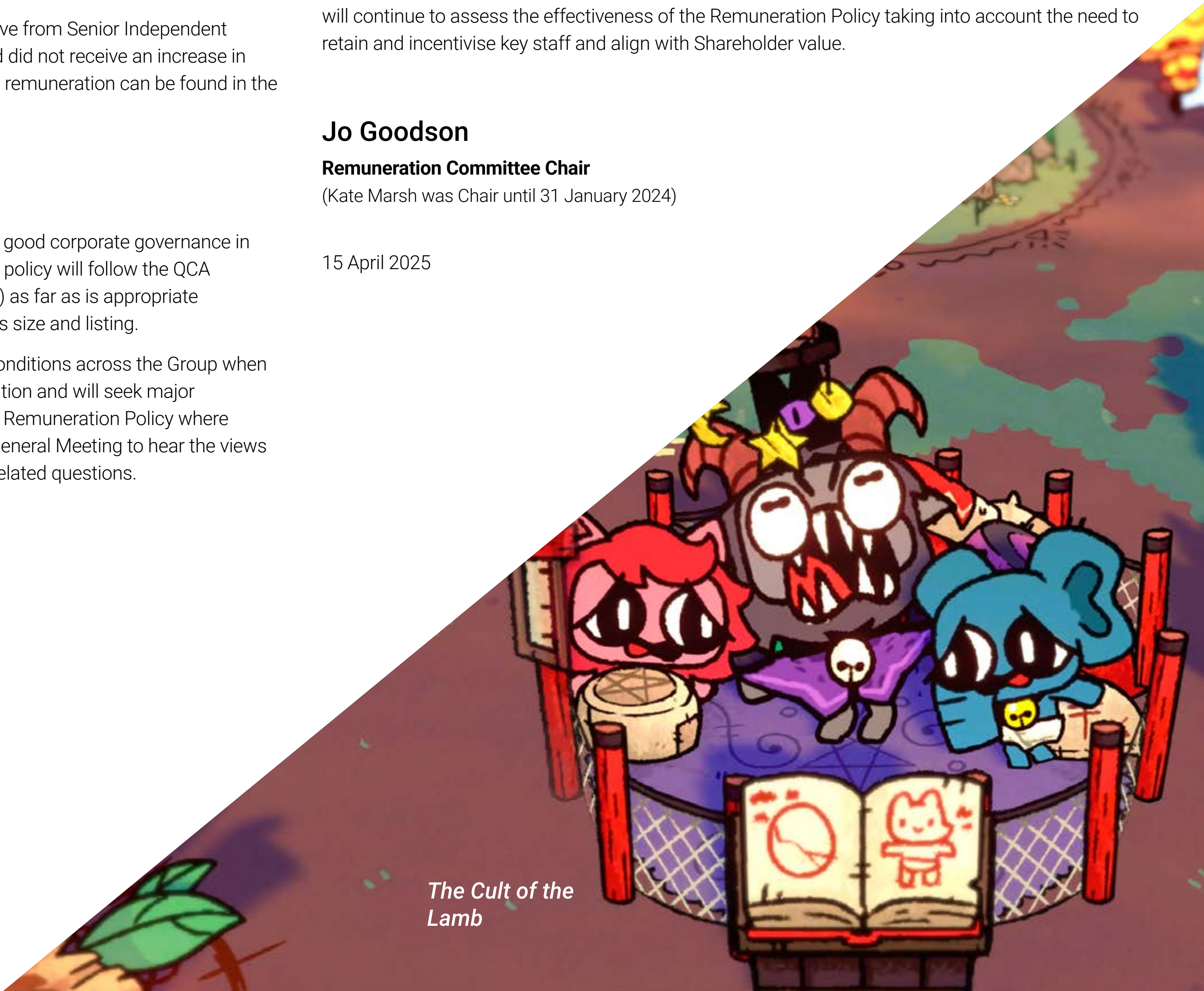
The Committee will continue to set and monitor the remuneration of Executive Directors– including salary, annual bonus and any LTIP compensation. The Committee will also have oversight of any Group annual bonus and approval of forward share award plans in line with the Approved 2022 Shareholder Circular with the aim of attracting, incentivising and retaining key talent across the Group and aligning with the long-term objectives of the Group and its shareholders. The Committee will continue to assess the effectiveness of the Remuneration Policy taking into account the need to retain and incentivise key staff and align with Shareholder value.

Jo Goodson

Remuneration Committee Chair

(Kate Marsh was Chair until 31 January 2024)

15 April 2025



The Cult of the Lamb

directors’ remuneration report

Directors’ remuneration policy

The Remuneration Committee (the Committee) sets the overall policy on remuneration and other terms of employment of Directors subject to Board approval.

The Non-Executive Directors do not have any personal interest in the matters to be decided by the Committee, or any potential conflicts of interest or day-to-day involvement in the operations of the Group. The Executive Directors may be asked to attend meetings when appropriate to provide advice, however, no Director is present for committee discussions concerning their own remuneration.

Remuneration for the Executive Directors includes base salary and where applicable, annual bonus and share awards. Remuneration for the Non-Executive Directors comprises an annual fee.

The Directors’ compensation plans are a result of the review by the Committee in line with the Remuneration Policy, approved by the Board and supported at the 2024 AGM held on June 28th, 2024.

Details of the Directors’ compensation are included in the sections below.

Basic salary and benefits

	Basic salary / fee ‘000	
	2024	2023
Executive Directors		
Harry Miller, CEO (Executive Chair until 31 January 2024)	$395.8	$350.0
Graeme Struthers, COO	£306.7	£292.8
Daniel Widdicombe, CFO	£350.0	£350.0
Non-Executive Directors		
Kate Marsh, Non-Executive Chair (Senior Independent Director until 31 January 2024)	£113.3*	£80.0*
Joanne Goodson	£55.0*	£55.0*
Janet Astall	£55.0*	£55.0*
Jeffrey Lyndon Ko	£50.0	£50.0

* including an additional £5,000 in respect of their committee chair roles

Harry Miller, CEO, elected to take a reduced salary from January 2023 through January 2024. Graeme Struthers, COO, elected to take a reduced salary from April 2023 through April 2024.

Base salaries for each Executive Director are reviewed annually by the Committee, and adjusted where appropriate to reflect performance, change in responsibilities, market conditions and/or information from independent sources on rates of salaries for similar roles and responsibilities. Non-Executive Director fees are set in line with the principles set out in the bylaws and benchmarked.

Annual bonus

The Group’s bonus arrangements are as described in the Remuneration Committee Report and are subject to annual review. No Director bonuses were awarded in 2024.

Pension

During the year, pension contributions of US$51.7k (2023: US$45.7k) were paid to Executive Directors. The contributions are included in the following table of Directors’ emoluments.

Taxable benefits

The Directors’ taxable benefits are detailed in the following table of Directors’ emoluments.

Service contracts and letters of appointment

The Group’s policy is for all of the Executive Directors to have a notice period of twelve months. All Non-Executive Directors have a notice period of three months.

The Executive Directors’ service agreements also contain confidentiality undertakings and prohibitions (which apply for a period of twelve months following termination of employment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

Group policy on external appointments

The Group recognises that its Directors may be invited to become non-executive directors of other companies and that exposure to such non-executive duties can broaden their experience and knowledge, which will benefit the Group. Executive Directors are, therefore, subject to the approval of the Group’s Board, allowed to accept non-executive appointments if such appointments are not with competing companies and are not likely to lead to conflicts of interest.

Director’s interests

Interests in shares	Number of shares (000s)	% of issued and outstanding shares at 31 December 2024
Executive Directors		
Harry Miller, CEO	98,058.5	20.7%
Graeme Struthers, COO	30,059.9	6.3%
Daniel Widdicombe, CFO	187.9	0.0%
Non-Executive Directors		
Kate Marsh, Non-Executive Chair	23.3	0.0%
Joanne Goodson	93.8	0.0%
Janet Astall	-	-
Jeffrey Lyndon Ko	-	-

directors' remuneration report continued

Share based compensation

Share options - number of shares (000s)	Share scheme	Vesting	Opening amount at 1 January 2024	Granted during the year	Lapsed during the year	Exercised during the year	Closing amount at 31 Dec 2024
Executive Directors							
Harry Miller, CEO	-		-	-	-	-	-
Graeme Struthers, COO	-		-	-	-	-	-
Douglas Morin (Stepped down as CEO in January 2024)*	2017 Equity Incentive Plan	Fully vested	4,042.5	,-	--	--	4,042.5
Daniel Widdicombe, CFO	2017 Equity Incentive Plan	Fully vested	3,220.0	-	-	-	3,220.0

* Share options lapse 30 April 2025

LTIP Share units - number of shares (000s)	Share scheme	Opening amount at 01-Jan-24	Awarded during the year	Lapsed during the year	Vested during the year	Closing amount at 31-Dec-24
Executive Directors						
Harry Miller, CEO		-	-	-	-	-
Graeme Struthers, COO		-	-	-	-	-
Douglas Morin (Stepped down as CEO in January 2024)*	LTIP Restricted Stock Units	308.9	-	(154.5)	-	154.5
	LTIP Performance Stock Units	617.8	-	(308.9)	-	308.9
Daniel Widdicombe, CFO	LTIP Restricted Stock Units	239.4	153.3	(119.7)	-	273.0
	LTIP Performance Stock Units	478.7	306.7	(239.4)	-	546.0

* Share units lapse 30 April 2025

Full details of share unit awards to Executive Directors from 2022 to 2024 can be found on the Group's website at https://investors.devolverdigital.com/investor-centre/regulatory-news/.

Directors' emoluments

The figures below represent emoluments earned by Directors during the year ended 31 December 2024. Benefits incorporate all benefits assessable to tax arising from employment by the Group.

	Salary or fees and benefits US$'000		Cash Bonus US$'000		Share-based Compensation US$'000		Pension contributions US$'000		Total US$'000	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Executive Directors										
Harry Miller, CEO	432.5	385.8	-	-	-	-	13.8	13.2	446.3	399.0
Grame Struthers, COO	403.9	375.6			-	-	17.0	16.1	420.9	391.8
Douglas Morin (Stepped down as CEO in January 2024)*	502.5	460.3	-	-	-	-	1.4	13.2	503.9	473.5
Daniel Widdicombe, CFO	459.3	447.4	-	-	-	-	19.4	19.3	478.7	466.7
Non-Executive Directors										
Kate Marsh	144.6	99.5	-	-	-	-	-	-	120.7	99.5
Joanne Goodson	70.0	68.4	-	-	-	-	-	-	58.6	68.4
Janet Astall	70.0	68.4	-	-	-	-	-	-	58.6	68.4
Jeffrey Lyndon Ko	63.6	62.2	-	-	-	-	-	-	53.3	62.2

* 2024 salary includes severance payment

nomination committee report

Roles and responsibilities

The role of the Nomination Committee is to develop and maintain a formal, rigorous and transparent procedure for making recommendations on appointments and reappointments to the Board. In addition, it is responsible for reviewing the succession plans for Executive Directors and Non-Executive Directors.

The core responsibilities of the Committee are to:

- ensure the balance of Directors on the Board and their mix of skills, experience and knowledge supports the Group and its ability to compete effectively in the marketplace;
- lead the process for Board appointments, identify and nominate candidates to fill vacancies as and when they arise;
- support succession planning for the Board and senior management; and
- take an active role in setting diversity objectives and strategies for the Board and the Group.

The Nomination Committee met three times during 2024.

Board succession

At the beginning of the year, the Nomination Committee oversaw key Board changes with Douglas Morin stepping down from his role as CEO. Swapping-out his role as Executive Chair, Harry Miller stepped back into the role of CEO of the company where is a co-founder and shareholder bringing with him more than 30 years of video games industry experience. The Nomination Committee also appointed Devolver's Chief Operating Officer, Graeme Struthers to the Board in the same month – strengthening games production representation at the heart of the Board. Senior Independent Director, Kate Marsh stepped-up as Non-Executive Chair of Devolver and Chair of Nomination Committee with Jo Goodson swapping the Nomination chair for the Chair of Remuneration – Jo had previously served on the Remuneration Committee for two years.

The strength of the Board bench allowed for an orderly and smooth succession transition with key roles being filled from within the Company.

Later in the year, at the Group's Annual Meeting held on 28 June 2024, and in accordance with the Company's Bylaws and Certificate of Incorporation, Janet Astall and Jeff Lyndon were re-appointed as Non-Executive directors of the Company (Janet continues as Audit Committee Chair) along with Daniel Widdecombe (CFO) as Executive Director.

Board evaluation & training

The Board carried out an internal Board evaluation exercise mid-way 2024 as part of our commitment to continued development and reflecting QCA guidelines. The result of which was: the Board had been strengthened by the January changes and was composed of the right number of members with diverse skills to support the Group. The Board was found to be effective.

All Board members have received annual refresher training on the AIM listing rules along with QCA and Delaware law briefings.

Diversity and inclusion

Our diversity and inclusion values hold that no individual should be discriminated against on the grounds of age, disability, gender, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation.

The Group is committed to encouraging equality, diversity and inclusion among our workforce. Our aim is for our workforce to be truly representative of all sections of society and for each employee to feel respected and thrive.

As of 31 December 2024, the Board comprised 43% (three) female and 57% (four) male Board members.

For further details of social initiatives see the ESG section of this report.

Governance processes

The Nomination Committee meets at least three times a year.

The Committee has formal terms of reference which can be viewed on the Group's website https://www.devolverdigital.com/

statement of directors' responsibilities

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

The Company is a US corporation incorporated under the laws of the State of Delaware, which does not require the Directors to prepare financial statements for each financial year. However, the Group is required to do so to satisfy the requirements of the AIM Rules for Companies. When preparing the consolidated financial statements, the Directors are required to prepare them in accordance with an appropriate set of generally accepted accounting principles or practice. The Directors have elected to use International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) ("IFRS").

The Directors must not approve the Annual Report unless they are satisfied that it gives a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 (revised) requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and comprehensive information;
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to better understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- Make an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that correctly explain the transactions of the Group, enable the financial position of the Group to be determined with reasonable accuracy at any time and allow financial statements to be prepared. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors' responsibility also extends to the continued integrity of the financial statements.

This Directors' Report was approved and signed on behalf of the Board.

Harry Miller

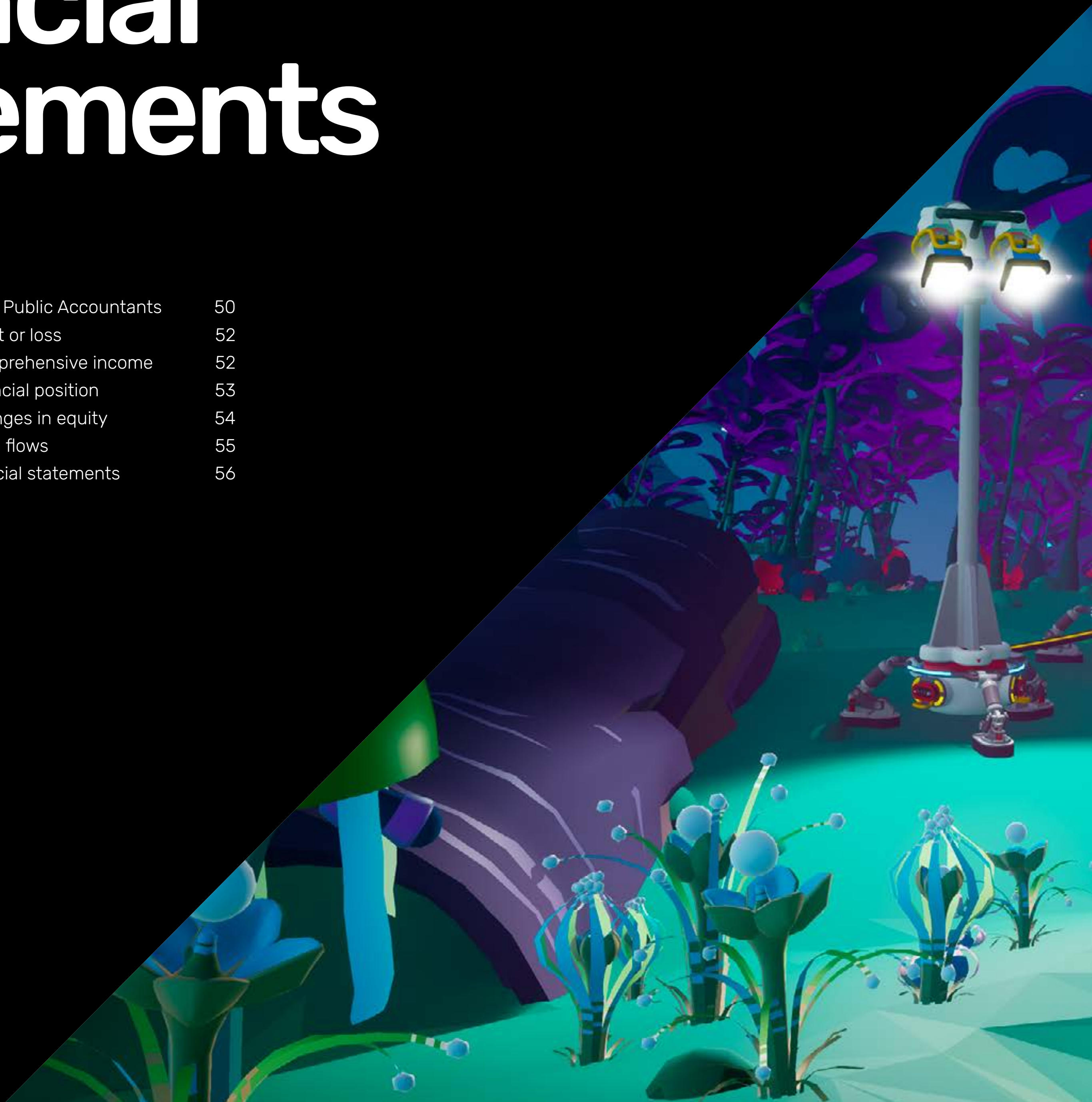
Chief Executive Officer

(Douglas Morin was CEO until January 2024)

15 April 2025

The Plucky Squire

financial statements



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report of independent certified public accountants

Board of Directors
Devolver Digital, Inc.

Opinion

We have audited the consolidated financial statements of Devolver Digital, Inc. (a Delaware corporation) and subsidiaries (the "Group"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Group and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to assess the Group's ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise significant doubt about the Group's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other information included in the Annual Report

Management is responsible for the other information included in the Annual Report. The other information comprises the Strategic report, Corporate governance and Other information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the Strategic report, Corporate governance and Other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the Strategic report, Corporate governance and Other information and the consolidated financial statements, or the Strategic report, Corporate governance, and Other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Grant Thornton LLP

Tulsa, Oklahoma

15 April 2025

consolidated statement of profit or loss

	Note	**Year ended 31 December 2024 $'000**	Year ended 31 December 2023 $'000
Revenue	5	**104,781**	**92,356**
Cost of sales		(74,716)	(67,838)
Gross profit		**30,065**	**24,518**
Administrative expenses	8	(38,729)	(38,537)
Other income	6	1,496	1,011
Operating loss		**(7,168)**	**(13,008)**
Finance costs	9	(288)	(58)
Finance income	9	769	1,361
Loss before taxation		**(6,687)**	**(11,705)**
Income tax benefit / (expense)	10	328	(1,019)
Loss for the year		**(6,359)**	**(12,724)**
Loss for the year is attributable to:			
Equity holders of the parent		(6,141)	(12,742)
Non-controlling interests		(218)	18
		(6,359)	**(12,724)**
Basic and diluted loss per share ($)	11	(0.013)	(0.029)
Adjusted EBITDA before performance-related impairments	12	9,610	1,677
Adjusted EBITDA	12	5,083	(458)

* 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.

consolidated statement of comprehensive income

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Loss for the year	**(6,359)**	**(12,724)**
Other comprehensive (loss) / income: Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations:	(644)	1,673
Total comprehensive loss for the year	**(7,003)**	**(11,051)**
Total comprehensive loss for the year is attributable to:		
Equity holders of the parent	(6,785)	(11,069)
Non-controlling interests	(218)	18
Total comprehensive loss for the year	**(7,003)**	**(11,051)**

consolidated statement of financial position

	Note	**As at 31 December 2024 $'000**	As at 31 December 2023 $'000
ASSETS			
Non-current assets			
Intangible assets			
– goodwill	13	31,902	31,963
Other intangible assets	13		
– software development costs		64,828	53,930
– purchased intellectual property		34,509	42,006
Property, plant and equipment	15	162	266
Right-of-use asset	16	967	953
Employee loans		327	320
Long-term investments		-	428
Deferred tax assets	21	7,554	8,100
Total non-current assets		**140,249**	**137,966**
Current assets			
Trade and other receivables	17	16,855	13,778
Cash and cash equivalents	18	41,645	40,424
Employee loans		442	487
Short-term investments		464	1,799
Prepaid income tax		1,570	2,354
Total current assets		**60,976**	**58,842**
Total assets		**201,225**	**196,808**
EQUITY AND LIABILITIES			
Equity			
Share capital	23	47	45
Share premium		157,683	146,106
Retained earnings		43,514	47,092
Translation reserve		(1,238)	(594)
Capital redemption reserve		(34,469)	(34,531)
Equity attributable to owners of the parent		**165,537**	**158,118**
Non-controlling interest		(302)	(84)
Total equity		**165,235**	**158,034**

	Note	**As at 31 December 2024 $'000**	As at 31 December 2023 $'000
Non-current liabilities			
Trade and other payables	19	10,569	10,361
Deferred tax liabilities	21	-	259
Lease liability	16	876	873
Deferred revenue		-	1,309
Total non-current liabilities		**11,445**	**12,802**
Current liabilities			
Trade and other payables	19	19,953	24,457
Lease liability	16	228	155
Deferred revenue		3,950	634
Current tax payable		414	726
Total current liabilities		**24,545**	**25,972**
Total liabilities		**35,990**	**38,774**
TOTAL EQUITY AND LIABILITIES		**201,225**	**196,808**

The Group revised the reported financials for the year ended 31 December 2023 to reflect a revision to Cash and cash equivalents. See Note 2 for additional information.

The financial statements on pages 52 to 77 were approved by the Board for issue on 15 April 2025.

Harry Miller **Chief Executive Officer**

Daniel Widdicombe **Chief Financial Officer**

consolidated statement of changes in equity

	Equity attributable to equity holders of the parent							
	Share capital $'000	Share premium $'000	Capital redemption reserve $'000	Translation reserve $'000	Retained earnings $'000	Attributable to owners of the parent $'000	Non-controlling interest $'000	Total equity $'000
Balance at 31 December 2022	45	146,044	(27,707)	(2,267)	54,618	170,733	(102)	170,631
Loss for the period		-	-	-	(12,742)	(12,742)	18	(12,724)
Currency translation differences	-	-	-	1,673	-	1,673	-	1,673
Other movements	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners:								
Treasury share repurchase transactions	-	-	(6,824)	-	-	(6,824)	-	(6,824)
Exercise of share options	-	62	-	-	(312)	(250)	-	(250)
Share-based payments	-	-	-	-	5,528	5,528	-	5,528
Total transactions with owners	**-**	**62**	**(6,824)**	**-**	**5,216**	**(1,546)**	**-**	**(1,546)**
Balance at 31 December 2023	**45**	**146,106**	**(34,531)**	**(594)**	**47,092**	**158,118**	**(84)**	**158,034**
Balance at 31 December 2023	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)
Transactions with owners in their capacity as owners:								
Gain on EBT	-	-	-	-	(105)	(105)	-	(105)
Share-based payments	-	-	-	-	3,511	3,511	-	3,511
Share placement	2	9,785	-	-	-	9,787	-	9,787
System Era 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	**47**	**157,683**	**(34,469)**	**(1,238)**	**43,514**	**165,537**	**(302)**	**165,235**

Share capital

The called-up share capital records the nominal value of shares issued and paid up.

Share premium

Consideration received for shares issued above their nominal value, net of share issue costs.

Capital redemption reserve

Consideration paid for Treasury shares held by the Group, less amounts transferred to satisfy share option exercises or stock award vesting.

Translation reserve

Cumulative exchange differences on consolidation of overseas subsidiaries.

Retained earnings

Cumulative profit and loss attributable to the owners of the parent company, net of distributions to owners and including share-based payment reserve.

Non-controlling interest

Cumulative profit and loss attributable to the owners of the non-controlling interests in the Group.

consolidated statement of cash flows

	Note	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Loss for the period before taxation		(6,687)	(11,705)
Adjustments for:			
Depreciation of tangible fixed assets	15	155	186
Depreciation of right-of-use assets	16	220	-
Amortisation of intangible fixed assets	14	24,861	15,552
Impairment of intangible fixed assets	14	4,527	2,455
Finance income	9	(769)	(1,361)
Finance costs	9	288	58
Share-based payment charge	22	3,511	5,528
Foreign exchange movements		(141)	9
Other non-cash movements		(2,208)	-
Movements in working capital:			
Receivables		3,997	1,465
Payables		(3,956)	(2,095)
Cash inflow from operations		**23,798**	**10,092**
Taxation paid		(1,534)	(778)
Taxation received		-	2,416
Net cash inflow from operating activities		**22,264**	**11,730**
Purchase of intangible assets	13	(30,654)	(27,883)
Purchase of tangible assets	15	(51)	(51)
Acquisitions of businesses, net of cash acquired		-	(18,033)
Net cash outflow from investing activities		**(30,705)**	**(45,967)**

	Note	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Cash flows from financing activities			
Share capital issuance		-	62
Share placement		9,785	-
Share repurchase transactions		-	(6,824)
Interest received		751	1,338
Interest paid		(171)	(58)
Repayment of lease liabilities		(160)	(22)
Net cash inflow /(outflow) from financing activities		**10,205**	**(5,504)**
Cash and cash equivalents			
Net increase / (decrease) in the year		**1,764**	**(39,741)**
At 1 January		40,424	79,493
Foreign exchange movements		(543)	672
At 31 December	**18**	**41,645**	**40,424**

notes to the consolidated financial statements

1. GENERAL INFORMATION

Devolver Digital, Inc. ("the Company") is a publicly listed company traded on the AIM market of the London Stock Exchange, and is registered, domiciled and incorporated in Delaware, USA. The address of its registered office is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, USA.

The Group ("the Group") consists of Devolver Digital, Inc. and all of its subsidiaries as listed in Note 24.

The Group's principal activity is that of a video game publisher and developer specialising in independent games.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This Annual Report presents the financial results and position of the Group for the year ended 31 December 2024 and is prepared for the purposes of regulatory disclosure requirements on the Alternative Investment Market ("AIM"), a market operated by the London Stock Exchange.

The Annual Report has been prepared in accordance with the requirements of AIM Rules for Companies and International Financial Reporting Standards ("IFRS"). The directors of the Company are solely responsible for the preparation of this Annual Report.

The Annual Report is prepared in US Dollars, which is the functional currency and presentational currency of the Group. All balance sheet accounts of the Group's foreign subsidiaries, where applicable, are translated from their presentational currencies, at the year-end rate of exchange, and income statement items are translated at the weighted average exchange rate on a monthly basis. Foreign currency translation adjustments are included as a component of comprehensive income for each period, net of the effect of income taxes.

Monetary amounts included in all tables in these financial statements are rounded to the nearest thousand US Dollar.

Basis of accounting

The Annual Report has been prepared under the historical cost convention except for, where disclosed in the accounting policies, certain items shown at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods, services and assets.

The preparation of Annual Report in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the Annual Report. If in the future, such estimates and assumptions which are based on management's best judgement at the date of the Annual Report, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Critical accounting estimates and key sources of estimation uncertainty in applying the accounting policies are disclosed in Note 3.

Basis of consolidation

The consolidated Annual Report incorporates the financial results and position of the Company, all of its subsidiaries and any other entity over which the Group is deemed to have control under IFRS 10.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date control ceases. Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

Prior year correction

The Group has revised its reported financials for the year ended December 31, 2023, to reflect a revision in Cash and cash equivalents. This adjustment followed the reclassification of an amount in an investment account holding securities with maturities of within one year or more than one year from the reporting date. As a result, US$0.4 million has been reclassified from Cash and cash equivalents to Long-term investments and US$1.8 million to Short-term investments.

Going concern

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.

New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). These amendments did not have a material impact on the Group's consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

There are no new or amended standards not yet adopted that are expected to have a material impact on the Group's financial reporting.

Revenue recognition

IFRS 15 Revenue from Contracts with Customers has been applied for all periods presented within the Annual Report.

Revenue is recognised when control of a service or product provided by the Group is transferred to the customer, in line with the Group's performance obligations in the contract, and at an amount reflecting the consideration the Group expects to receive in exchange for the provision of services or the transfer of control of a product.

notes to the consolidated financial statements continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The Group evaluates and recognises revenue by:

- identifying the contract, or contracts, with a customer;
- identifying the performance obligations in each contract;
- determining the transaction price;
- allocating the transaction price to the performance obligations in each contract; and
- recognising revenue when, or as, performance obligations are satisfied by transferring the promised goods or services to a customer (i.e. transfer of control).

The Group derives revenue principally from the development of and sale of licensed games that can be played by customers on a variety of platforms which include PCs, game consoles, mobile phones, tablets and virtual reality headsets. The Group's product and service offerings include, but are not limited to, the following:

- licensing games to third parties to distribute and host games; and
- games delivered via physical disc or via product keys at the time of sale.

Revenue includes income from the release of games, including early access versions, paid downloadable content, licensing fees and the sale of associated physical merchandise.

The Group utilises third-party licensees to distribute and host games in accordance with license agreements, for which the licensees typically pay sales-based royalties. The Group recognises revenue from any sales-based royalties as the related sales occur by the licensee.

For digital full games sold to customers, the Group recognises revenue when the full game is made available for download to the customer.

The Group also receives revenue where the Group agrees to make a game or games available to a third party platform for their customers to download for an agreed period of time for a fixed fee, often referred to as bundled revenue or subscription deal revenue, and with minimal future performance obligations required by the Group. The fixed fee can be received in advance, received when the third party platform makes the game available to its customers, received following the game becoming available to customers or some combination thereof. In any case, the revenue is recognised when the third party platform has the ability to make the game available to its customers.

In cases where a fee covers multiple games and is not contractually allocated to individual games, allocation of the fee to games will be based on multiple factors including whether the game is new to the market, new to the platform and or new to the subscription service, whether there is any exclusivity associated with the subscription deal and if so, the length of the exclusivity period, prior sales of the game (where the game has been released) or of similar games or previous games in a franchise (if applicable), size or cost of the game, any other subscription deals the game has been included in and independent agreement of individual fees with the games' developers.

The Group sells physical games (which may effectively be a product key) and merchandise directly to customers and also via third party retailers. Revenue from direct physical game sales and merchandise is recognised when the physical games and or merchandise is delivered. The Group recognises revenue from any physical game sales-based royalties as the related sales occur by the third party.

Where there is a minimum guarantee contract in place for digital or physical game sales, or merchandise, this minimum guarantee revenue is recognised when control of the license of software or merchandise IP is transferred.

Certain of the Group's full games are sold to resellers with a contingency that the full game cannot be resold prior to a specific date ("Street Date Contingency"). The Group recognises revenue for transactions that have a Street Date Contingency when the Street Date Contingency is removed and the full game can be resold by the reseller.

Payment Terms

Substantially all of the Group's transactions have payment terms, whether customary or on an extended basis, of less than one year; therefore, the Group generally does not adjust the transaction price for the effects of any potential financing components.

Principal vs Agent considerations

The Group evaluates sales to end customers of full games and related content via third-party storefronts, including digital storefronts, in order to determine whether or not the Group is acting as the principal in the sale to the end customer which determines whether revenue should be reported gross or net of fees retained by the third-party storefront. Key indicators that the Group evaluates in determining gross versus net treatment include but are not limited to the following:

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

Acting as Agent with third-party platforms

Based on an evaluation of the above indicators, in particular who is primarily responsible for delivering the goods, the Group has determined that the third-party platform is considered the principal to end customers for the sale of full games and related content. Therefore, the Group reports revenue related to these arrangements net of the fees retained by the storefront.

notes to the consolidated financial statements continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Acting as Principal with game developer partners

The Group also performs an analysis to determine whether the Group is a principal or agent related to sales of video games developed by its independent game developer partners. Based on an evaluation of the above indicators, the Group has determined that the Group is the principal for sales of video games developed by its independent game developer partners. The Group therefore reports revenue related to these arrangements gross, and the royalty payments made to the independent game developer partners are reflected as a cost within cost of sales.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to the Consolidated Statement of Profit or Loss, except those arising on the translation of foreign subsidiaries, which are taken to the Consolidated Statement of Other Comprehensive Income.

Research and development expenditure

Expenditure on research activities as defined in IFRS is recognised in the Consolidated Statement of Profit or Loss as an expense as incurred.

Expenditure on internally developed software products and substantial enhancements to existing software products is recognised as intangible assets only when the following criteria are met:

- It is technically feasible to develop the product to be used or sold;
- There is an intention to complete and use or sell the product;
- The Group is able to use or sell the product;
- Use or sale of the product is forecast to generate future economic benefits;
- Adequate resources are available to complete the development; and
- Expenditure on the development of the product can be measured reliably.

The capitalised expenditure represents costs directly attributable to the development of the asset from the point at which the above criteria are met up to the point at which the product is ready for use. If the qualifying conditions are not met, such development expenditure is recognised as an expense in the period in which it is incurred.

Development costs largely relate to amounts paid to external developers, subcontracted development and production costs, and the direct payroll costs of internal development teams. If the costs are after the initial release of a game ("post-release costs"), they are capitalised where they relate to a distinct revenue generating asset, such as release of the game on additional platforms, or paid downloadable content. Capitalised development costs (Software development costs) are reviewed at the end of each accounting period for conditions set out above and indicators of impairment. Intangible assets that are not yet available for use are tested for impairment annually by comparing their carrying amount with their recoverable amount based on cash flow forecasts.

Amortisation is charged in line with the Group's policy on intangible assets disclosed on the following pages.

Finance income and costs

Finance costs comprise interest charged on liabilities. Interest income and interest payable are recognised in the Consolidated Statement of Profit or Loss as they accrue, using the effective interest method.

EBITDA and Adjusted EBITDA

Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA") and Adjusted EBITDA are non-IFRS measures used by management to assess the operating performance of the Group. Adjusted EBITDA 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.

The Directors primarily use the Adjusted EBITDA measure when making decisions about the Group's activities. As these are non-IFRS measures, EBITDA and Adjusted EBITDA measures used by other entities may not be calculated in the same way and hence are not directly comparable.

Property, plant and equipment

Property, plant and equipment are initially recognised at cost, which includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follows:

Computer equipment	5 years straight line

notes to the consolidated financial statements continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Right of use assets

Right of use assets are capitalised based on the present value of the minimum lease payments discounted using the interest rate implicit in the lease. They are depreciated on a straight-line basis over the shorter of the useful economic life of the asset or the lease term.

Intangible assets – goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and it is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Intangible assets other than goodwill

The Group has two categories of intangible assets excluding goodwill:

Purchased intellectual property

The Group purchases intellectual property related to video games. At the time of purchase, the Group estimates the useful life of the intellectual property for financial reporting purposes and recognises amortisation on a straight-line basis over the useful life of the asset, typically 5 to 10 years.

Purchased intellectual property is reviewed for impairment when events and circumstances indicate an impairment.

Software development costs

The Group incurs pre-release and post-release software development costs on games developed by third-party game studios and its in-house studios. For third-party studios, in return for the funding and publishing services provided by the Group, the Groups retains a revenue share, with the remaining revenue being paid to the developers and any other relevant parties.

Development costs incurred for external developers, payroll costs for internal development teams, and associated subcontracted development and production costs are capitalised when incurred. Amortisation commences when the game is released and available for sale, or for post-release costs, when the relevant distinct revenue generating asset or significant product enhancements become available to the end customer. These costs are amortised over a three-year period, split as 60% in the first year and 20% in each of the subsequent two years.

Impairment of property, plant and equipment, right of use assets and intangible assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs and then applies that impairment systematically to the assets that make up that CGU, including goodwill.

The recoverable amount is the higher of: fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and liabilities are recognised in the Consolidated Statement of Financial Position when the Group has become party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade and other receivables

Trade and other receivables that do not have a significant financing component are initially recognised at transaction price and thereafter are measured at amortised cost using the effective interest method. Other receivables are stated at their transaction price (discounted if material) less any impairment losses.

notes to the consolidated financial statements continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include trade and other payables and contingent consideration.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Financial liabilities are measured subsequently at amortised cost using the effective interest rate method.

Trade and other payables

Trade and other payables are initially recognised at cost and subsequently measured at amortised cost using the effective interest rate method, with all movements being recognised in the statement of profit or loss.

Equity

Equity instruments issued are recorded at fair value on initial recognition, net of share issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity, within the Capital Redemption Reserve. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Business combinations

The cost of a business combination is the fair value at acquisition date of the assets, liabilities and equity instruments assumed.

Deferred and contingent consideration arising from business combinations, in the form of cash or shares, is recognized at fair value at the acquisition date as part of the consideration transferred. The contingent consideration liability is remeasured at each reporting date and movements in the fair value are recognised immediately in profit or loss. Deferred consideration is recorded at amortised cost after the acquisition date.

Deferred shares are classified as liabilities due to their representation of a variable number of shares for a fixed value. This classification is based on the obligation being tied to a predetermined monetary value rather than a specific share count, thus reflecting the economic substance of the arrangement. The liability is recorded at amortised cost after the acquisition date.

The excess of the cost of a business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Costs directly attributable to the business combination are expensed to profit or loss as incurred.

Impairment of financial assets

The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets measured at amortised cost. The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group recognises twelve month expected credit losses if there has not been a significant increase in credit risk, and lifetime expected credit losses if there has been a significant increase in credit risk. Indicators that the receivable may be impaired include: financial difficulties of the customer, probability that the customer will enter bankruptcy or financial reorganisation default, delinquency in payments and the unavailability of credit insurance at commercial rates.

Financial assets are written off when there is no reasonable expectation of recovery. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the Consolidated Statement of Profit or Loss.

Trade receivables

To measure the expected credit losses, trade and other receivables are grouped based on type of customer, shared credit risk characteristics, the days past due and existing economic conditions, as applicable. For other financial assets held at amortised cost, the Group determines whether there has been a significant increase in credit risk since initial recognition.

Employee benefits

The Group operates a defined contribution pension plan under which it pays contributions based upon a percentage of the employees' basic salary.

Contributions to defined contribution pension plans are charged to the Consolidated Statement of Profit and Loss, and differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

notes to the consolidated financial statements continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Share-based payments

The Group operates equity-settled, share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (including share awards and share options) of the Company. The fair value of the awards or options is recognised as an expense in profit or loss. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. For share awards and share options which vest in instalments over the vesting period, each instalment is treated as a separate share award or share option grant, each with a different vesting period.

At the end of each reporting period, the Group revises its estimates of the number of share awards and share options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Consolidated Statement of Profit or Loss, with a corresponding adjustment to equity.

Employee Benefit Trust

Devolver established an Employee Benefit Trust (EBT) in May 2022 to facilitate stock option exercise in relation to the 2017 Stock Option plan stock options and stock units vesting under the 2022 Long Term Incentive Plan (LTIP). The EBT is a Jersey-incorporated Trust enabling option exercise and share settlement off-market without impacting market liquidity. Share purchases by the EBT are funded by way of a loan from Devolver which can request settlement of the loan at any time in future. The shares held by the EBT are consolidated within Devolver's capital redemption reserve balance. Gains or losses on shares transferred out of the EBT are recognised in Retained Earnings.

Taxation

The tax expense for the period comprises current and deferred tax, which is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination.

Current tax

Tax currently payable is based on the taxable profit or loss for the year and is calculated using the tax rates in force or substantively enacted at the reporting date across different jurisdictions in which the Group operates. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or taxable or deductible in other years.

Deferred tax

Using the liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the consolidated statement of financial position and the corresponding tax base, with the exception of temporary differences arising from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax assets and liabilities reflect the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its asset and liabilities.

Deferred tax assets are recognised only to the extent that the Group considers that it is probable (i.e. more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction. Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's intention is to settle the amounts on a net basis.

Since the Group is able to control the timing of the reversal of the temporary difference associated with interests in subsidiaries, a deferred tax liability is recognised only when it is probable that the temporary difference will reverse in the foreseeable future, usually because of a dividend distribution.

At present, no provision is made for the additional tax that would be payable if the subsidiaries in certain countries remitted their profits because such remittances are not probable, as the Group intends to retain the funds to finance organic growth locally.

notes to the consolidated financial statements continued

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements

In the course of preparing the Annual Report, judgements have been made in the process of applying the accounting policies that have had a significant effect in the amounts recognised in the Annual Report. The following are the areas requiring the use of judgements that may significantly impact the Annual Report.

Capitalisation of software development costs

Management has to make judgements as to whether development costs have met the criteria for capitalisation or whether they should be expensed in the year. Development costs are capitalised only after reliable measurement, technical feasibility and commercial viability can be demonstrated in relation to the game or game asset that is being developed.

Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. Estimates include:

Measurement, useful lives and impairment of intangible assets

Purchased intellectual property is considered to have a useful economic life of five to ten years. Other intangible assets, except for goodwill, are considered to have a finite useful economic life. Estimated useful lives are reviewed at each reporting date.

Software development costs are amortised upon release of the game, or for post-release costs, when the relevant distinct revenue generating asset or significant product enhancements become available to the end customer, being amortised over a three-year period, split as 60% in the first year and 20% in each of the subsequent two years.

The value of the intangible assets are tested whenever there are indications of impairment and reviewed at each reporting date (or more frequently should this be justified by internal or external events). In the event of impairment, an estimate of the asset's recoverable amount is made. After assessing the carrying value of each intangible asset, which is shown net of any impairment charge posted, the Directors are confident that the forecast cash generation is in excess of the carrying value of the intangible asset held.

The forecast cash generation is taken from the Group's forecasts which cover the trading expectations for a minimum of two years after the reporting date. The forecast revenue and cash generation from each intangible asset are separately identifiable within the Group forecasts. The forecast cash generation includes significant assumptions regarding its commercial performance, particularly for unreleased games. Should the assumptions prove to diverge significantly from the actual outcome, there may be a risk of material adjustment in the financial year following the release of that product.

The sensitivities of any impairments to key assumptions and estimates are disclosed in Note 14.

Fair value of contingent consideration

Contingent consideration arising from business combinations is classified as a liability measured at fair value through profit or loss in accordance with the Group's accounting policies. For the Group's contingent consideration based on a cohort of share option grants being exercised, an estimate of the number of options exercised is applied within the fair value calculation. Further details on contingent consideration estimates can be found in Note 20.

Share Based Payments

Grants under the Group's incentive schemes are considered to be equity-settled, as the awards are settled in the Group's equity instruments (shares). In some cases the Group chooses to net settle the awards for the tax obligations that arise; this does not affect the classification.

Estimating the fair value of equity-settled employee shares requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black-Scholes model for the Equity Incentive Plan.

For the Long Term Incentive Plan ('LTIP'), the Group has used the listed share price at the grant date to measure the fair value of shares granted.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 22.

notes to the consolidated financial statements continued

4. SEGMENTAL REPORTING

In accordance with IFRS 8, the Group's operating segments are determined by internal management reporting which is regularly reviewed by the Board of Directors, considered to be the chief operating decision maker (CODM), to assess performance and allocate resources. Management information is reported to the CODM on a consolidated basis, being Revenue and Adjusted EBITDA from game publishing. Based on this internal reporting structure, management has determined that the Group operates as a single operating segment.

Non-current assets are located in the following locations:

The figures for the year ended 31 Dcember 2023 have been restated to include the reallocation of Long-term investments from Cash and cash equivalents. Refer to Note 2 for further details.

	As at 31 December 2024 $'000	As at 31 December 2023 Restated $'000
US & Canada	99,863	90,372
Croatia	16,132	19,233
UK	13,851	15,301
Netherlands	8,468	10,672
Poland	1,935	2,388
Total	**140,249**	**137,966**

5. REVENUE

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
An analysis of the Group's revenue is as follows:		
Revenue analysed by class of business		
Game publishing	104,781	92,356
Revenue analysed by timing of revenue		
Transferred at a point in time	104,781	92,356

In respect of sales-based royalties receivable, the Group has taken advantage of the provisions in IFRS 15.B63 to recognise the relevant royalty income in the period in which it is earned.

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.

For the year ended 31 December 2024, revenue recognised includes $0.8 million (2023: $2.1 million) that was included in the deferred revenue balance at the beginning of the period.

Management anticipates that contract liabilities totalling $4.0 million, related to partially unfulfilled performance obligations for bundled revenue and subscription deal fees with platforms, will be recognised as revenue within the next 12 months.

6. OTHER INCOME / (EXPENSES)

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Net income from royalty purchase agreements	1,633	1,100
Other	(137)	(89)
Total other income	**1,496**	**1,011**

7. EMPLOYEES

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
An analysis of the Group's staff costs is as follows:		
Employee benefit expense	16,030	14,990
Social security costs	2,354	1,868
Pension expense	1,017	641
Equity-settled share-based payments	3,511	5,528
Total employee benefit expense	**22,912**	**23,027**

In 2024, the Executive Directors of the Group are considered to be the key management personnel of the group (2023: Executive Directors only). An analysis of key management personnel compensation is set out below. Further details of remuneration earned by each director during the year ended 31 December 2024 are set out in the Directors' Remuneration Report.

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Key management personnel compensation		
Salary, benefits and cash bonus	1,798	1,664
Pension	52	62
Share / option-based compensation	-	-
Aggregate compensation	**1,850**	**1,726**

notes to the consolidated financial statements continued

8. OPERATING LOSS

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
The operating loss is arrived at after charging / (crediting):		
Cost of sales		
Royalty expense	43,112	42,151
Software development costs	3,306	4,278
Marketing expenses	6,407	7,320
Amortisation of software development costs	17,364	11,634
Impairment of software development costs	4,527	2,455
Administration expenses:		
Amortisation of purchased intellectual property	7,497	3,918
Depreciation of property, plant and equipment	155	150
Depreciation of right-of-use assets	220	36
Exceptional costs	710	2,589
Employee costs	19,401	17,499
Share-based payment charge	3,511	5,528
Professional fees	2,624	4,418
Auditors' remuneration	478	455
Travel, insurance and other	4,274	3,935
Net foreign exchange losses	(141)	9
Total administrative expenses and cost of sales	**113,445**	**106,375**

Details of other income / (expense) included in the operating loss for the year are set out in Note 6.

9. FINANCE INCOME / (EXPENSE)

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Bank interest receivable	751	1,338
Employee loan interest	18	23
Total finance income	**769**	**1,361**

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Bank interest payable	(137)	(30)
Lease interest payable	(151)	(28)
Total finance expense	**(288)**	**(58)**

10. INCOME TAX

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Corporation tax:		
Current tax charge	2,549	2,307
Adjustments in respect of prior year	(3,164)	500
Deferred tax:		
Origination and reversal of timing differences	(4,710)	(2,606)
Reduction in tax rate	(51)	(12)
Write off of deferred tax asset	5,045	-
Adjustments in respect of prior years	3	830
Total income tax expense / (benefit)	**(328)**	**1,019**

Factors affecting tax charge for the year

The tax assessed for the year is higher (year ended 31 December 2023: higher) than the effective rate of corporation tax as explained below:

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Loss before taxation	**(6,687)**	**(11,705)**
Tax at the US corporation tax rate of 21%	(1,404)	(2,458)
Adjusted for the effects of:		
Expenses not deductible for tax purposes	(18)	2,521
Effect of rates other than federal, including overseas tax rates	(284)	(98)
Adjustments in respect of prior periods	(3,164)	1,330
R&D Credit	(640)	-
Write off of deferred tax asset	5,045	-
Other	137	(276)
Total income tax (benefit) / expense	**(328)**	**1,019**

Estimates and assumptions, including uncertainty over income tax treatments

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the Group's belief that its tax return positions are supportable, the Group believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios.

notes to the consolidated financial statements continued

10. INCOME TAX CONTINUED

The Group believes that its accruals for tax liabilities are materially adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. No material uncertain tax positions exist as at 31 December 2024. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

11. EARNINGS PER SHARE

The Group reports basic and diluted earnings per common share. Basic earnings per share is calculated by dividing the profit attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit attributable to common shareholders by the weighted average number of common shares outstanding, taking into account the effects of all potential dilutive common shares, including options.

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Loss for the year attributable to the owners of the company	(6,141)	(12,742)
Weighted average number of shares	456,953,855	444,825,531
Basic and diluted loss per share ($)	**(0.013)**	**(0.029)**
Profit / (loss) attributable to the owners of the company	(6,141)	(12,742)
Weighted average number of shares	456,953,855	444,825,531
Dilutive effect of share options	-	-
Weighted average number of diluted shares	**456,953,855**	**444,825,531**
Diluted earnings per share	**(0.013)**	**(0.029)**

Share Placement

On 01 July 2024, Devolver successfully placed 23,917,151 new common shares at a price of 33 pence per share, representing a 10% premium to the closing price on the placement launch date. The gross proceeds from the placing amounted to approximately £7.9 million (USD $10 million), with the newly issued shares representing approximately 5.4% of the Company's issued and outstanding share capital. Following admission of the Placing Shares to trading on AIM on or around 5 July 2024, Devolver's total issued share capital increased to 468,749,592 common shares.

Transfer of Treasury Shares

As part of the acquisition of System Era Softworks Inc., Devolver Digital transferred 5,750,650 treasury shares to satisfy the initial share consideration. These shares were subject to a 12-month holdback period following completion of the acquisition.

Following this transfer, Devolver's issued and outstanding share capital stands at 474,500,242 shares, excluding 28,917,825 shares held in treasury.

12. ADJUSTED EBITDA AND ADJUSTED GROSS PROFIT

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Operating loss	(7,168)	(13,008)
Share-based payment expense	3,511	5,528
Amortisation of purchased intellectual property	7,497	3,918
Depreciation of property, plant and equipment	155	150
Depreciation of ROU asset	220	36
Loss / (gain) on foreign exchange differences	(141)	9
Non-recurring, one-time expenses	710	2,589
Impairment of capitalised software development costs	-	320
Present value adjustment	251	-
Other taxes	48	-
Adjusted EBITDA	**5,083**	**(458)**
Released title capitalised development cost impairments	4,527	2,135
Adjusted EBITDA before performance-related impairments	**9,610**	**1,677**

Adjusted EBITDA is not a defined performance measure in IFRS. The Group's definition of Adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Gross profit	**30,065**	**24,518**
Gross profit margin	28.7%	26.5%
Performance-related impairments	4,527	2,455
Adjusted Gross profit (before performance related impairments)	**34,592**	**26,973**
Adjusted Gross profit margin (before performance related impairments)	33.0%	29.2%

Adjusted Gross Profit adds back the impairment of Software development costs in relation to under-performing released games and cancelled unreleased games, charged to cost of sales in the Consolidated Statement of Profit or Loss.

notes to the consolidated financial statements continued

13. INTANGIBLE ASSETS

	Purchased intellectual property $'000	Royalty rights $'000	Software development costs $'000	Subtotal other intangible assets $'000	Goodwill $'000	Total $'000
Cost:						
As at 31 December 2022	59,817	-	94,037	153,854	66,820	220,674
Additions	–	–	27,883	27,883	–	27,883
Additions – business combinations	20,142	-	-	20,142	12,810	32,952
Disposals	–	-	–			-
As at 31 December 2023	79,959	-	121,920	201,879	79,630	281,509
Additions	-	-	32,789	32,789	-	32,789
Disposals	-	-	-	-	-	-
Fair value adjustment	-	-	-	-	(61)	(61)
As at 31 December 2024	**79,959**		**154,709**	**234,668**	**79,569**	**314,237**
Amortisation and impairment:						
As at 31 December 2022	34,035	-	53,901	87,936	47,667	135,603
Amortisation charge for the period	3,918	–	11,634	15,552	–	15,552
Impairment charge for the period	-	-	2,455	2,455	-	2,455
Disposals	–	-	–	-	–	-
As at 31 December 2023	**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	**45,450**	**-**	**89,881**	**135,331**	**47,667**	**182,998**
Carrying amount:						
As at 31 December 2022	25,782	–	40.136	65,918	19,153	85,071
As at 31 December 2023	42,006	–	53,930	95,936	31,963	127,899
As at 31 December 2024	**34,509**	**-**	**64,828**	**99,337**	**31,902**	**131,239**

Purchased intellectual property relates to the intellectual property rights to certain games. The intellectual property is considered to have a useful life of 5 to 10 years and is amortised on a straight-line basis over the useful life. The intellectual property is assessed for impairment at least annually, or more frequently if there are indicators of impairment. A formal impairment review is only undertaken if there are indicators of impairment. Any impairment is recognised immediately within operating expenses in the Consolidated Statement of Profit and Loss.

Software development costs relate to amounts paid to external developers, subcontracted development and production costs such as quality assurance, localisation and porting, and the direct payroll costs of the internal development teams. Amortisation of software development costs commences upon release of the game , or for post-release costs, when the relevant revenue generating asset or significant product enhancements ,and is recognised within cost of sales in the Consolidated Statement of Profit and Loss. Included within software development costs is $46.5 million (31 December 2023: $31.9 million) relating to intangible assets under construction for which amortisation has not yet commenced.

notes to the consolidated financial statements continued

14. IMPAIRMENTS

The Group tests intangible assets for impairments at the end of each reporting period, considering both qualitative and quantitative factors, if there is any indication of impairment, or annually (irrespective of whether there is an indication of impairment) for goodwill, where the asset has an indefinite useful life or where the asset is not yet available for use.

The Group estimates the asset's or CGU's recoverable amount as the higher of the fair value less costs of disposal and value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For the purposes of impairment testing, goodwill and intangibles (software development costs and purchased intellectual property) have been allocated to the Group's CGUs as below:

	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Goodwill		
Game development & publishing (US)	12,456	12,517
Game development (EU)	4,600	4,600
Game development (UK)	1,223	1,223
Game development (US)	13,330	13,330
Game publishing (US)	293	293
	31,902	**31,963**
Software development costs		
Game publishing (US)	37,702	35,207
Game development & publishing (UK)	3,480	2,070
Game publishing (EU)	9,477	8,076
Game development & publishing (US)	9,252	1,011
Game development (EU)	4,050	5,630
Game development (UK)	867	1,936
	64,828	**53,930**
Purchased intellectual property		
Game publishing (US)	122	307
Game development & publishing (UK)	7,800	9,629
Game publishing (EU)	577	658
Game development & publishing (US)	16,568	19,660
Game development (EU)	7,228	8,991
Game development (UK)	301	423
Game development (US)	1,913	2,338
	34,509	**42,006**

In assessing value in use, the Group prepares cash flow forecasts for each asset or CGU reflecting management's estimations of future performance and these are based, where applicable, on historical performance. Key assumptions on which these forecasts are based include future title release cadence, title revenue generation and decay curves, costs associated with the title releases, operation of the CGUs as applicable and long term growth rates. The cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the cost of capital, market risk premiums and the risk premiums specific to the asset or CGU.

At the end of 2024 the Group recorded an impairment of $4.5 million (2023: $2.5 million) against software development costs, $nil (2023: $nil) against purchased intellectual property and $nil (2023: $nil) against goodwill.

Impairment to goodwill

The Group recorded an impairment of $nil (2023: $nil million) against the carrying value of goodwill at 31 December 2024.

Future cash flows of the CGUs were estimated and discounted to derive a cash-free, debt-free valuation. Cash flows are based on the management approved budget for the next financial year, studio development roadmaps and medium-term title release cycle assumptions, and a growth rate of 2.0% applied to determine the terminal value. The valuations were compared against the book value of assets and liabilities at the reporting date to determine the implied goodwill. Pre-tax discount rates applied ranged from 21% to 32%. The discount rate calculation is based on the specific circumstances of the Group and its CGUs and is derived from its weighted average cost of capital ("WACC").

If a 1% increase in discount rates were applied to this principal assumption across all rates used within the range, the impairment would be $1.5 million. A 1% decrease in forecasted revenues or profit margin applied to this principal assumption would result in impairment of $0.1 million.

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 $4.5 million (2023: $2.5 million) against the carrying value of software development costs at 31 December 2024.

The majority of this impairment related to titles whose revenue profiles have differed materially from the Group's portfolio amortisation policy. As a result of lower than expected sales and future projections, these titles were impaired to their recoverable amounts, being value in use. The pre-tax discount rate applied to these titles was 21.7%. The discount rate calculation is based on the specific circumstances of the Group and its CGUs and is derived from its WACC.

A 1% increase in the discount rate would not result in an impairment. Conversely, a 1% decrease in forecast revenues applied to the key assumptions would lead to an impairment increase of less than $0.1 million.

notes to the consolidated financial statements continued

14. IMPAIRMENTS CONTINUED

Impairment to purchased intellectual property ("PIP")

The Group recorded an impairment of $nil (2023: $nil) against the carrying value of PIP at 31 December 2024.

PIP assets relate to both historic back catalogue portfolios and specific titles in development at the time of acquisition of subsidiaries and they were assessed for any indicators of impairment, considering both qualitative and quantitative factors. For the PIP exhibiting indicators of impairment, the Group prepared a cash flow forecast reflecting management's expectations for the future performance of titles relating to the PIP.

Pre-tax discount rates applied ranged from 26% to 41%. The discount rate calculation is based on the specific circumstances of the Group and its CGUs and is derived from its weighted average cost of capital ("WACC"). The analysis indicated that the discounted future cash flows support the current carrying value of the PIP, and therefore no impairment was recognised.

In the event of a 1% increase in the discount rate or a 1% decrease in forecast revenues applied to the principal assumptions, there would be no resulting impairment.

15. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment $'000	Total $'000
Cost:		
As at 31 December 2022	482	482
Additions	51	51
Business acquisitions	191	191
As at 31 December 2023	724	724
Additions	68	68
Disposals	(17)	(17)
As at 31 December 2024	**775**	**775**
Depreciation and impairment:		
As at 31 December 2022	308	308
Charge for the period	150	150
As at 31 December 2023	458	458
Charge for the period	155	155
As at 31 December 2024	**613**	**613**
Carrying amount:		
As at 31 December 2022	**174**	**174**
As at 31 December 2023	**266**	**266**
As at 31 December 2024	**162**	**162**

Depreciation and impairment of property, plant and equipment is recognised within administrative expenses in the Consolidated Statement of Profit and Loss.

16. RIGHT OF USE ASSET

	Office leases $'000	Total $'000
Cost:		
As at 31 December 2022	-	-
Business acquisitions	989	989
As at 31 December 2023	989	989
Lease additions	234	234
As at 31 December 2024	**1,223**	**1,223**
Depreciation and impairment:		
As at 31 December 2022	-	-
Charge for the period	36	36
As at 31 December 2023	36	36
Charge for the period	220	220
As at 31 December 2024	**256**	**256**
Carrying amount:		
As at 31 December 2022	-	-
As at 31 December 2023	953	953
As at 31 December 2024	**967**	**967**
Liability:		
As at 31 December 2022	-	-
Business acquisitions	1,050	1,050
Interest	28	28
Repayments	(50)	(50)
As at 31 December 2023	**1,028**	**1,028**
Additions	234	234
Interest	151	151
Repayments	(309)	(309)
As at 31 December 2024	**1,104**	**1,104**
Due in less than one year	228	155
Due in greater than one year	876	873
	1,104	**1,028**

The Group has one office lease acquired during the year. The lease term runs to November 2029. The depreciation expense recognised in profit and loss is shown in Note 8 and the interest expense is shown in Note 9. There are no variable lease payments.

notes to the consolidated financial statements continued

16. RIGHT OF USE ASSET CONTINUED

The minimum contractual lease payments (comprising principal and interest) that are outstanding are as follows:

	As at December 2024 $'000	As at December 2023 $'000
Due in less than one year	414	316
Due in more than one year and less than five years	1,155	1,080
	1,569	**1,396**

17. TRADE AND OTHER RECEIVABLES

	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Trade receivables	1,538	695
Accrued income	12,862	11,867
Prepaid and other current assets	874	1,119
Loans and deposits	868	62
VAT and other taxes recoverable	713	35
Total trade and other receivables	**16,855**	**13,778**

Accrued income predominantly relates to platform and subscription deal revenue, where performance obligations have been satisfied but payment is yet to be received.

All of the trade receivables were non-interest bearing, and are receivable under normal commercial terms. The Group considers that the carrying value of trade and other receivables approximates to be their fair value. The Group has assessed the credit risk of its financial assets measured at amortised cost and has determined that the loss allowance for expected credit losses of those assets is immaterial to the figures recorded in the Annual Report.

18. CASH AND CASH EQUIVALENTS

	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Cash at bank and in hand	**41,645**	**40,424**

19. TRADE AND OTHER PAYABLES

	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Amounts due within one year:		
Trade payables	3,516	7,145
Accruals	12,853	9,082
Deferred consideration	8	2,500
Taxation and social security	3,576	5,730
Total trade and other payables	**19,953**	**24,457**
Amounts due in greater than one year:		
Contingent consideration	1,391	1,434
Deferred consideration	9,178	8,927
Total trade and other payables	**10,569**	**10,361**

Accruals predominantly relate to royalties owed to developers based on current sales, where payment is yet to be made.

notes to the consolidated financial statements continued

20. FINANCIAL RISK MANAGEMENT

The Group's financial instruments at the reporting dates mainly comprise cash and various items arising directly from its operations, such as trade and other receivables and trade and other payables.

The balances at 31 December 2023 have been restated to reflect only contractual cash flows within financial assets and liabilities. Refer to Note 2 for further details.

(a) Risk management policies

The Group's Directors are responsible for overviewing capital resources and maintaining efficient capital flow, together with managing the Group's market, liquidity, foreign exchange, interest, and credit risk exposures.

(b) Financial assets and liabilities

Financial assets and liabilities analysed by the categories were as follows:

	As at 31 December 2024 $'000	As at 31 December 2023 Restated $'000
Financial assets at amortised cost:		
Trade and other receivables	15,268	12,624
Long-term investments	-	428
Short-term investments	464	1,799
Cash and cash equivalents	41,645	40,424
Total	**57,377**	**55,275**
Financial liabilities at amortised cost:		
Trade and other payables	15,910	16,016
Lease liabilities	1,104	1,028
Deferred consideration	9,186	11,427
Total	**26,200**	**28,471**
Financial liabilities at fair value through profit or loss:		
Contingent consideration	1,391	1,434

Fair values of financial assets and liabilities

The Group measures financial instruments at fair value and they are classified into the following hierarchy:

- Level 1 – Quoted prices in active markets.
- Level 2 – When quoted prices are not available, fair value is based on observable market data.
- Level 3 – Inputs are not based on observable market data.

The assumptions applied in determining the fair value level of the financial instruments held by the Group are detailed below:

The carrying value of all financial instruments at amortised cost is not materially different from their fair value. Cash and cash equivalents attract floating interest rates. Accordingly, their carrying amounts are considered to approximate to fair value.

The following summarises the quantitative information about the Group's Level 3 fair value measurements:

Contingent consideration outstanding as of 31 December 2024 is made up of two components; firstly, based on the exercise price of a cohort of share option grants which, when exercised, become payable as cash to the sellers of one of the Group's acquired subsidiaries. Accordingly, the fair value of the contingent consideration is based on the exercise price of these share options. Fluctuation in the valuation of the contingent consideration, outside of the consideration crystallising, is due to the exercise prices being denominated in GBP and translated into the Group's reporting currency, and any changes in the estimate of the number of options that will be exercised.

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

	Contingent consideration $'000
Balance at 1 January 2023	**1,434**
Unrealised fair value changes recognised in profit or loss	(43)
Balance at 31 December 2024	**1,391**

(c) Credit risk

Credit risk is the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. Maximum credit risk at the reporting dates was as follows:

	As at 31 December 2024 $'000	As at 31 December 2023 Restated $'000
Current trade and other receivables	15,268	12,624
Long-term investments	-	428
Short-term investments	464	1,799
Cash and cash equivalents	41,645	40,424
Total	**57,377**	**55,275**

Before accepting a new customer, the Group assesses both the potential customer's credit quality and risk. Customer contracts are drafted to reduce any potential credit risk to the Group. Where appropriate the customer's recent financial statements are reviewed. The Group advances royalties to developers, giving rise to an asset, recorded as capitalized software development cost on the balance sheet. The Group is shielded from credit risk because it deducts repayments of those advances from the income received from the distributors, therefore any liquidity or other constraint the developer faces does not impact the recoverability of the prepayment.

notes to the consolidated financial statements continued

20. FINANCIAL RISK MANAGEMENT CONTINUED

Trade receivables are regularly reviewed for impairment loss. The Group has assessed the credit risk of its financial assets measured at amortised cost and has determined that the loss allowance for expected credit losses of those assets is immaterial to the figures recorded in the Annual Report. The Group's exposure to credit losses has historically been very low given the blue chip nature of the customers and there being minimal historical write offs.

Trade receivables from the Group's three largest customers at 31 December 2024 totalled approximately $7.4 million (31 December 2023: three largest customers – $7.8 million).

The credit risk on liquid funds is limited because the material portion of cash is held with counterparties that are banks with high credit-ratings assigned by international or United States credit rating agencies. The Group diversifies risk by utilising multiple banking providers.

The Group is also exposed to credit risk through its investment in bonds and senior unsecured debt instruments. The Group mitigates this risk through investing primarily in investment-grade debt instruments rated by recognized credit rating agencies.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management monitors the level of cash and cash equivalents on a continuous basis to ensure sufficient liquidity to be able to meet the Group's obligations as they fall due.

Contractual cash flows relating to the Group's financial liabilities are as follows:

	As at 31 December 2024 $'000	As at 31 December 2023 Restated $'000
Within one year:		
Trade payables	3,516	7,145
Deferred consideration	8	2,500
Accruals and other payables	12,394	8,871
Lease liabilities*	414	316
	16,332	**18,832**
More than one year:		
Lease liabilities*	1,155	1,080
Deferred consideration	9,178	8,927
Contingent consideration	1,391	1,434
	11,724	**11,441**
Total	**28,056**	**30,273**

* Lease liabilities include principal and interest amounts that are contractually payable.

(e) Interest rate risk

Interest rate risk is the risk that the future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. Interest rates on cash and cash equivalents are low, such that interest rate is minimal.

The Group is also exposed to interest rate risk through its investments in bonds and senior unsecured debt instruments. Fluctuations in interest rates may affect the fair value and yield of these financial assets. To manage this risk, the Group continuously monitors the portfolio's duration and its sensitivity to interest rate movements, and adjusts its investment strategy accordingly to remain within acceptable risk parameters.

(f) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group receives and remits payments in Euros, US Dollars and Pounds and manages this foreign currency risk by utilising natural hedging and

transferring excess balances into USD or GBP at the earliest possible opportunity.

(g) Capital management

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to trade for the foreseeable future. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group considers its capital to include net cash, share capital, share premium and retained earnings.

	As at 31 December 2024 $'000	As at 31 December 2023 Restated $'000
Net cash	41,645	40,424
Total equity	165,235	158,034
Total	**206,880**	**198,458**

notes to the consolidated financial statements continued

21. DEFERRED TAX

	Year ended 31 December 2024 $'000 Business Combinations	Year ended 31 December 2023 $'000 Business Combinations	**Year ended 31 December 2024 $'000 P&L**	Year ended 31 December 2023 $'000 P&L	**As at 31 December 2024 $'000 Balance Sheet**	As at 31 December 2023 $'000 Balance Sheet
Deferred tax (asset) / liability:						
Short term timing differences	-	-	(1,984)	(842)	(2,846)	(862)
Fixed Assets	-	-	24	-	24	-
Development costs, IP and intangibles	-	2,989	(962)	(660)	790	1,752
Potential future share option exercises	-	-	(548)	(580)	(6,123)	(5,575)
Tax losses available for offsetting against future liabilities	-	-	(1,327)	870	(3,908)	(2,581)
Write off of deferred tax asset	-	-	5,045	-	5,045	-
Adjustments in respect of prior years and other	-	-	40	(576)	(536)	(576)
Net deferred tax charge / (benefit) // (asset) / liability	**-**	**2,989**	**288**	**(1,788)**	**(7,554)**	**(7,842)**

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Deferred tax (asset)	(7,554)	(8,101)
Deferred tax liability	-	259
Net deferred tax asset	**(7,554)**	**(7,842)**

The net movement is explained as follows:

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Opening deferred tax asset	(7,842)	(9,043)
Credit to profit or loss	288	(1,788)
Arising on business combinations	-	2,989
Closing deferred tax asset	**(7,554)**	**(7,842)**

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered. During the year, the Group reassessed the recoverability of the deferred tax asset related to Good Shepherd. Given the history of tax losses and updated forecasts indicating that future taxable profits are unlikely to fully support the asset's recognition, the Group derecognised deferred tax assets totalling $5.0 million. Management will continue to monitor forecast projections and will reassess the recognition of deferred tax assets as appropriate

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries, as the earnings are continually reinvested by the Group and as there is no intention for these entities to pay dividends, no tax is expected to be payable on them in the foreseeable future.

notes to the consolidated financial statements continued

22. SHARE-BASED PAYMENTS

The Group operates three share-based plans, the 2017 Equity Incentive Plan ("the Plan"), Restricted Stock Awards ("RSAs") and the 2022 Long Term Incentive Plan ("LTIP"), detailed as follows:

The Share-based expense charge during the year ended 31 December 2024 was $3.5 million (2023: $5.5 million).

Equity Incentive Plan

At 31 December 2024, the Plan has no further authorisation to grant shares of common stock (31 December 2023: nil). Options generally have a ten-year term and vest between two and four years. The fair value of each option award is estimated on the date of grant using the Black-Scholes model. A reconciliation of share option movements is shown below:

	Number of options outstanding	Weighted average exercise price ($)	Number of options exercisable	Weighted average exercise price ($)	Weighted average remaining contractual life (years)
At 31 December 2023	35,552,022	0.465	34,291,939	0.457	6.9
Vested during the period			737,393		
Forfeited during the period	(522,690)	0.687			
At 31 December 2024	35,029,332	0.461	35,029,332	0.461	5.9

Options granted were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations. The fair value per option granted during the periods and the assumptions used in the calculation are as follows:

	Grant date				
	18 January 2020	4 November 2020	21 December 2020	1 April 2021	31 August 2021
Share price at grant date	$0.178	$0.432	$0.432	$0.432	$0.683
Exercise price	$0.178	$0.432	$0.432	$0.432	$0.683
Option life (years)	6.5	6.5	6.5	6.5	6.5
Expected volatility	50.00%	50.00%	50.00%	50.00%	50.00%
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%
Discount rate	0.39%	0.39%	0.39%	0.37%	0.79%
Weighted average fair value per option	$0.086	$0.481	$0.481	$1.500	$1.550

Long Term Incentive Plan

In 2022 the Group implemented a long term incentive plan ("LTIP") following shareholder approval. The Remuneration Committee, made up entirely of Independent Non-Executive Directors, worked with independent consultants Alvarez & Marsal throughout the development of the LTIP.

A 2024 grant was made to team members of the Group with approval from the Remuneration Committee. The grant included Performance Stock Units ("PSUs"), the award of which are, amongst other things, subject to achieving ambitious financial targets, and Restricted Stock Units ("RSUs"), the award of which are, amongst other things, subject to certain performance criteria for management and senior employees. Vesting periods for the awards were three years for PSUs , and for RSUs three years for management and two years for all other employees.

The fair value of the stock units and awards granted is the market price on the grant date. An assumption of 97%-98% vesting has been applied to the Team and Senior RSU grants and an assumption of 49% on the PSU grants awarded to management and senior employees.

notes to the consolidated financial statements continued

22. SHARE-BASED PAYMENTS CONTINUED

A reconciliation of the LTIP grants is as follows:

	Number of share units outstanding
As at 31 December 2023	12,660,065
Granted	8,181,362
Vested	(2,765,095)
Forfeited	(281,115)
Lapsed	(4,903,514)
At 31 December 2024	**12,891,703**

Of the 2.8 million shares vesting, 0.2 million were settled through transfer from the EBT during 2024, 1.1 million were settled through transfer from the EBT during 2025, and the remainder were not issued as a result of net settlement.

23. SHARE CAPITAL

Authorised

	As at 31 December 2024 $'000	As at 31 December 2023 $'000
2,975,000,000 (2023: 2,975,000,000) shares of $0.0001 each	**298**	**298**

Issued and fully paid

	As at 31 December 2024 $'000	As at 31 December 2023 $'000
474,500,242 (2023: 444,832,441) shares of $0.0001 each	**47**	**45**

Treasury shares

	As at 31 December 2024 $'000	As at 31 December 2023 $'000
49,094,225 (2023: 54,858,809) shares of $0.0001 each	**5**	**5**

Share placement

On 1 July 2024, Devolver successfully placed 23,917,151 new common shares at a price of 33 pence per share, representing a 10% premium to the closing price on the placement launch date. The gross proceeds from the placing amounted to approximately £7.9 million (USD $10 million), with the newly issued shares representing approximately 5.4% of the Company's issued and outstanding share capital. Following admission of the Placing Shares to trading on AIM on or around 5 July 2024, Devolver's total issued share capital increased to 468,749,592 common shares.

Transfer of Treasury Shares

As part of the acquisition of System Era Softworks Inc., Devolver Digital transferred 5,750,650 treasury shares to satisfy the initial share consideration. These shares were subject to a 12-month holdback period following completion of the acquisition.

Following this transfer, Devolver's issued and outstanding share capital stands at 474,500,242 shares, excluding 28,917,825 shares held in treasury.

The Group entered into share repurchase transactions to purchase (via the Employee Benefit Trust) 259,662 shares of $0.0001 each. These have been taken into the Capital Redemption Reserve in equity. 226,316 shares were transferred out of the EBT to satisfy share option exercises and stock unit vesting.

Each share entitles the holder to one vote at general meetings of the company, to participate in dividends and to share in the proceeds of any winding up of the company.

notes to the consolidated financial statements continued

24. SUBSIDIARIES

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest and voting rights held
ABEST d.o.o.	Video game development	Croatia	100%
Gambitious B.V.	Video game publishing	Netherlands	100%
GS Capital B.V.	Video game publishing	Netherlands	95%
GSE USA, LLC	Support services	USA	100%
Artificer Games SP. z.o.o.	Video game development	Poland	85%
Nerial Limited	Video game development	UK	100%
Firefly Studios Limited	Video game development and publishing	UK	100%
Firefly Holdings Limited	Video game development and publishing	UK	100%
Firefly Studios Inc	Video game development and publishing	USA	100%
Dodge Roll LLC	IP Licensing	USA	100%
Devolver Digital Games Limited	Support services	UK	100%
Devolver Digital France SAS	Support services	France	100%
Devolver Digital Merger Sub Inc	Dormant	USA	100%
Devolver Digital Canada Limited	Support services	Canada	100%
System Era Softworks Inc	Video game development and publishing	USA	100%
System Era Softworks Canada Inc	Support services	Canada	100%

No subsidiary undertakings have been excluded from the consolidation.

25. ACQUISITIONS

The following acquisitions occurred during the year ended 31 December 2023. There were no acquisitions during the year ended 31 December 2024.

If the acquisitions had occurred on 1 January 2023, the full year pro forma contribution to revenue would have been $6.2 million and the full year pro forma contribution to profit after tax would have been $2.0 million.

Doinksoft

On 10 January 2023, the Group acquired the IP, assets and development team of Doinksoft, LLC, a small development studio based in Oregon, United States.

The goodwill of $0.3 million represents the expected synergies from the ability to access intangible assets such as acquired workforce and growth opportunities.

Consideration comprised $0.6 million cash.

Acquisition related costs of less than $0.1 million have been recognised in profit or loss.

notes to the consolidated financial statements continued

The fair value of the identifiable assets acquired, and liabilities assumed at the date of acquisition were:

	$'000
Intangible assets (IP)	307
Total	**307**
Goodwill	293
	600

	$'000
Consideration:	
Cash	600
Total	**600**

System Era Softworks ("SES")

On 31 October 2023, the Group acquired 100% of the share capital of System Era Softworks Inc, a company registered in the United States of America, and 100% of the share capital of System Era Softworks Canada Inc, a company registered in Canada. The System Era Softworks companies (together "System Era") are video games developers specialising in Expandable Games and strategically the acquisition enables the Group to expand its core product offering into this area.

The purchase has been accounted for as a business combination under the acquisition method in accordance with IFRS 3. The audited consolidated financial statements include the results of System Era for the period from the acquisition date.

In calculating goodwill arising from the acquisition, the fair value of net assets acquired was assessed and no material adjustments from book value were made to existing assets and liabilities. The Group recognized a number of separately identifiable intangible assets as part of the acquisition.

The goodwill of $12.5 million represents the expected synergies from the ability to access intangible assets such as acquired workforce and growth opportunities.

Consideration for the acquisition comprises an initial $23.6 million cash with further deferred cash and share consideration to a current fair value of $35.0 million. The consideration allocation is set out in the table below. Consideration relating to the earnout of up to $8.0 million based on achievement of ambitious financial targets has a current fair value of $nil, since the financial targets are not currently forecast to be achieved; further details can be found in Note 3. Acquisition related costs of $1.5 million have been recognised in the profit and loss account.

The acquired business contributed revenues of $1.0 million and profit after tax of $0.1 million for the two month period from acquisition until the end of the financial year.

The fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition were:

	$'000
Intangible assets (IP)	19,834
Property, plant and equipment	191
Right of use asset	989
Trade and other receivables	452
Tax asset	702
Cash	6,493
Lease liability	(1,050)
Trade and other payables	(2,115)
Tax payable	(8)
Deferred tax liability	(2,989)
Total	**22,499**
Goodwill	12,517
	35,016

	$'000
Consideration:	
Initial cash	23,589
Deferred cash	5,695
Deferred shares	5,732
Total	**35,016**

At the date of the acquisition, the carrying amount of trade and other receivables was $0.5 million, all of which was expected to be collectible in the short-term. As such, there was no difference between the carrying amount and fair value of trade and other receivables at the date of acquisition.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right of use assets were measured at an amount equal to the lease liabilities.

notes to the consolidated financial statements continued

26. RELATED PARTY TRANSACTIONS

Ultimate controlling party

At 31 December 2024 there was not considered to be a single ultimate controlling party at Devolver Digital Inc.

Transactions with related parties

During the year ended 31 December 2024, a close family member of the CEO undertook an internship with the company. The total remuneration paid for this internship amounted to $5,571.

No other transactions with related parties occurred during the year ended 31 December 2024.

Transactions with key management personnel

The key management personnel of the Group are deemed to be the board of directors and details of their aggregate renumeration can be found in Note 7.

27. POST BALANCE SHEET EVENTS

There were no post balance sheet events.

other information

company and shareholder information

Company information

Websites
www.devolverdigital.com/
https://investors.devolverdigital.com/

Registered office
251 Little Falls Drive

Wilmington
New Castle County
Delaware 19808
USA

Registered number
Delaware corporation number 4524543

Country of incorporation and main country of operation
The Company is a US corporation incorporated under the laws of the State of Delaware.

There are a number of differences between the corporate structure of the Company as a Delaware corporation and that of a public limited company incorporated in England under the Companies Act. Certain provisions have been incorporated into the Certificate of Incorporation and Bylaws of the Company to provide rights to shareholders that are not conferred by the provisions of the Delaware General Corporation Law, but which the Company believes shareholders would expect to see in a company whose shares are admitted to trading on AIM to the extent such practices are enforceable under Delaware law.

Company Secretary
Brian Chadwick

Nominated advisor and broker
Zeus Capital Limited
82 King Street
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M2 4WQ
United Kingdom

Joint broker
Panmure Liberum Ltd
25 Ropemaker Street
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EC2Y 9LY
United Kingdom

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200 Aldersgate
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United Kingdom

Shareholder information

Registrar
Computershare Investor Services (Jersey) Limited
13 Castle Street
St. Helier
JE1 1ES
Jersey
Channel Islands

Shareholder enquiries
Any enquiries concerning your shareholding should be addressed to the Group's registrar. The registrar should be notified promptly of any change in a shareholder's address or other details.

For assistance and for services relating to your holding please register / login to Investor Centre: www.investorcentre.co.uk

Or call / email our shareholder helpline:

+44 (0370) 707 4040
info@computershare.co.je

Shareholder security
Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount, or offers of free reports about the Group. Details of any share dealing facilities that the Group endorses will be included in Group mailings or on our website. More detailed information can be found at www.moneyadviceservice.org.uk.

You can find out more information about investment scams, how to protect yourself and report any suspicious telephone calls to the Financial Conduct Authority (FCA) by visiting its website (www.fca.org.uk/scamsmart/resources) or contacting the FCA on 0800 111 6768.

Share price information
London Stock Exchange Alternative Investment Market (AIM) symbol: DEVO.

Information on the Group's share price is available on the Devolver investor relations website at https://investors.devolverdigital.com/investor-centre/share-price-tools/

Investor relations
https://investors.devolverdigital.com

Skate Story

glossary

AAA games
informal classification of video games developed, produced and / or distributed by major international video games publishers, created with a large budget

Back catalogue
titles released by Devolver in periods prior to the current financial year

Black-Scholes model
the Black-Scholes model is a methodology used to estimate the theoretical value of derivatives and other investment instruments, taking into account the impact of time and other risk factors

Cloud gaming
a type of game or platform which runs games on a remote server and streams the game directly to the user's device

Company / Devolver
Devolver Digital, Inc. and as the context shall so admit, means that entity and / or all or some of the members of its Group and / or any of their respective businesses from time to time

Definitive Edition (DE)
a version of a video game that includes the base game along with all previously released downloadable content (DLC) and often includes additional features or improvements, such as enhanced graphics or gameplay adjustments

Depositary Interests
UK-registered securities which represent rights to underlying foreign securities

Digital distribution
electronic distribution and sale of video games and related content

DLCs
downloadable content, being digitally distributed additional content for already released video games. It can be downloaded for no additional cost or it may be a form of video game monetisation

Expandable Games
Premium games designed to stay relevant and engaging long after release, through timeless design and a steady flow of both paid and free content, keeping the community active and attracting new players

First-party IP
intellectual property that is owned and developed by Devolver

Franchise
a collection of related games in which several derivative works have been produced following an original game

Games-as-a-service or GaaS
a business model whereby games receive significant developer post-release support, including multiplayer hosting, community management, post-release patching, game fixes, downloadable content and expansions

Indie
an informal classification typically given to games developed by smaller development teams. The indie game style is considered to be accessible to a wider audience due to its lower price-point and simpler gameplay compared to AAA-rated games

IP
intellectual property

Own-IP
includes first-and second-party IP

PDLC (Paid Downloadable Content)
Downloadable content (DLC) that is available for purchase. PDLC can include extra levels, characters, skins, or other content that enhances the original game

Physical distribution
physical distribution and sale of video games and related content

Pipeline
future titles in the Group's pipeline as at the date of this document

Premium game
games which are not free to play

QCA
the Quoted Companies Alliance

QCA Code
the Corporate Governance Code 2018 published by the QCA

Return on investment
a financial metric based on an investment's lifetime total revenues as a percentage of its total costs (comprising development costs, royalties and other publishing costs such as porting, localisation, quality assurance and engine licensing)

Second-party IP
IP that is owned, but not developed in-house by Devolver

Shareholder
a holder of Shares or, as applicable, a holder of Depositary Interests

Shares
shares of the Company's common stock, par value $0.0001 each in the capital of the Company, and, where the context requires, any Depositary Interests representing any shares of such common stock from time to time

Staff or Team members
full-time and part-time employees and independent contractors together

Steam
a video game digital distribution service

Team members
see Staff

Third-party IP
IP that is not owned or developed by Devolver. The Group typically enters into a commercial contract to publish third-party IP on behalf of developers

Treasury Shares
shares in issue as at 31 December 2023 which are held by the Group (either the Company or Employee Benefit Trust ("EBT") in treasury

Twitch
an interactive live streaming service, with a focus on video game streaming

Astroneer

Design and production:
CBG:together
cbgtogether.com

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